# SENATE—*Thursday, October 4, 1990*

*(Legislative day of Tuesday, October 2, 1990)*

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the Honorable DANIEL K. AKAKA, a Senator from the State of Hawaii.

## PRAYER

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

Let us pray:

*Is any thing too hard for the Lord?* * * *—Genesis 18:14.

Dear God, this question directed to Abraham, Father of the faithful, is always relevant but especially at this critical time in our Nation. The magnitude of the issues, domestic and foreign, which the 101st Congress faces in its closing days, transcends imagination.

Omnicient, omnipresent, omnipotent Lord of the macrocosm and the microcosm, help us to walk in the light of Thy truth. Thou art the alpha and the omega. Thou knowest the end from the beginning and beyond to infinity both ways. Thou knowest the condition of our Nation, the nature and measure of the crises—moral, spiritual, and economic. Grant to the U.S. Senate and the leadership of the Nation wisdom beyond their knowledge and experience that they may be abundantly equipped in responding to the cosmic needs confronting them. Help us to understand that we are most independent when we are most dependent upon Thee.

We ask this in His name in whom dwells all power in Heaven and on Earth. 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 assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
*Washington, DC, October 4, 1990.*

*To the Senate:*

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DANIEL K. AKAKA, a Senator from the State of Hawaii, to perform the duties of the Chair.

ROBERT C. BYRD,
*President pro tempore.*

Mr. AKAKA 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.

## SCHEDULE

Mr. MITCHELL. Mr. President, today following the time for the two leaders, there will be a period for morning business not to extend beyond 1 p.m., with Senators permitted to speak therein for up to 5 minutes each.

The pending business at 1 p.m. will remain the motion to proceed to S. 3037, the money laundering bill. As there is such broad support for this measure in the Senate, it is my hope that some agreement can be reached on this measure and that the Senate can proceed to consider, debate, and vote on this bill.

## DEVELOPMENTS IN EUROPE: CONVENTIONAL FORCES AGREEMENT, THE UNIFICATION OF GERMANY

Mr. MITCHELL. Mr. President, the announcement by Secretary Baker and Foreign Minister Shevardnadze that an agreement has been reached on the Conventional Forces in Europe Treaty is welcome news. While the details of the agreement reached in New York have not yet been released, it appears that the two sides have satisfactorily resolved the major outstanding issues, making it possible for the treaty itself to be ready for signature in November.

When the Senate receives the treaty for advice and consent early next year, I hope there will be early and enthusiastic approval.

The CFE Treaty is highly significant. In conjunction with the dramatic political changes occurring throughout Europe, it will serve to transform the political and military landscape of the postwar world. For nearly half a century the most powerful military forces ever assembled faced each other poised for war. Now those forces will be reduced, armaments will be destroyed, the dangers of imminent conflict will diminish, and the basis for new order and security will be firmly established.

Resolving the outstanding CFE issues on the same day on which German unification occurred makes yesterday, October 3, 1990, an important watershed in the evolution of European politics and, indeed, of world history. The Federal Republic of Germany is now the government of all Germany. The former Communist state of East Germany has ceased to exist. It will not be missed.

Like many of my colleagues, I have visited Germany in the past year and have spoken with many of the individuals, from all sides of the political spectrum, who made this historic day possible. I particularly remember the account of one of the leaders of last November's peaceful revolution in East Germany, who told me that having spent his entire life trying to work within and reform the system in the East, he could no longer counsel his children to stay in East Germany. There was no hope for a better future under the old regime. He then became active in seeking that regime's end. Hundreds of similar courageous decisions by ordinary people, fed up with living under authoritarianism and state repression, have made this day possible. They are as responsible for this moment as anyone.

The achievement of a free, democratic, and united Germany—like the achievement of agreement on the reduction of conventional armaments—is a tremendous victory for the policies pursued by the United States and the Western Alliance since the end of World War II. More than once our resolve was tested, our commitment to a free Berlin and a free Germany was challenged, our ability to stay for the long haul was doubted. But the American people never wavered in their commitment to freedom and democracy in Europe. That commitment has now been rewarded, as a united Germany takes its place in the community of democratic nations.

The notion that we would be today acknowledging the unification of Germany would have seemed preposterous even a year ago. It might even have seemed unlikely 6 months ago. But the processes of change and reform set in motion last November, symbolized by the opening of the Berlin wall, accelerated rapidly, bringing us to the histor-

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

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ic developments we have witnessed in the past 2 days. We have entered an era when history has speeded up, when the normal accounting units of time cannot capture the speed and the significance of events as they unfold. Faced with this dramatic pace of change, we must take special efforts to look forward, not backward, and to focus our common energies on the challenges of the future, not the legacies of the past.

The unification of Germany occurs against a backdrop of enormous change in East and Central Europe—and in the Soviet Union as well. These events are linked. German unification could not have happened so fast or so peacefully were it not for the simultaneous transitions to democracy occurring elsewhere in Europe. The long struggle by the brave men and women of Solidarity in Poland, the "Velvet Revolution" in Czechoslovakia, democratic elections and reforms in Hungary and the continuing efforts at reform in the Soviet Union all contributed to this dramatic moment in German history.

German unification could not have occurred if the leadership of the Soviet Union had not recognized that its continued effort to control Eastern Europe could not be sustained, and that the future lies in the voluntary association of free peoples, not in empires imposed and sustained by force.

Thus it can truly be said that we celebrate not only the unification of Germany, but also the democratic transition throughout Europe. It is because the unification of Germany takes place in the context of these larger political events that we can celebrate not only for the Germans, but also for all the people of Eastern Europe for whom the prospect of liberty and democracy are now more real than they have been at any time for 50 years.

German unity also takes place within the context of increasing unity in West Europe as well. As the European Community progresses toward a single market in the next 2 years, the critical role played in that process by Germany will be increasingly significant. Likewise, the political and security arrangements in Europe are changing in light of the developments of the past year and the outcome of the arms control negotiations. NATO will change its orientation and many of its functions as the Conventional Forces Agreement is implemented. Other institutions, such as the Conference on Security and Cooperation in Europe, will take on new and more important roles.

Within this changing context, the relationship of the United States and the uniting Europe will also undergo a transformation. This should be a transformation toward an even closer relationship, one founded not only on shared political interests and security concerns, but also on shared visions of the future, shared commitments to shaping the new Europe and a new century of peace on the European continent. The cooperation of the United States and Europe—all of Europe—must include not only working to consolidate the democratic victories in Europe itself, but must expand across the spectrum of global problems urgently needing solutions, such as poverty, environmental deterioration, regional conflicts, and the spread of weapons of mass destruction.

It is with this bright and exciting future in mind, I believe, that Americans have embraced enthusiastically the prospect of a united Germany. A united Germany is more than a vindication of American policy, American commitments, and American steadfastness for nearly half a century. It is also one element of the evolving Europe which provides opportunities for even greater progress in the future.

Through cooperation and common partnership, the United States and Europe can help shape the next century, turning it into a stark contrast between the century past. A century not for conflict and bloodshed on the European continent, as this century has been, but a century of cooperation, progress, development, and peace worldwide.

On Tuesday of this week the Senate Foreign Relations Committee voted favorably on the treaty on the final settlement with Germany. This treaty will be available for consideration in the Senate prior to our adjournment later this month. I believe it is only fitting that the Senate approve this treaty for ratification as soon as possible, thereby making the United States the first of the four victorious powers of World War II to acknowledge officially the end of that war's legacy and the beginning of the new era. The CFE Agreement will be the next concrete step in building that new era.

As was the case with the treaty on Germany and the CFE Treaty, the United States and Europe will address the future in partnership, confident that, having overcome the Berlin Wall and the division of Europe no challenge in the future will prevent us from being able to build together a world of freedom, human dignity, progress, and peace.

## RESERVATION OF REPUBLICAN LEADER'S TIME

Mr. MITCHELL. Mr. President, I reserve the leader time of the distinguished Republican leader.

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

Mr. MOYNIHAN addressed the Chair.

## 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 1 p.m. with Senators permitted to speak therein for not to exceed 5 minutes each.

The Senator from New York is recognized.

Mr. MOYNIHAN. I thank the distinguished Presiding Officer.

## THE REMARKS OF THE MAJORITY LEADER

Mr. MOYNIHAN. Mr. President, I would like to associate myself with the remarks of the majority leader both on the unification of Germany and the agreement announced in New York about the conventional forces agreement.

It was just 40 years ago I was first in Germany as a young ensign called back from the Korean war—Bremerhaven—Brahme, Hamburg, Berlin. I surely did not think then that I would be alive in 1990, or in 1989, to see the extraordinary events in Berlin and Germany as we did in all of Europe. As we struggle with some of our problems here, it might do well to realize what extraordinary things thought impossible were done in matters of weeks, and days even, in Europe in the last 18 months and more.

## THE BUDGET SUMMIT AGREEMENT

Mr. MOYNIHAN. Mr. President, I rise to speak to the question of the budget summit agreement and to announce that tomorrow on the debt ceiling I will offer an amendment to return Social Security to a pay-as-you-go basis. Now that we have a large surplus in the trust fund—and a clear determination on the part of the administration to use the continuing surpluses as if they were general revenues, a great breach of trust—my proposal to return to our original pay-as-you-go basis seems to me to be enhanced.

A moment of background, Mr. President: On March 1, 1989, the National Economic Commission made its report to the President. It said that he had a serious budget deficit problem. We gave him the numbers for the year 1991—a deficit of $289 billion. And we learned on Sunday it is $289 billion. We were exactly on the mark. Next year, we said, it will be $292 billion. The budget summit thinks it will be $294 billion. We were close. It does not matter if were exactly on the mark. We said you will have a $300 billion deficit as far as the eye can see if we do not balance the current operating budget, and use the Social Security re-

serve to buy down the privately held debt.

The Democratic members said,

> do not suppose that, if this does not happen, we are going to allow a surplus in a payroll pension contribution to be used to pay the interest on a $3 trillion debt.

The Democratic Party risks its soul if it lets the moneys collected from the first dollar of every waitress, every working wage earner, and every person in this country, pay the interest of people who own million-dollar Treasury bonds. That is what the budget summit proposes to do—on a permanent basis. Mr. President, I think the Senate is going to have to vote.

I will make the proposal to cut the Social Security tax rate over a period of 6 years. Beginning next January 1, 132 million wage earners will have an immediate increase in take-home pay. At the end of the transition period, a two-earner family will have an increase in yearly income of up to $1,544. Not a lot, some would say, but enough, Mr. President, finally to return median family income in constant dollars to the level of 1973. We were, in 1989, still $452 short of the 1973 level. We have had 17 years in which the average family has had no increase in the real earnings. There has been no other such period in the history of the American republic.

Returning to the traditional pay-as-you-go basis will in no way jeopardize the OASDI Trust Fund Reserve. At the end of this year, it will be $226 billion, 94 percent of annual outlay. By the end of 1995, it will be over $500 billion—half a trillion dollars—or 150 percent of annual outlay, which is more than enough.

And the case, sir, for returning to pay-as-you-go seems to be overwhelming in light of the budget summit agreement. Under the tax rates proposed from in that agreement, persons with an adjusted gross income under $10,000, will see their taxes will go up 7.6 percent. By contrast, those with incomes of $200,000, will see their taxes go up 1.7 percent. Taxes will go up five times as much for the people in the lowest tax brackets as for people in the highest. Mr. President, this simply continues the trend of the last decade toward a more regressive tax system.

In the summit agreement there was a little surprise, Mr. President, with respect to unemployment compensation. Unemployment Compensation is a title of the original Social Security Act. In the manner of the 1930's, the general program was established in Washington; it was left to the States to provide specific levels of benefits.

The labor movement has been trying to get national standards on unemployment insurance and, sir, I can report that they may be about to do so. The summit proposes that there is going to be a national standard: Everybody has to wait 2 weeks before getting any unemployment compensation, after having been laid off, having lost their job, whatever. Forty-one States already have a 1-week delay. Now it will be 2 weeks; a total of 8 million wage earners next year will lose 1 week's unemployment compensation. That is what we do in the name of a progressive income tax structure of deficit reduction.

As regards the prospects of a recession, any number of able economists have, over the course of the year, said that we need the stimulus of an increase in take-home pay for persons paying Social Security. It surely can be seen that an immediate increase in take-home pay, which, under my proposal, would take place the first week in January, is very much in order in a flat economy with no growth—possibly negative growth—and is needed. I do not think, Mr. President, we absorb this fact easily, because it is a fact we have never known before in our national history. Average weekly earnings in our country today are lower than they were when Dwight D. Eisenhower was President. Families have made do by having wives go to work.

The hardest part of the budget summit agreement from a point of view is that it treats Social Security revenues as general revenues. But every penny of Social Security taxes paid by employers and employees goes into a numbered account with someone's name on it. These are no general revenues. Yet, we are using them as such, and the budget summit, incredibly, proposes to make the use of them as general revenues permanent. It brings Social Security back into the consolidated budget. That is something I never thought I would see agreed to and which I, for one, as chairman of the subcommittee on Social Security, will not abide by, will not countenance. Mr. President, these are trust funds. These are not general revenues.

To use them in any other way is to abuse that trust. In the meantime, employers, particularly small businesses, need the increase in retainable revenues that they will gain through a reduction in the payroll tax. Employees need it, and the integrity of the system needs it as well.

I see on the floor my able friend and colleague from Pennsylvania, Senator HEINZ, who was once asked what did he think of the way we were using the trust funds. He said there is a word for it—"embezzlement." Well, sir, now we are institutionalizing it, and I say the opportunity to say so will come tomorrow when I offer that amendment.

I thank the distinguished Presiding Officer.

Mr. HEINZ addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania is recognized.

Mr. HEINZ. Mr. President, I am not actually here to rise on the subject mentioned by the Senator from New York, but I associate myself with a good part of his comments. I reserve judgment, because I did not hear all of his comments. But I particularly appreciate the small footnote that he accorded me with respect to embezzlement and, indeed, that is the term that I used to describe this misapplication of the Social Security surplus. I will have more to say about that at another time.

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## HUGH SCOTT'S 90TH BIRTHDAY

Mr. HEINZ. Mr. President, I rise today because the day before yesterday a number of us, Senator SPECTER, Senator DOLE, and I, held a small reception in honor of Hugh Scott, my predecessor, the man whose seat I hold. It was in honor of his 90th birthday. It is easy to remember the year in which he was born, 1900, and to figure out how old he is. I wanted to reflect on that occasion and the fact that his birthday is going to take place in a few weeks. The U.S. Senate is privileged to serve as a very unique institution, because there is no other body where a legislator's rights are more expansive, nor where accomplishing the great work of a nation is more dependent on the sacrifice of those rights.

The principle of comity, that is to say, the voluntary surrender of our individual rights as Senators, is indeed so ingrained in our behavior that it does become routine. The issues we address may be as current as today's headlines, but the manner in which we do so is ingrained in history. To enter the Senate is to serve, temporarily, in a Chamber of timeless tradition.

These observations reflect truths which are never far from our minds, but they are particularly salient for me, as I rise to bring to the Senate's attention the significant milestone in the life of one of our colleagues, Senator Hugh Scott, who will celebrate his 90th birthday on November 11 of this year.

When Hugh Scott retired from the Senate in 1976, after three terms, it was his seat and his vote with which the people of Pennsylvania entrusted me. Although I now have served for 14 years, there remains about this seat the aura of Hugh Scott, of Pennsylvania, for he is indeed the empitome of what it means to be a Senator of the United States.

Sometime words are clumsy tolls, Mr. President. That is certainly so when it comes to expressing the depth of my affection and respect for Hugh Scott. This is a man I was proud to call "boss" for the year in which I served him as a Senate aide. This is a man to whom I turned for a good deal of advice at the outset of my own politi-

cal career. He is a man who gave very freely of his time, energy and wisdom, and this is a man I have been privileged to call my friend for over a quarter of a century.

Mr. President, from time to time it is important to pause in our work around here to reflect on how we can best serve America's interests. On those occasions, we look to those who served this institution extremely well. They are archtypes for our own conduct. In offering the resolution that we will be offering about Hugh Scott, we pay tribute not only to his achievements for Pennsylvanians but also to elevate, as a model before us, his legacy of comity and courtesy for the good of the Senate and for the good of our Nation.

In Hugh Scott's years of service, America faced challenges no less serious than those before us today, because in that time America reeled from successive crises in our Nation's leadership, the assassination of one President, the impeachment of another, the murder of Martin Luther King, Jr., and Bobby Kennedy. For the better part of his service, this Nation was torn apart by the struggle in Vietnam; that war and the struggle for civil rights. Americans grappled with the issues of evident inequality between North and South, black and white, young and old; and ever on the horizon, the burdens of international leadership: The Cuban missile crisis, the nuclear arms race, and the race to space.

It is undeniable that Hugh Scott's voice and his vision made a difference. Four times he was chosen to lead his party in the Senate. And while his Senate colleagues took note of his accomplishments in many legislative fields—foreign policy and opening the door to China, law enforcement and his antitrust and anticrime reforms, or constitutional issues and crafting of the War Powers Act—that is not what was foremost in their minds when they bid him farewell in 1976.

What his colleagues appreciated most was his charm and his quick wit. Senator Mansfield, the Democratic Leader at the time, quipped that the thing he would miss most about Hugh Scott would be the daily exchanges with him, particularly "the bon mot of which he is master and so often sent the media to the dictionaries and myself to distraction."

His fellow Senators remembered his profound scholarship, his decency and grace, and the times when they turned to him for advice, counsel, and help.

The Senators who served with him recalled his passion for human dignity, his powerful and moving eloquence, reflected in his leadership in forging landmark civil rights legislation: The Civil Rights Act of 1964, the Voting Rights Act of 1965, the Fair Employment Practices Act, the Fair Housing Act, and so many more.

Above all, his colleagues valued what he had done for this institution. His colleagues remarked on the many times that the policies enunciated in the Chamber were the policies of the joint leadership, not just the Democratic leadership, but the joint leadership. They marveled at the ability of Senator Scott and Senator Mansfield to compromise, to reach an understanding, and to present a unified front so that the business of this Chamber and this country would be accomplished.

As one of his colleagues put it, Hugh Scott, "Preserved the comity of the Senate for 7 of the most trying years in our Nation's history."

So, as we commemorate Senator Scott's birthday, I would hope that my colleagues would reflect for a moment not only on what this man has done for this country, but also what he means to this institution, what his life here tells us about being Senators of the United States and what it takes to make this body worthy of the high ideals and achievements to which we are heirs.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Indiana is recognized.

## THE BUDGET AGREEMENT

Mr. COATS. Mr. President, I have little enthusiasm for what I am forced, by conviction, to say this morning. The President and the budget negotiators have given a full measure of their effort to the budget plan that is before us. Each side has made concessions that require a little courage. They have shown persistence, have shown a great deal of patience and they have produced what seems to be the best political compromise possible.

But, our task is not to soothe the extremes between the parties or conflicts within the Government. Our task is to ensure that Americans continue to work and families are not forced to live with the strains of an uncertain future. And in this respect, the budget package fails.

I may be a reluctant critic of this budget plan, but I am a realist. Over the last few days I suspended making a final decision. I listened to the argument as made by the administration, by the leadership. I read all the fine print because I think every Senator owes the President an open mind.

But every Senator owes the people of his State an independent judgment. And in my judgment, my conviction is that this package is a destructive combination of poor timing and misplaced suffering.

As I approached the budget debate over the past few months, I set four standards to guide my considerations, standards that I thought were determined by economic reality and some common sense principles.

First, the plan would need to include real, fairly distributed, budget cuts.

Second, it would need to reform the budget process itself, a process that currently encourages deception and mass waste.

Third, it needs to encourage economic growth, particularly as a recession threatens us.

Finally, it would need to avoid putting new tax burdens on Americans who are already bled dry.

On each of these reasonable standards, the package before us fails. First, its budget cuts are uneven, sometimes illusory and basically inadequate to the problem at hand. The defense is the only major discretionary cut in the first 3 years, but in that same period domestic discretionary spending will rise by $23.6 billion, an increase of 12 percent.

In addition, many user fees are actually considered spending cuts, including new Medicare charges, creating an illusion of restraint. Seventeen different fees are to be increased generating $14.2 billion in revenue, but all are mysteriously counted as spending reductions, even excluding the cost of deposit insurance bailout. Total spending will actually increase by more than $220 billion over the next 5 years, 18.4 precent.

Second, the budget reforms are partial and inadequate, disappointing my own hopes and the hopes of many others of real change. Caps on appropriation spending are a useful idea and could help instill some restraint. Even these can be violated in emergencies that the Congress itself finds, including the later discovery of faulty economic assumptions. In fact, a special budget summit is called for 1993 to adjust economic estimates. Higher spending explained by these changes would be exempt from spending limits.

In addition, several large accounts are exempt from spending cuts in the first place, such as the International Monetary Fund and Egyptian debt forgiveness.

We had here a real opportunity to make some meaningful budget reforms, changes that could actually enforce spending restraint in the future. A balanced budget amendment to the Constitution could have been included or at least proposed.

I have had a plan for several years now for a legislative line-item veto, giving the President real power to cut congressional waste and excess. But these were rejected. Real budget reforms that would assure the American people that Congress has at long last faced up to its spending addiction are nowhere to be found in this agreement.

Third, the budget plans few growth incentives, and tax credits are finding themselves—or maybe they play out as intended, but they adopted an approach that has no history of success. Instead of cutting taxes across the board, they target particular kinds of investors for special treatment. Targeted growth does not work. It needs to be broad based to have the effect that we want. No real incentives to stimulate savings, investment and growth are evident in this package. The incentives that do exist may misdirect investment simply in the tax shelters.

And since the tax policy of the Congress is required in the package to be deficit neutral, in the future every tax cut to stimulate economic growth is mandated to be balanced by equal tax increases elsewhere. That will be a major handicap if we end up in a recession, a recession that this package could cause.

Finally, and most importantly, though many of the spending cuts are phantoms, its taxes are very real. This package is the second largest tax increase in our history, the largest if you count its fees as taxes. Over the next 5 years, explicit taxes would raise over $130 billion. Including hidden taxes, that burden rises to well over $170 billion. With the recession predicted this year, taxes would still increase $16.2 billion in fiscal year 1991 alone. These burdens are imposed even though tax revenues are already expected to increase by $397.8 billion over the next 5 years due simply to economic growth.

There seems to be no end to our appetite for public funds. And who suffers? It is the middle class that always seems to pay the bills for bigger Government; that is, after all, where the real money is for legislators. There is simply more of them to tax. Gasoline taxes, tobacco taxes, alcohol taxes, these are the things that hurt average Americans with limited resources, farmers who drive their produce to market, workers who commute to their jobs.

The fallacy of the hour in Washington is that Americans are somehow undertaxed. But nothing could be further from the truth. Tax freedom day, the day when Americans stop working for the Government and begin working for themselves, was May 5 this year, the latest it has ever been. People do not believe they are taxed too little nor should they. They feel these burdens are already destroying their hopes and limiting their future. They have reason to fear. The greatest danger of new taxes is not even their direct effect, it is the fact that they bring recession 10 steps closer.

Most people I talked to in Indiana, in the back of their minds, are still haunted by the fear of recession. Memories of 1982 and 1983 are still fresh and the wounds go very deep. I have friends, personal friends, who lost their jobs. I saw respected businesses close their doors; families live with the strains of unemployment and despair.

I came to Congress to be part of the solution to that problem. Our goal is growth. We started with lower taxes, we fought unnecessary regulation, and we laid the foundation for America's longest peacetime expansion.

In Indiana the lower taxes of the 1980's brought lasting prosperity and increased taxable income. From 1983 to 1989, my State saw a 16-percent increase in total employment. We underwent a construction boom with a 38-percent increase in construction jobs. We had a 13-percent increase in real earnings. But now the lessons of a decade are being forgotten in a moment. We stand at the edge of a cliff. When you venture to the edge, it is difficult to see the bottom.

Taxation now takes 19.6 percent of our gross national product. Only twice before since World War II has that figure gone over 20 percent. Each time America was immediately thrown into a sharp recession. Never has it be so obvious that the power to tax is the power to destroy. Paradoxically, it is tax revenues that are among the first to suffer in a slump. A mild recession next year of 1 percent negative growth for four quarters would cause revenues to decline by $300 billion over 5 years. Our carefully constructed budget plan will lay in ruins, a victim of its own blindness.

This economy is currently just treading water. GNP is stalled. Job growth is slow. There is no economic theory yet devised by the human mind, not monitorists, not Keynesianists, not supply side, not socialism that would recommend a tax increase in times like these. It is a suggestion without a father of thought in any school of economic thought. It is an idea that has lost its root in reality. A recesssion, simply put, will not raise revenue. The cost will be even higher than that. In such a recession, the rich might lose some investments, but working Hoosiers will lose their jobs. The wealthy might feel the pinch in the portfolios, but Hoosier workers would know the pain in their families.

There is only one way out of this mess. We must reaffirm our commitment to growth. This is the way to serve pressing social needs. This is the way to increase tax revenue without increasing tax rates. This is the way to secure our future and help our families. I have heard it argued that we must support this plan because there are no real alternatives. But we do not lack for good economic ideas. We lack for political will.

I support the imposition of a real spending cap, the so-called 4-percent solution. Under this plan, ironclad outlay targets would be set at 4 percent above the previous year's actual spending level. The decision to extend and increase Gramm-Rudman targets allows us to use this cap to prevent draconian cuts in individual programs. Each program could be kept at its current level, but this would allow us to reduce spending increases this year, $42 billion worth alone. Coupled with yearly revenue increases, which this year are estimated to be more than $70 billion, we could have a balanced budget by 1977.

Mr. President, I also support a pay-as-you-go clause in the budget process, the requring that any spending increase be offset by a corresponding spending decrease. I support giving the President a line-item veto to shed some light into the dark corners of the congressional budget process, and I support indexing of capital gains to end the taxation of inflation, stimulate growth, and to increase American competitiveness.

There are any number of things we can do, but new taxes provide only the illusion of responsibility. They deliver nothing that they promise because our real challenge is growth, our real problem is spending, and our real need is to resist a return to the tired politics of tax and spend.

Mr. President, I oppose this package for a simple reason: I fear the cure will kill the patient.

Mr. President, I yield the floor.

## RETIREMENT OF JOAN MARIE DONAHUE

Mr. DOLE. Mr. President, the most valuable service to the people and Government of the United States is often rendered by quiet professionals, who work diligently over many years, in relative anonymity. Largely unknown to the American people, their extraordinary careers end without public recognition. Whenever possible, such contributions should be acknowledged.

Yesterday marked the end of one such extraordinary career: Joan Marie Donahue is retiring after a 37-year career with the Central Intelligence Agency. During her many years with the Office of Congressional Affairs, Joan provided valuable assistance to the Senate on numerous occasions. At times, the Office of Congressional Affairs may have been the toughest Assignment at CIA; but Joan Donahue stayed with it for more than three decades. In recognition of her outstanding service, Joan was awarded the Agency's highest award: the "Career Intelligence Medal."

Mr. President, Joan Donahue remained true to her oath to "support and defend the Constitution of the United States" for 37 years. She is one of the quiet professionals who deserve

our gratitude and whose efforts are worthy of public recognition.

Mr. President, I ask unanimous consent that the citation issued by the Central Intelligence Agency in awarding the "Career Intelligence Medal" to Joan Marie Donahue be printed in the RECORD.

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

Joan Marie Donahue is hereby awarded the Career Intelligence Medal in recognition of her exceptional achievements with the Central Intelligence Agency for more than thirty-seven years. Throughout her productive career, she displayed the personal characteristics of extraordinary industriousness, perseverance and sound judgment. Wherever she was assigned, she was diligent and effective in every task she was given. As a result, she was given positions of increasing responsibility, culminating in her designation as Chief of Administrative Support for the Office of Congressional Affairs. During her more than thirty years in the Office, she developed a knowledge of congressional matters and personnel that was invaluable to its successful operations. Her commitment to excellence, to the Office of Congressional Affairs, and to the Agency is indeed deserving of the recognition provided by this award. Her entire career reflects high honor upon herself and the Central Intelligence Agency.

## MANUFACTURED HOME OWNER'S BILL OF RIGHTS

Mr. REID. Mr. President, almost 13 million American live in manufactured homes. Nationwide, 26 percent of those in manufactured homes are retired, 29 percent hold blue collar jobs, 23 percent have income less than $10,000 and 35 percent have income between $10,000 and $19,999.

In my State of Nevada, 150,000 people, 18 percent of the population, are housed in 63,000 manufactured homes. The numbers are similar throughout the South and Southwest. In Arizona it is 9.3 percent and in Florida 16 percent. These statistics indicate mobilehomes are an attractive housing alternative for millions of American particularly those of modest income.

A significant number of Americans now live in manufactured housing. Yet, these Americans are subject to attacks any other group of a similar size would never experience.

Many low-income residents of manufactured homes do not qualify for Federal assistance to help defray the cost of space rentals. The Department of Housing and Urban Development refuses to exercise any flexibility on this issue and thus denies rental assistance to thousands of otherwise qualified Americans.

Legislation approved by the House will enable producers of manufactured housing to build poor quality homes. In addition, the manufacturers would be exempt from repairing such flaws.

Some mobile home park owners take advantage of their residents on fixed incomes. They will raise rents well above the rate of inflation knowing full well residents will not move to a cheaper park due to the expenses associated with moving a mobile home.

Many municipalities restrict the location of manufactured housing—particularly mobile homes—to only the most undesirable and dangerous areas of a community.

This assault on the rights of manufactured housing residents is unfair. It must be stopped. The National Federation of Manufactured Home Owners have developed a manufactured home owner's bill of rights. This document established a 10-point program to protect owners and residents of manufactured housing. I urge all of my colleagues to study and support these 10 goals. Furthermore, the Senate Committee on Banking, Housing and Urban Affairs should include the provisions of this document in housing legislation it considers during the next Congress. It is the fair thing to do.

Mr. President, I ask unanimous consent that the Manufactured Home Owner's Bill of Rights be entered into the RECORD.

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

MANUFACTURED HOME OWNER'S BILL OF RIGHTS

1. The right to a safe, durable, quality constructed, affordable home which has been built, inspected and delivered to the homeowner's installation site in compliance with applicable federal and state construction safety standards which are updated and maintained to be kept current to equivalent safety requirements for other types of housing.

2. The right to a safe, professionally installed home which shall be sited in conformance with applicable state and/or local manufactured home installation requirements by qualified, competent personnel.

3. The right to have any defects found in a new home corrected by either the manufacturer or dealer in a safe and expeditious manner to the satisfaction of the purchaser and in accordance with applicable federal, state and local laws.

4. Contractual obligations made by a manufacturer or dealer of manufactured housing to a purchaser or any obligation the owner of a manufactured housing community makes to any resident contained in a lease or rental agreement shall be honored and met expeditiously.

5. Residents of manufactured housing communities shall be entitled to clean air, safe drinking water, sanitary sewage disposal, utility services, open space, police and fire protection, trash disposal, and similar services enjoyed by residents of conventional single-family homes.

6. Regulations governing residency in a manufactured housing community shall be fair and equitable to all residents.

7. Regulations promulgated by any manufactured housing community owner shall not have the effect of discriminating against any resident on the basis of religion, nationality, sex, marital status, fair housing standards, or number of members in a family or in any way deprive them of the rights and privileges of single-family homeownership enjoyed by owners of conventional single-family homes.

8. The right that residents of manufactured housing communities shall not be subject to unconscionable, unreasonable, and unjustified lot rental increases nor shall the regulations promulgated by any owner of a manufactured housing community unduly restrict the resale of a manufactured home located in that community by the home owner to prevent the purchaser from keeping the home in the community after ownership.

9. Zoning ordinances, and state and local building and housing codes shall not be discriminatory with respect to the amount, type or location of suitable land where manufactured housing can be located.

10. Statutes enacted by the Federal or State Governments shall treat newly constructed manufactured housing whether located on private property or in a residential manufactured housing community the same as conventional single-family housing.

## RETIREMENT OF ROBINSON O. EVERETT, CHIEF JUDGE, U.S. COURT OF MILITARY APPEALS

Mr. SANFORD. Mr. President, on September 30, 1990, Robinson O. Everett of Durham, NC, will be retiring after serving for more than a decade as chief judge of the U.S. Court of Military Appeals. Under his brilliant and charismatic leadership, the Court of Military Appeals has evolved into one of the most respected and innovative courts in America. The indefatigable, personal effort he exerted toward realizing this goal represents one of the most remarkable examples of judicial commitment and dedication that could be displayed.

His ceaseless concern has always been to reconcile the demands of highest justice with the requirements of military discipline. He has written hundreds of judicial opinions, many of which have resolved some of the most difficult questions in military and constitutional law. His many landmark decisions will surely have a lasting influence on military jurisprudence for decades to come.

Chief Judge Everett's other major accomplishments are equally stupendous. Within a year after his arrival at the court, he converted the court's docketing system to a completely electronic computerized system, which resulted in a great reduction in the cost of managing and retaining the court's recorded docket entries on all cases. This electronic capability also gives the court instantaneous access to all the court's docketing records. Furthermore, during his first year as chief judge, the court accomplished an astonishing 82-percent increase in the court's final dispositions on the master docket over the previous year, cutting in half the number of cases pending on the master docket. In recent years, the year-end pending cases have been

reduced to a record low, and the time required to process cases before the court has also been dramatically reduced.

Judge Everett has been a model educator who has relentlessly sought to improve the professional skills of both military and civilian practitioners. In 1983, he reshaped the court's annual Homer Ferguson Conference and redesigned it not only to give military lawyers—but civilian lawyers as well—an opportunity to develop and maintain excellent skills required for appellate court practice within the military justice system and elsewhere. To make these training programs readily available to all lawyers, he had the conferences videotaped and made special arrangements to have portions of the conferences televised on C-SPAN. He also conceived and developed a documentary videotaped program produced for use by military lawyers and military educational institutions, as well as distribution and use by civilian law schools and community education programs both in the United States and overseas. This video, the first of its kind, explained the entire process of trial and appellate procedures in a military court-martial case with particular emphasis on the appellate judicial responsibilities of the civilian U.S. Court of Military Appeals.

The judge has been exceptionally devoted to promoting public awareness of the fairness and progressiveness of military justice. He has never been too busy to say no, and addressed military and civilian conferences, seminars, training workshops, meetings of various bar associations, and law schools throughout the country. These judicial visitations and speeches have kept the military and civilian communities fully apprised of the court's responsibility in the administration of military justice; have improved the professional and legal education of military and civilian lawyers; have provided an interchange of ideas beneficial to the military community in general; have provided the court an opportunity to ascertain the impact of its decisions on the administration of military justice; and have helped to develop a better appreciation of the operational problems in the various services.

One of Chief Judge Everett's most innovative programs was reaching out and taking the court to the people. For the first time in the court's history, the judges traveled outside its own courthouse to hear oral arguments in several actual appeal cases. Some of the cases were held at various law schools and at the West Point Military Academy. These convenient hearings provided an excellent opportunity for members of the academic community, military, civilian judges, lawyers, law students, and future military leaders of the U.S. military academies to meet with the judges and view how court-martial cases are presented by appellate advocates for decision by the court.

The court also had televised an actual hearing conducted in the courthouse, which was later televised nationwide on the C-SPAN Television Network as a part of a 3-hour special program on military justice and the appellate review of court-martial cases under the Uniform Code of Military Justice. The project exemplified great visionary and very creative leadership on Judge Everett's part. The military community, the legal profession, and the general public have become more aware and appreciative of military justice and the Court of Military Appeals, as they have never before, by seeing on television how efficiently and well it works. The court's remarkable success in allowing the first telecast of an actual Federal court proceeding may have been the catalyst of the recent decision of the Judicial Conference of the United States to reverse a ban in effect for decades in this country to allow televisions in some of the article III courts in a 3-year experimental program.

Actually, during the last decade, under the consummate leadership of Chief Judge Everett, the U.S. Court of Military Appeals has become one of the most public and most utilized courts in the Nation today. There have been various moot court competitions held in the court; various law school alumni meetings and functions; meetings and receptions held by different voluntary bar associations; and the court was recently the site of the historic administering of the first national junior high school bar examination. Furthermore, students—from preschool to college—are always visiting the court and meeting with the judges. Cadets from the military academies have worked on special projects at the court, and law schools students also have done summer interns there. Even weddings and marriages have been performed in the courtroom for the first time. It is clear that the U.S. Court of Military Appeals has now become one of the most accessible and most utilized public courthouses in America.

Perhaps, there are few judges who have so enthusiastically and relentlessly devoted so much time at promoting better understanding of the American legal system by the youth of our country than Judge Everett has. In 1987, Judge Everett directed the National Student Law Day project, which has been described as "one of the truly most ambitious and most successful projects ever undertaken" in an effort to celebrate the bicentennial of the U.S. Constitution. The project won first-place award in the American Bar Association's 1987 Law Day U.S.A. Competition. Over 1,000 students, 30 different courts, and over 61 judges across the country participated in the project; and the project extended from Puerto Rico to Guam, and from Boston to San Francisco. Through Chief Judge Everett's magnificent leadership, a major goal was accomplished of encouraging and coordinating the nationwide cooperation of judges and court officials to sponsor courthouse visits and informal meetings with trial and appellate judges and court staffs by school students throughout the country. His impact and influence have had no limits.

Chief Judge Everett was exceptionally well prepared for his judicial service. Earlier he had served as a commissioner on the court. He has been a law professor at Duke University for almost 35 years. Also, he has practiced law in North Carolina as well as in the District of Columbia and has held many positions in the organized bar. In fact, he was the chairman of the American Bar Association Committee on Military Law from 1977 to 1979. During the early 1960's, he served as a special counsel to Senator Sam Ervin's Subcommittee on Constitutional Rights in conducting the hearings and studies which led to the Military Justice Act of 1968. He has written a book "Military Justice in the Armed Forces of the United States" and numerous articles on military law, criminal procedure, and evidence. Prior to his retirement in 1978 as a colonel in the Air Force Reserve, Judge Everett had acquired many years experience as a judge advocate. Moreover, during his tenure as the chief judge, he served as the first chairman of the Federal Bar Association's Judiciary Committee and the chairman of the FBA's Administration of Justice Section.

Judge Everett has been honored and has received various recognition across the country for his brilliant accomplishments as the head of the U.S. Court of Military Appeals. Recently, the Judge Advocates Association sponsored a special testimonial banquet in his honor where many, including all the judge advocates general of the various services, bestowed upon him abundant praise. A number of bar associations across the country have also recognized his unparalleled accomplishments during the last decade. This ubiquitous praise and recognition appear to be shared by everyone.

Chief Judge Everett will be returning to the Duke Law School, where he has been a tenured professor for many years. Fortunately, as a senior judge, he still will be available to assist the Court of Military Appeals from time to time. We wish to express our gratitude to this very distinguished jurist from our home State of North Carolina for his extraordinary service and dedication to his country. We extend to him our best wishes for the future.

## BULLETPROOF CLOTHES FOR SCHOOL CHILDREN

Mr. KOHL. Mr. President, I have here an article that is a grim sign of our times. It is from the September 9 edition of the Washington Post.

The headline of the article reads, "For New York School Days, Bulletproof Blazers." It then describes bullet-resistant children's clothes and school accessories, such as clipboards and book bags. It is a sad and frightening commentary that violence in our schools and on our streets has reached such a level that there is a market for these products.

Small children—toddlers and infants, are being cut down in the crossfire of handguns and automatic weapons on the streets, in the school and even in their homes. These incidents are so commonplace that parents must now dress their children in body armor before sending them off to school.

The National School Safety Center estimates that more than 100,000 students carry guns to school every day. In New York City alone, school authorities confiscated almost 200 weapons from students in 1988. Last year in my home State of Wisconsin, the Milwaukee school system expelled more than a dozen students for weapons violations.

The problems that have led to this deplorable situation are many and complex. As a step in the right direction, I am pleased that this body unanimously adopted S. 2070, my Gun-Free School Zones Act, as part of the omnibus crime bill. The act would make it a Federal crime to bring a gun within 1,000 feet of a school or to fire a gun in that zone.

Mr. President, our schools should be islands of safety, away from the constant fear of random violence and premature, tragic death. At a minimum, that means children should not need flak vests while playing in their local schoolyards. I hope that the House will pass the crime bill—and accept the Senate's gun-free school zones provision—so that we can take an important step toward fighting gun violence, and keeping our teachers and children safe.

I ask unanimous consent to include the Washington Post article in the RECORD following my statement.

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

[From the Washington Post, Sept. 9, 1990]

FOR NEW YORK SCHOOL DAYS, BULLETPROOF BLAZERS

NEW YORK, September 8.—Bulletproof back-to-school clothes are the latest thing for New York City children who run a dangerous gauntlet to and from class.

School blazers and other jackets fitted with bullet-resistant Kevlar .129 pads are providing a feeling of security to parents undaunted by price tags ranging from $250 to $600.

Added shielding from flying bullets can be had from a bulletproof book bag or clipboard.

The items are being offered by former New York City police officer Stephen D'Andrilli, who runs a security firm, Guardian Group International Corp., which D'Andrilli said already has taken three dozen orders.

The demand comes after a rash of summertime child deaths in New York, some by random gunfire. Four children were slain in an eight-day period in August.

New York is on its way to a record number of homicides for the third straight year. There were 1,905 homicides citywide in 1989.

Hairdresser John DeLoca, 41, recently bought $450 jackets for himself and his two sons, age 8 and 4.

"God forbid if they should be caught in a cross-fire or a random shooting, then $450 would seem like a pretty good investment," he said. "We're talking about my children's lives and the bottom line is: You can't buy another kid."

Kevlar is a synthetic material five times stronger than steel and relatively light. It is used in police bulletproof vests and vehicle armor. Its composition is a closely guarded trade secret, but recent technological advances made it 25 percent lighter and 40 percent thinner than before, so it is less noticeable and more comfortable.

D'Andrilli admits no clothing is ever truly "bulletproof," but demonstrates that Kevlar pads will stop slugs and can saves lives.

"See here," said D'Andrilli, pointing to a swatch of Kevlar fabric showing dents from two Uzi bullets. "You may get bruises from the impact, some trauma such as broken ribs, but the bullets won't pierce the body."

In his office, D'Andrilli has a row of fashion dummies sporting jackets, vests and T-shirts with panels of Kevlar concealed in pouches. Joining the back-to-school lineup are Kevlar-lined fur coats and business suits, briefcases and umbrellas.

The line of fur and leather coats starts at about $3,000 and tops out with a Russian sable coat for $80,000. The bulletproof clipboard goes for $300.

An 8-year-old boy named Palmer, in bow tie and red-and-white pin-striped shirt, snapped on a denim jacket featuring Kevlar "Silent Armor" and said it felt only slightly heavier than normal. "It feels good, it feels like you have good protection and nobody even knows you have it on," he said.

## VA-HUD, INDEPENDENT AGENCIES APPROPRIATIONS—1991

Mr. LAUTENBERG. Mr. President, I would like to commend the subcommittee chair, the Senator from Maryland, and the ranking minority member, the Senator from Utah, for their hard work in putting together this bill. The subcommittee faced many constraints. And I know they share my wish that we could have done more in a number of areas, including, of course, Superfund.

But on the whole, this is a good bill. It provides over $400 million more for EPA than the President requested, exceeding the President's request by $500 million for construction grants, by $37 million for nonpoint water pollution, by about $10 million for right to know, and by $54 million for asbestos. I worked with the chairman to provide adequate funds for these programs, and I am pleased that we also provided $7 million for pollution prevention activities.

I would also like to thank the chairman, for her attention to a number of New Jersey and national programs for which I requested funding. These include provisions I authored to allocate about $35 million for the Federal Right-to-Know Program. Included in the Right-to-Know funding is $5 million for a national State grants program for emergency training.

I also authored a provision adding $500,000 for restoration activities at New Jersey lakes, including Lake Hopatcong, Swartswood Lake, and Musconetocong Lake.

Another provision, which I authored provided $250,000 for a New Jersey demonstration project to enhance the technical and economic efficiency of community recycling programs. In addition, I sponsored a measure providing $83,000 for restoration of Alcyon Lake, which is near the Lipari Landfill Superfund site.

The bill also includes a provision I authored restricting the spending of funds for the design and renovation of a Superfund laboratory at Edison, NJ, to test and evaluate innovative technologies. In fiscal year 1988 Congress appropriated $5.6 million for the design and renovation of a Superfund laboratory at Edison to test and evaluate innovative technologies. Recently, representatives of the regional office of EPA have suggested that an additional $8 million would be needed to construct and complete the project. No formal administration request has been made. This raises serious questions about the overall scope and design of the project. Moreover the EPA has failed to satisfy environmental concerns of local officials and to secure the State's support. Until such time as the agency prepares a formal plan for the project and secures local and State cooperation, serious questions exist about proceeding with the expenditure of appropriated funds for design and renovation of the laboratory.

Overall, the Environmental Protection Agency would receive about $6 billion under the bill. Again, I note that I would have liked more for Superfund. But I realize that the President's failure to fund so many other vital EPA programs forced some tough choices. Nonetheless, at $1.616 billion, the bill provides the highest Superfund appropriation level to date, a level which is about $80 million higher than last year's level. As I discussed with the chairman in subcommittee, should additional funds become available for Superfund as the bill moves ahead, I would look forward to working with the Senator from Maryland to increase the funding level.

Finally, I am particularly pleased that this bill includes full funding, $150 million, for the Public Housing Drug Elimination Program. Too many public housing projects have become virtual war zones, controlled by armies of drug dealers. This program, which I developed in 1988, gives housing authorities and residents the tools to fight back.

Mr. President, I look foward to working with the Senator from Maryland as we move the bill forward.

## THE HRAWI GOVERNMENT BLOCKADE

Mr. HEFLIN. Mr. President, I have received numerous letters from the many Lebanese Americans residing in the State of Alabama. They are outraged by the alleged inhumane actions of the Syrian-installed Hrawi regime in cutting off food, fuel, and financial assistance to the beleaguered residents of the eastern area of Lebanon. They say that the events of the last several months are being exploited in an attempt to subjugate the democratic movement struggling to survive in the unoccupied areas of Lebanon.

According to these Lebanese Americans in Alabama, the Hrawi Government is imposing a total blockade on the eastern conclave of Lebanon, which is under the protection of Prime Minister Aoun. Mr. President, you will recall that Mr. Aoun was named to head an interim government of Lebanon by outgoing President Amin Gemayel when the country was hindered from choosing a new President because of certain actions by the occupying Syrian regime.

According to Mr. Ed Kahalley, Sr., chairman of the board of the Mobile, AL, area chapter of the National Alliance of Lebanese-Americans [NALA], this blockade is bringing untold hardship bordering on starvation, to the people of the enclave. He says that the Syrian and other supporters of the Talf Agreement, are hoping that depriving the Lebanese people in that area of the bare necessities of life will force the removal of Prime Minister Aoun. Mr. Kahalley goes on to say that surely there must be some convention, either from Geneva or the U.N. Charter, which says this is wrong.

Mr. President, my Lebanese-American constituents feel very strongly that it is inconceivable that the free world would stand by and allow this barbaric blockade to continue. They also feel that these actions are against the will of the Lebanese people, and against the principle of democratic human rights.

Again, Mr. Kahalley says that there are some 800,000 people living in the unoccupied regions. He also says that there has been a steady stream of refugees out of these areas as the conspiracy against Lebanon continues to exact a heavy toll on human endurance. During this crisis there have been thousands of demonstrators gathered around the palace of the people in Baabda in support of Prime Minister Aoun and to protest this assault on their very existence.

Mr. President, the Lebanese-Americans in Alabama say that they are astounded that our own United States of America, while condemning the actions of Saddam Hussein of Iraq and coming to the defense of Kuwait, a monarchy, ignores the plight of Lebanon, a democracy.

Mr. Kahalley says that some in the State Department and in the National Security Council have told them that they deplore this blockade, but that now is not the time for them to condemn the blockade or take action in this matter. The Lebanese-Americans say, "Why not? Are we being blackmailed by Syria?"

If the blockade is a violation of human rights and the principles of democracy, the Lebanese-Americans feel very strongly that the free world, and especially the United States, must condemn it immediately and take action to stop this inhumane action.

Mr. President, I urge President Bush to stand up for democracy in Lebanon.

## TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 2,028th day that Terry Anderson has been held captive in Beirut.

The ACTING PRESIDENT pro tempore. The Senator from Arkansas is recognized.

Mr. PRYOR. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of Calendar No. 827, S. 273 regarding deceptive mailing practices.

The ACTING PRESIDENT pro tempore. The clerk will state the bill by title.

Mr. HEINZ. Reserving the right to object.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania is recognized.

The clerk is going to state the title. The Senator may object after that.

Mr. HEINZ. No. I have to object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mrs. KASSEBAUM. Mr. President, I have a parliamentary inquiry, if I may?

The ACTING PRESIDENT pro tempore. The Senator from Arkansas has the floor.

Mrs. KASSEBAUM. Will the Senator from Arkansas yield?

Mr. PRYOR. Is the Senator from Kansas seeking recognition?

Mrs. KASSEBAUM. Mr. President, it was my understanding we were going to be in morning business until 1 p.m., and I was wishing to speak in morning business.

Mr. PRYOR. Mr. President, until we iron out our little difficulties, maybe we ought to go forward with the original plan of having morning business until 1 p.m. and allow the Senator from Kansas to proceed as in morning business.

I withdraw my request, Mr. President.

The ACTING PRESIDENT pro tempore. The Senator from Kansas is recognized as in morning business for 5 minutes.

## THE BUDGET PACKAGE

Mrs. KASSEBAUM. Mr. President, it is my understanding sometime today or tomorrow the Senate will be voting on the budget package that has been devised by our leadership and the White House. For the past several days, all of us have been studying this package, the agreement, and seeking additional information about it.

From that research I have reached a conclusion that I am sure has been shared by many. There are many provisions of this that I think are extremely important, particularly the enforcement provisions. There are, of course, several items I strongly dislike, as would be the case with many of us; and some, of course, about the budget agreement, is simply unknown.

It is clear our leadership found itself over the last few days in a very tight box. Clearly now we are all in that box together. There is no painless way to reduce the Federal deficit. That has been said so many times I think we are tired of hearing it. But we have to find a way that is fair and engenders the confidence of the public in what we are doing here.

The key in many ways is deciding what spending should be cut and which taxes should be raised. As one who has helped shape bipartisan budget packages in the past, and seen them fail, I am well aware that the devil is always in the details when it comes to the Federal budget.

Mr. President, I would guess every one of us would say, as I do now, that this is not the budget I would write. I would have cut spending more deeply, reducing or eliminating inflation adjustments in domestic spending, and I would have cut, for instance, foreign aid by at least $2 billion.

On the tax side, I would have supported either a rate increase or a temporary surcharge on upper-income taxpayers.

As our leaders have said repeatedly over the past few days, every Senator has a budget plan, and that is true. But the question we face is on this specific plan. As I understand it, the budget resolution cannot be amended. We must vote up or down on the pack-

age. The choice before us is stark. We either pass this budget resolution or face a shutdown of the Government.

Why, after months of meetings, we have reached this impasse is beyond me. The process of representative government has not worked as it should. Given these circumstances, however, I will vote for the budget resolution with the proviso that there can and should be changes made during the next 2 weeks as we work on the reconciliation bill. This will be the test. But I want to say right now I do not accept the idea that followup legislation, the reconciliation bill, cannot be changed or amended. If two specific provisions in this budget are not changed I will vote against the reconciliation bill.

The first of these is the increase in Medicare premiums. While I certainly agree that beneficiaries should bear part of the burden in cutting Federal spending, I believe this increase in premiums for part B coverage is unwarranted and unwise at this time.

At some point we must devise a plan to address the problem of long-term health care for the elderly. If we are ever to achieve this, we will have to increase Medicare premiums in order to pay for what will be a very expensive new program. If we increase premiums now we forfeit any opportunity to achieve that goal.

The second item I believe must be to either eliminate or sharply decrease the revenue-losing tax breaks. Raising taxes to fund new tax breaks is fundamentally wrong.

I support the expansion of the earned income tax credit for low-income taxpayers, but the other provisions, costing about $20 billion or more over 5 years, should be cut back or dropped.

If we want to stimulate economic growth, and we do, as these provisions purport to do, the single best way to do so is to cut the deficit and get interest rates down. Nothing we do through the Tax Code can stimulate as much growth as a 1-percent cut in interest rates.

Mr. President, that is going to be very difficult to do no matter what we do with the budget agreement. I have already been told by several Senators these changes cannot be made, that they would violate the spirit and letter of the budget agreement, and that the Finance Committee will not have the discretion or flexibility to alter the package. I hope that is not the case, Mr. President. But if it is, then I will vote against reconciliation.

I yield the floor.

I suggest the absence of a quorum.

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

The assistant legislative clerk proceeded to call the roll.

Mr. HUMPHREY. 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.

## EXTENSION OF MORNING BUSINESS

Mr. HUMPHREY. Mr. President, I ask unanimous consent that morning business be extended for 10 minutes.

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

## THE BUDGET RESOLUTION

Mr. HUMPHREY. Mr. President, if the House approves the budget resolution and it comes to the Senate, I intended to vote against it.

I am going to vote against the budget resolution because, in my view, it is a formula for disaster, both for the economy and for the President's party. I am going to vote against it, because, frankly, I am fed up with the backroom politics that has displaced wholesome, public competition between the parties relative to their ideas on the budget.

Some argue, including the President, that we must pass this resolution, flawed as it may be, because the economy will be weakened further by delay in resolving the budget crisis. They argue interest rates will remain high and the economy will be further depressed. My response, Mr. President, is bunk. My sense, based on 12 years experience here, is just the opposite. I believe we are likely to cause more damage to the economy by adopting this budget resolution than if we reject it. Massive tax increases and using the IRS to wage class warfare cannot be good for a weak economy.

Mr. President, we do not have a coalition government in the executive branch. The American people elected George Bush to the office of President. They rejected the other candidate and his platform of more spending and more taxes. Yet, President Bush has abdicated his leadership responsibilities in the area of the budget. For months and months on end, when he should have been fighting for his own budget, he has bargained privately with his political adversaries. The result is a budgetary mish-mash that leaves the American people utterly confused about what the President and his party stand for. Some wag said that a camel is a horse designed by a committee. The budget resolution is something worse. As the Wall Street Journal noted this morning, this budget is a cross between a donkey and an elephant. And it is not a pretty sight.

One would think the President would have learned by now, in all of his years in the executive branch and in all of his years in Washington, that a Republican President is not going to get what he wants from a Congress in which the Democrats are the majority party. This whole mess began when the President offered "the hand of friendship," as he called it, to the Congress 2 years ago. What nonsense. Washington is not a country club. George Bush has been around here long enough to know that a President must set his own agenda—his own agenda—and then go out—go out beyond the beltway—and rally the American people to support it.

The election in November should be about which party has the better ideas, which party has the greater vision for America. If we adopt this Rube Goldberg of a budget resolution, the economy will be further weakened and the election will be a muddle and, frankly, is likely to be a disaster for the President's party. Therefore, I urge the President to drop his veto threat against another continuing resolution.

I urge the President to lay out his own budget plan, including the capital gains tax cut and including line item veto. I urge the President to make his budget plans the issue in November. He ought to go out and fight for it. It is time for him to be as tough at home as he is in the Persian Gulf. Never was there a more opportune time because the American people are utterly and completely fed up with the Congress, and for good reason.

If the other party wants to campaign on the notion that Americans are undertaxed, fine. Let them do it. If the other party wants to campaign for a doubling of the Federal gas tax, fine. Let them do it. If the other party wants to campaign for a 2-cent-a-gallon hike in the tax on heating oil, fine. Let them do it. If the other party wants to campaign for using the IRS to wage class warfare, fine. Let them do it. But do not let them get away with this, Mr. President, in some private back room dealing, such that the American people have no idea of who stands for what. In my view, George Bush and the Republican Party should continue to stand on the pledge of no new taxes. It is important to keep the faith, both for the sake of the economy and for the health of our political system.

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

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

### EXTENSION OF MORNING BUSINESS

Mr. PRYOR. Mr. President, on behalf of the majority leader, I ask unanimous consent that the time for

morning business be extended not beyond 1:40 p.m. today under the same conditions as previously ordered.

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

Mr. PRYOR. Mr. President, at this point I am waiting for Senator HEINZ. We are getting ready to move forward on the deceptive mailings bill. He will momentarily be on the floor. Until he arrives, 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. PRYOR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

## DECEPTIVE MAILINGS PREVENTION ACT

Mr. PRYOR. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of Calendar No. 827, S. 273, regarding deceptive mailing practices.

The PRESIDING OFFICER. The clerk will state the bill by title for the information of the Senate.

The legislative clerk read as follows:

A bill (S. 273) to amend title 39, United States Code, to designate as non-mailable matter solicitations of donations which could reasonably be construed as a bill, invoice, or statement of account due, solicitations for the purchase of products or services which are provided either free of charge or at a lower price by the Federal Government connection or endorsement, unless such matter contains an appropriate conspicuous disclaimer, and for other purposes.

The PRESIDING OFFICER. Is there objection to proceeding to the bill? Without objection, it is so ordered.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Deceptive Mailings Prevention Act of 1990".

SEC. 2. AMENDMENTS TO TITLE 39.

(a) PROHIBITION OF DECEPTIVE MAILINGS.—Section 3001 of title 39, United States Code is amended by redesignating subsections (f) and (g) as subsections (i) and (j) respectively, and by inserting after subsection (e) the following:

"(f) Matter otherwise legally acceptable in the mails which constitutes a solicitation by a nongovernmental entity for the purchase of or payment for a product or service; and contains a seal, insignia, trade or brand name, or any other term or symbol that reasonably could be interpreted or construed as implying any Federal Government connection, approval or endorsement is nonmailable matter and shall not be carried or delivered by mail, and shall be disposed of as the Postal Service directs, unless—

"(1) such nongovernmental entity has such expressed connection, approval or endorsement;

"(2)(A) such matter bears on its face, in conspicuous and legible type in contrast by typography, layout, or color with other printing on its face, in accordance with regulations which the Postal Service shall prescribe, the following notice: 'THIS PRODUCT OR SERVICE HAS NOT BEEN APPROVED OR ENDORSED BY THE FEDERAL GOVERNMENT, AND THIS OFFER IS NOT BEING MADE BY AN AGENCY OF THE FEDERAL GOVERNMENT.', or a notice to the same effect in words which the Postal Service may prescribe; and

"(B) the envelope or outside cover or wrapper in which such matter is mailed bears on its face in capital letters and in conspicuous and legible type, in accordance with regulations which the Postal Service shall prescribe, the following notice: 'THIS IS NOT A GOVERNMENT DOCKET.', or a notice to the same effect in words which the Postal Service may prescribe; or

"(3) such matter is contained in a publication for which the addressee has paid or promised to pay a consideration or which he has otherwise indicated he desires to receive, except that this paragraph shall not apply if the solicitation is on behalf of the publisher or the publication.

"(g) Matter otherwise legally acceptable in the mails which constitutes a solicitation by a nongovernmental entity for the contribution of funds or membership fees and contains a seal, insignia, trade or brand name, or any other term or symbol that reasonably could be interpreted or construed as implying any Federal Government connection, approval or endorsement is nonmailable matter and shall not be carried or delivered by mail, and shall be disposed of as the Postal Service directs, unless—

"(1) such nongovernmental entity has such expressed connection, approval or endorsement;

"(2)(A) such matter bears on its face, in conspicuous and legible type in contrast by typography, layout, or color with other printing on its face, in accordance with regulations which the Postal Service shall prescribe, the following notice: 'THIS ORGANIZATION HAS NOT BEEN APPROVED OR ENDORSED BY THE FEDERAL GOVERNMENT, AND THIS OFFER IS NOT BEING MADE BY AN AGENCY OF THE FEDERAL GOVERNMENT.', or a notice to the same effect in words which the Postal Service may prescribe, and

"(B) the envelope or outside cover or wrapper in which such matter is mailed bears on its face in capital letters and in conspicuous and legible type, in accordance with regulations which the Postal Service shall prescribe, the following notice: 'THIS IS NOT A GOVERNMENT DOCUMENT.', or a notice to the same effect in words which the Postal Service may prescribe; or

"(3) Such matter is contained in a publication for which the addressee has paid or promised to pay a consideration or which he has otherwise indicated he desires to receive, except that this paragraph shall not apply if the solicitation is on behalf of the publisher of the publication.

(b) DECEPTIVE MAILINGS AS FALSE REPRESENTATIONS.—Section 3005(a) of title 39, United States Code, is amended by striking out "section 3001(d)" each place that it appears and inserting in lieu thereof "section 3001 (d), (f), or (g)".

SEC. 3. REVIEW AND REPORT BY THE UNITED STATES POSTAL SERVICE.

No later than 90 days after the date of enactment of this Act, the United States Postal Service shall—

(1)(A) conduct a comprehensive review to determine if the provisions of section 123.33 of the Domestic Mail Manual (as in effect on such date of enactment) are being appropriately observed; and

(B) take appropriate measures to ensure that any misapplication or misunderstanding of such provisions is corrected among any postal personnel who are responsible for carrying them out;

(2) conduct a comprehensive review to determine the feasibility of establishing a procedure whereby a sender of mail matter which is denied entry into the mails on the basis of incorrect mail preparation, postage due, or addressing may, through expedited proceedings, obtain a final agency decision as to the mailability of such matter; and

(3) submit a written report to the Senate and the House of Representatives describing its findings and actions under this section.

SEC. 4. COORDINATION OF FUNCTIONS WITH THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.

The United States Postal Service shall consult and coordinate the functions and administration of the provisions of this Act and the amendments made by this Act with the Secretary of Health and Human Services and the functions of the Secretary in the administration of section 428 of the Medicare Catastrophic Coverage Act of 1988 (42 U.S.C. 1320b-10).

SEC. 5. EFFECTIVE DATE.

The amendments made by this Act shall apply to matter deposited for mailing and delivery on or after 180 days after the date of the enactment of this Act.

Amend the title so as to read: "To amend title 39, United States Code, to designate as nonmailable matter solicitations for the purchase of goods or services, or solicitation for donations which could reasonably be construed by implying any Federal Government connection or endorsement, unless such matter contains an appropriate, conspicuous disclaimer, and for other purposes.".

AMENDMENT NO. 2927

(Purpose: To provide for the expansion of postal services at diplomatic missions abroad, to clarify solicitations of certain information as nonmailable matter, and for other purposes)

Mr. PRYOR. Mr. President, I have an amendment that I send to the desk at this time and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislation clerk read as follows:

The Senator from Arkansas [Mr. PRYOR] (for himself, Mr. GLENN, Mr. LIEBERMAN, and Mr. KOHL), proposes an amendment numbered 2927.

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

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

The amendment is as follows:

On page 8, line 15, insert "information or" before "the contribution".

On page 11, strike out lines 10 through 13 and insert in lieu thereof:

SEC. 5. STATE DEPARTMENT POST OFFICES ABROAD.

(a) POSTAL SERVICES AT DIPLOMATIC POSTS.—Chapter 4 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 413. Postal services at diplomatic posts

"(a) The Postal Service and the Department of State may enter into 1 or more agreements for field testing to ascertain the feasibility of providing postal services through personnel provided by the Department of State at branch post offices established by the Postal Service in United States diplomatic missions at locations abroad for which branch post offices are not established under section 406.

"(b) To the extent that the Postal Service and the Department of State conclude it to be feasible and in the public interest, the Postal Service may establish branch post offices at United States diplomatic missions in locations abroad for which branch post offices are not established under section 406, and the Department of State may enter into an agreement with the Postal Service to perform postal services at such branch post offices through personnel designated by the Department of State.

"(c) The Department of State shall reimburse the Postal Service for any amounts, determined by the Postal Service, equal to the additional costs incurred by the Postal Service, including transportation costs, incurred by the Postal Service in the performance of its obligations under any agreement enterd into under this section.

"(d) Each agreement entered into under this section shall include—

"(1) provisions under which the Department of State shall make any reimbursements required under subsection (c);

"(2) provisions authorizing the Postal Service to terminate the agreement, and the services provided thereunder, in the event that the Department of State does not comply with the provisions under paragraph (1); and

"(3) any other provisions which may be necessary, including provisions relating to the closing of a post office under this section if necessary because a post office under section 406 is established in the same location.".

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 4 of title 39, United States Code, is amended by adding at the end thereof the following:

"413. Postal services at diplomatic posts.".

SEC. 6. EFFECTIVE DATE.

The provisions of this Act shall take effect on the date of the enactment of this Act, except the amendments made by section 2 shall apply to matter deposited for mailing and delivery on or after 180 days after the date of the enactment of this Act.

Mr. HEINZ. Mr. President, I urge adoption of the amendment.

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

The amendment (No. 2927) was agreed to.

Mr. PRYOR. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. PRYOR. Mr. President, I am just going to speak very briefly on this matter and then I will certainly yield to my colleague from Pennsylvania, who has been such a trustworthy ally in the attempt to prevent deceptive mailings, especially to many of our vulnerable and elderly citizens in our country.

We have seen a growing number of organizations, profit and nonprofit, that have adopted the use of Government look-alike mailings as a marketing technique. They use words and phrases and names and symbols, envelope designs in a manner that mislead the recipient into believing the mail has come from a Government agency or an organization connected with or endorsed by the Government.

Mr. President, a disproportionate amount of this deceptive mail seems to be targeted at the elderly with the apparent aim of instilling fear among Social Security recipients and Medicare recipients oftentimes these are financially hard-pressed senior citizens who are urged to make a contribution to one cause or another or to purchase a service or product.

It is infrequent at best that contributions solicited under such circumstances are used for the stated purpose or that the cost of products or services bears any relationship whatsoever to actual value. More often than not, the contributions are used to cover an organization's administrative costs or for future direct mail solicitations.

An individual might also find, for example, that he or she has paid several dollars for a cheap plastic replica of a Social Security card. Senior citizens today are not the only targets of Government look-alike mail. Lawyers are targeted with mailings purporting to contain time-sensitive documents from the Department of Justice, only to find themselves on the receiving end of a solicitation. Parents find themselves being offered assistance, for a fee, in obtaining the IRS required Social Security number for their newborn child. The assistance is usually nothing more than instructions and a form that is already available at no charge from the Government. Individuals become confused when they receive a census form that in reality seeks marketing information or support for some cause.

As chairman of both the Senate's Postal Oversight Subcommittee and the Special Committee on Aging, Mr. President, I can tell you that deceptive mail today is a growing problem. It is mushrooming in this country. Moreover, once an individual responds to one of these overtures, a floodgate literally opens, as an individual's name finds its way from mailing list to mailing list.

I recently heard from a constituent of mine who has written many organizations in requesting that his mother, who is 75 years of age, living in Bryant, AR, and suffering from Alzheimer's disease, be finally removed from their mailing lists. Unfortunately, as a result of his efforts to curtail these mailings to his mother with Alzheimer's disease he and his mother are now getting more mail than ever.

In fact, Mr. President, I asked my constituent recently, through a member of my staff, if he would just document and send to me 1 month's mail, just 1 month of mail that his mother was receiving from various organizations and most from profit-oriented ventures asking for contributions or asking this 75-year-old individual to make contributions to certain causes.

Mr. President, I have in my hand 1 month's mail that this lady is now receiving. For example, she got this one, marked "official business." It was a request of a politician to send a check.

Here is another, Mr. President. I must say that several of these letters are from political parties and from political subgroups and committees asking for contributions. I might also say, Mr. President, in addition, that some of these are Federal look-alike letters. Here is one from the National Securities Center, Washington, DC. And this, of course, has the American flag. It is very, very official looking.

Here is a letter, Mr. President, addressed to my constituent from the Legal Affairs Council, Capitol Area Office, Washington, DC. Once again, this is a mere solicitation.

In addition, we have also in this stack the now famous or infamous, $25 check that this woman received. If she would just endorse this check, put it in her bank account, and then sign a little statement, $12.50 for the next 2 months would be removed from her bank account and sent to political candidates.

What they did not say very clear to this woman is that at the expiration of that 60 days, after the $25 had been withdrawn from her account, she had to affirmatively send back and say "Do not draft my account anymore." I assume they would continue drafting $12.50 a month on into eternity, if this poor lady fails to send a stop notice or could not reach the right person and have them stop drafting this account.

Mr. President, what this legislation is attempting to do to afford the basics of protection for the unsuspecting by requiring Government look-alike mail that sells a product or a service or solicits membership or contribution, to carry a clear notice both on the envelope and in its contents disclaiming any connection with not only the U.S. Government but any Government entity. And failure to do so would render the material in question totally nonmailable.

S. 273 is the Deceptive Mailing Prevention Act. It was introduced earlier in this session, Mr. President, by the

Senator from Pennsylvania [Mr. HEINZ] and myself. We have done it in behalf of several of our colleagues who have sent us letters from their constituents who feel that they are unduly having their privacy invaded and certainly are being taken advantage of.

The Subcommittee on Federal Services, Post Office and Civil Service, held hearings last year, at which time we heard from a number of witnesses, including Senator ROTH and Senator LIEBERMAN. Senator LIEBERMAN's firsthand knowledge in this area gained serving as Connecticut's attorney general, proved to be very, very helpful to us in drafting this legislation. We also heard from legitimate business mailers who expressed concern about the manner in which the Postal Service might enforce the new law. I believe these concerns were addressed in the particular amendment that we are about to approve.

I am also offering an amendment to the bill as reported by the Governmental Affairs Committee. The amendment makes clear that the disclaimer requirement applies to Government look-alike mail that solicits information. It also adds a new section to the bill codifying a Postal Service-State Department agreement concerning mail service for U.S. officials in foreign countries.

Once again, Mr. President, I have no illusion that this is going to be a cure-all to the massive problem that we face. It is a good bill; a good first step. However, in my opinion, it doesn't go far enough. Where there is money to be made, the charlatans are going to find ways to exploit the unsuspecting and the vulnerable. And they are doing it now.

Next year, Mr. President, I think that we should go much further. For example, we might consider legislation requiring that if an individual writes back to a nonprofit organization and says take me off of your mailing list and if the organization fails to honor the individual's request that organization should lose its nonprofit mailing status. That is hardball. But I think it is going to take something like this in order for us to get to the root of this problem, and to cut out these charlatans who are preying on a very, very vulnerable sector of our society.

Once again, Mr. President, I thank my colleague from Pennsylvania. It has been a pleasure working with him on this matter. I know that he has some illuminating charts and some samples that he has received from his own constituency.

Mr. HEINZ. Mr. President, at the outset, I would like to say what a pleasure it is to work with my friend and colleague from Arkansas, DAVE PRYOR. This has been a mutual labor since I introduced this legislation with his original and strong cosponsorship back on the very first legislative day of this Congress, in fact January 25, the legislative day of January 3.

His contributions have indeed been invaluable. He has added to the record to make clear to our colleagues and the administration the urgent need for this legislation. He has made suggestions and improvements at every turn. He has been, as I have tried to be, responsive to the legitimate concerns of other mailers.

I just want to say to my friend from Arkansas that, once again, it is my great privilege and pleasure to work with him as we do in a number of other capacities.

Mr. President, today this Chamber has the opportunity to neutralize those unscrupulous individuals who use our Postal Service to deceive millions of vulnerable older Americans. A vote for this legislation, S. 273, the Deceptive Mailings Prevention Act of 1990, will prevent the use of look-alike envelopes and sound-alike titles to sell bogus benefits that purport to have the Federal Government's seal of approval.

My own interest in this issue goes back almost a decade, back when I was chairman of the Special Committee on Aging, the position now held indeed by my friend and colleague, DAVE PRYOR. I heard, shortly after becoming chairman, from seniors who were confused by some of the materials they had received in the mail. Out of an investigation that our committee conducted came evidence of a disturbing number of cleverly designed mailings intended to achieve only one thing: To milk the elderly out of their hard-earned dollars by instilling fear about the future of Social Security, Medicare, and indeed, our entire Federal Government.

A constituent of mine, for example, from Gibsonia, PA, not far from Pittsburgh, wrote that she had sent $10 after receiving a letter from an organization shown in here—and it is blown up in the back of the Chamber—from the National Committee to Preserve Social Security and Medicare. She said, "I soon found out that he was going to constantly demand money," the constituent wrote. "You might as well shoot old people as worry them to death," she concluded.

Well, Mr. President, there is no question that these unscrupulous mailers are creative. Take a second example, and there is a blowup in the back, a very official looking envelope, says "Buy U.S. savings bonds." Through the window you see what looks like an official Government mailer check, with an eagle, half of an eagle, peeking through; the upper left-hand corner says, Department of Information Management, Herndon, VA, which is close to the District of Columbia. The color is the same color as the envelopes the Treasury Department and Social Security use. On the back is a sign that says, "Postmaster, please expedite delivery in accordance with postal regulation." Every bell and whistle is used to make this look as official as possible; even the contents, as you can see, Mr. President, down at the bottom, when you open are extremely official. It is a check, you think, from the Federal Government, maybe, for $732.26 cents. Only after you have opened it and begin to read the fine print do you realize it is from an automobile dealer trying to get you to come in and spend some of your hard-earned money on a car.

This, of course, is not a bonus from Uncle Sam. It is, in fact, a very creative effort by a car dealer to peddle his merchandise through the very powerful implication of Government endorsement, which it certainly does not have and does not merit.

I might add that there is endless variation on these schemes and scams. They entice the unsuspecting and the desperate with promises ranging from a larger Social Security check, to potential sweepstakes winnings, to access to records that are already accessible for free under the law.

I think, Mr. President, one of the rights that we Americans value above all, understandably, is our freedom of speech. But the right of freedom of speech does not extend to allowing a private citizen or a business to falsely represent that they are speaking for someone else. No private interest has the right to pretend to be a public interest organization, institution, or Government agency. That is what our legislation is designed to halt.

In sum, everybody has the right to say anything they want, as long as they do not put the words in somebody else's mouth.

Mr. President, the legislation that we are considering today gives the Postal Service a sharp legal knife to carve out deceptive practices and a longer enforcement stick to punish those who persist in those practices. This, of course, is similar to legislation that I sponsored and introduced back in 1987 with Senator CHILES and others. I am pleased, as I said at the outset, that DAVID PRYOR of Arkansas, the chairman of the subcommittee, has been such a booster and supporter of this effort, and we strongly urge our colleagues to proceed to speedy passage. I do ask, Mr. President, that a section-by-section description of this bill be printed in the RECORD.

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

S. 273, DECEPTIVE MAILINGS PREVENTION ACT OF 1990—SECTION-BY-SECTION ANALYSIS

Section 1 contains its short title, the Deceptive Mailings Prevention Act of 1990.

Section 2 amends 39 U.S.C. 3001 by creating two new categories of "nonmailable" matter:

The first—new section (f)—provides that mail from a non-governmental entity that solicits for the purchase or payment for goods or service, and which contains words or symbols such that the mail could reasonably be construed as having some government connection, is nonmailable unless the mailer: (1) has an express connection with the government, as in the case of certain veterans groups; (2) the otherwise objectionable matter is contained in advertising in a publication mailed by other than the advertiser, such as a newspaper; or, (3) the mailed matter carries a conspicuous notice both on the envelope and the contents disclaiming any connection with the government.

The second—new section (g)—provides the same restrictions and conditions with respect to the mail that solicits contributions or membership fees.

Section 3 requires the Postal Service to study and report to the Congress, within 90 days of enactment, on the sufficiency of existing enforcement mechanisms and the feasibility of establishing a procedure for expedited consideration of inquiries concerning mailability.

Section 4 requires the Postal Service to coordinate its enforcement activities with those of the Secretary of Health and Human Services pursuant to section 428 of the Medicare Catastrophic Coverage Act of 1988.

Section 5 sets the effective date of the Act as 180 days after enactment.

Mr. ROTH. Mr. President, I would like to commend my distinguished colleagues, Senator PRYOR and Senator HEINZ, for the outstanding work they have done in bringing the Deceptive Mailings Prevention Act of 1990, S. 273, before the Senate. As a cosponsor of this bill, I share their view that the American people, particularly our seniors, need this legislation to protect against unscrupulous operators who use the U.S. mail to prey on unsuspecting consumers.

I have maintained a longstanding interest in this important issue. Several years ago, I sent a questionnaire to the senior citizens of Delaware on this subject, and I was overwhelmed by the number of seniors who had received deceptive mail and who wanted the Federal Government to do something about this problem. From discussions with my colleagues, I know that this problem is not limited to Delaware.

I was disturbed by the reports of many retirees being frightened unnecessarily by mailings which they perceived as coming from government entities soliciting money lest they lose their Social Security, Medicare, or other Government-sponsored benefits. I directed my staff on the Permanent Subcommittee on Investigations to investigate these complaints and, unfortunately, that investigation uncovered substantial evidence pointing to the need for this legislation.

A common theme of these deceptive mailers is to design their solicitations so that consumers perceive the mailings as coming from or having the support of a government entity. This is done to lend credence to their outlandish claims. Some mailers accomplish this by mentioning government agencies or programs prominently in their solicitations. Some mail their material in envelopes designed to resemble those used for Social Security checks and other official government documents. Others will attempt to show a government connection by including on their envelopes slogans like "Buy and Hold U.S. Savings Bonds."

While their methods may very, the goals of the these government look-alike mailers are all the same—to solicit the hard-earned money of American consumers, in many cases, of senior citizens, by playing on their fears and insecurities. I had seniors write to me, fearful that if they did not contribute to these organizations, their Social Security benefits would be discontinued or that, without their contributions, the Social Security system would become insolvent. The individuals who profit from this kind of fear-mongering are truly beneath contempt.

Today, we have the opportunity to do something about these deceitful operators who enrich themselves at the expense of unwitting consumers under the guise of government sanction or control. The Deceptive Mailings Prevention Act on 1990, S. 273, would require any solicitation which could reasonably be construed as implying any Federal Government connection to include a conspicuous disclaimer in order to be mailed. I commend Senator PRYOR and Senator HEINZ for introducing this legislation and I am delighted to support this bill now as I did in the previous session.

We all recognize that many direct mail solicitations are forthright, come from legitimate organizations and the funds are used for legitimate purposes. These mailings will not be adversely affected by this legislation. Neither would this bill cause the mere use of a word or symbol in a logo to constitute a deceptive mailing. Under this legislation, the Postal Service must make such a determination based upon the appearance of the mailing as a whole, as to whether a reasonable person could infer any Federal Government connection. As such, I believe this legislation is a responsible vehicle that ensures that American consumers will be protected from those who attempt to use the mail to bilk them of their hard-earned savings. I urge the prompt adoption of this timely and important piece of legislation.

Mr. PRYOR. Mr. President, I thank the Senator from Delaware [Mr. ROTH] for the fine statement previously given. I would say, Mr. President, he has been a very strong advocate not only of the legislation which we are about to approve in the Senate, but also of protecting especially those very vulnerable and sometimes very elderly senior citizens who are receiving deceptive mail.

I want to congratulate my colleague, Senator ROTH. We have had the privilege in the past several years of working in the Governmental Affairs Committee together on these and other issues.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment, as amended, was agreed to.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. PRYOR. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be discharged from further consideration of H.R. 2311, the House companion bill, and that the Senate then proceed to its immediate consideration, that all after the enacting clause be stricken, and that the text of S. 273, as amended, be inserted in lieu thereof, that the bill be advanced to third reading and passed, and that the title amendment be agreed to, that the motion to reconsider the passage of the bill be laid on the table, and that S. 273 be indefinitely postponed.

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

So the bill (H.R. 2311), as amended, was passed.

The title was amended to read: "A bill to amend title 39, United States Code, to designate as nonmailable matter solicitations for the purchase of goods or services, or solicitation for donations which could reasonably be construed as implying any Federal Government connection or endorsement, unless such matter contains an appropriate, conspicuous disclaimer, and for other purposes."

Mr. KOHL. Mr. President, I am pleased to be a cosponsor of this amendment to the Deceptive Mailings Prevention Act of 1990. This amendment is of extreme importance because it would require that a disclaimer be put on mailings by nongovernmental entities that use terms that imply a connection to the Government for purposes of soliciting information as well as the contribution of funds, as it is written in the original legislation. Further, it would require the Postal Service to treat such mailings as nonmailable.

During the conduct of the 1990 decennial census, the Census Bureau received numerous complaints from the public about mailings from private organizations that were presented as being connected with the official census. An example of such a mailing was brought to my attention. The envelope of this mailing said "Census Documents Enclosed * * * Must be returned before deadline." The contents

of the envelope were a brief questionnaire asking about the respondents lifestyle, and a lengthy advertisement for bull denim jeans.

We are all aware of the lower than expected mail response rate to the 1990 census which caused the Census Bureau a huge budgetary shortfall earlier this year. I am concerned that such marketing techniques may have greatly contributed to the number of households who did not respond to the 1990 census. It is essential that such deceptive mailings are not allowed to hinder any future census efforts.

Again, I am pleased to be a cosponsor of this amendment. Thank you, Mr. President.

Mr. LIEBERMAN. Mr. President, I am very gratified that the Senate today will pass S. 273, the Deceptive Mailings Prevention Act. This bill prohibits the mailing of solicitations that use symbols and designs that make the unwary consumer believe that the mail comes from a government agency or organization. S. 273 is an excellent piece of legislation that provides much needed protection for consumers. I commend Senators PRYOR and HEINZ for their fine work on this bill, which I am pleased to have cosponsored.

Few issues are of greater concern to me than protecting consumers from ripoffs. As attorney general of Connecticut, I spent much of my time investigating and prosecuting those who commited consumer fraud—and some of the most outrageous scams were those that arrived in the mail. Every day, millions of Americans receive some kind of fraudulent solicitation by mail—solicitations that steal hard-earned dollars from ordinary citizens.

This bill has given me an opportunity to help address one serious type of mail fraud—Government look-alike mailings—which are designed to appear as official government documents, but are really solicitations from private con artists. These include solicitations that look like they contain government information concerning the recipient's Social Security or Medicare benefits, or official papers from the Internal Revenue Service. Sometimes they appear to contain a Government check. Not long ago, a Connecticut woman received a Government look-alike check for $1,000, which in reality was merely an advertising gimmick. Unfortunately, a bank actually cashed the check, and some time later, tried to get the money back from her.

Unsuspecting recipients of look-alike mailings often end up paying for useless services that are available for free directly from the Government. For example, as attorney general I warned Connecticut consumers about a Government look-alike solicitation from the "Federal Record Service," which intimidated parents into thinking, incorrectly, that they had to get a Social Security number for a new child, and offered to provide that unnecessary service for a fee.

S. 273 would help put a stop to these scams. It would render nonmailable any Government look-alike mailing that solicits money, services, or information, unless the envelope and its contents have a clear disclaimer of any connection with the Government. Stripped of their pseudo-official trappings of authority, con artists specializing in Government look-alike scams will have a much harder time persuading consumers to open the envelope, let alone part with their dollars.

Mr. President, I am proud to have testified before Senator PRYOR's subcommittee on the problem of government look-alike mail fraud and to have cosponsored this bill, and I am pleased that it was reported favorably by the Governmental Affairs Committee, on which I serve. I am confident that, by passing this legislation today, the Senate can provide important protection for consumers.

Mr. COATS. Mr. President, I am pleased to be an original cosponsor of the Deceptive Mailings Prevention Act of 1990. This legislation is designed to address the problem of misleading and deceptive mail solicitation practices affecting the elderly.

Increasingly nonprofit organizations and companies are resorting to the marketing technique of using the mails to solicit contributions and sell products and services. Using official-looking mail can be very misleading, causing to general confusion among the recipients of such mail, many of whom are senior citizens on Social Security or Medicare. As a consequence, there is widespread congressional concern about those nongovernmental entities which ulitize in their mailings official insignia, trade names, or other symbols or terms with governmental ties or associations in order to misrepresent themselves as having Federal endorsement, support, or connections.

Because these mailings appear to be directed primarily at the elderly and involve organizations offering products or services to or of interest to older Americans, many legitimate groups representing the elderly, such as the AARP, have expressed strong concern about the need to stop such deceptive mailing practices. In recent years my office has received numerous complaints, mostly from senior citizens, about this matter.

The vast majority of companies and nonprofit groups which use the mails to reach potential customers and contributors are responsible organizations which offer and sell legitimate products and services or solicit on behalf of legitimate causes. Unfortunately a few organizations, through the misuse of these mailings, give the false impression that they represent the Federal Government or are offering services or products sanctioned by the Federal Government. Many solicitations and offers come in envelopes which could reasonably be interpreted to be an official mailing from a Federal agency. Most use titles which imply association with the Federal Government. As a consequence, customers are induced into paying for products or services which they do not need or which the Government can otherwise provide without charge.

As an example, I cite one organization that mails solicitations to Medicare recipients. On the outside, the envelopes indicate the mailing pertains to supplemental Medicare benefits. Inside the reader is informed that Medicare benefits have been drastically reduced by Congress. The point of this mailing is to sell Medigap insurance policies. The advertisement uses scare tactics to cause some elderly recipients to submit their names. As a consequence, they find themselves paying for an expenditure they do not fully understand.

Another organization encloses sweepstakes tickets designed to look like Social Security cards. The recipient is told that for a fee, he or she has the chance to win $50,000, and can receive a gold-embossed Social Security card, an earnings statement, a guide to retirement, and representation in Washington to protect his or her Social Security benefits. Still another organization uses the Statue of Liberty as a logo and, in a brown official-looking envelope, offers to provide a Social Security card for all children under the age of 5 for a cost varying from $12 to $20 for the first child, with a supplemental charge for each additional charge. The enclosed material states: "Federal law requires that you must have this completed before your (annual) income taxes are filed."

Recently a senior constituent of mine, Mr. Alfred S. Silverman of Hammond, IN, received a mailing from an outfit called Grant Hotline in San Diego. The envelope read "Official Notification" and indicated "A $10,000 Free Grant from the U.S. Government that you never have to pay back could be yours." Inside a letter headed "Important" told of billions of free cash grants "to common everyday people like you" from the U.S. Government "regardless of your education or poor credit status." "Priority is given to minorities, women, handicapped and needy people with poor credit and low-financial status," the notice added. Finally, the recipient was told that "those who want cash grants" should call a certain telephone number "within the next 4 days." Fortunately Mr. Silverman did not bite, but he asked ironically how he could apply for such "free" cash and what we intended to do about it. S. 273 is certainly one answer.

Most of these deceptive mailings target our Nation's elderly, focusing on Medicare or Social Security benefits, the most important concerns to senior citizens. It is important that we protect those persons who must rely on fixed incomes from these kinds of deceptive or misleading mailing practices which seek to rob them of their limited resources.

That is why last year I introduced a bill, S. 1356, also known as the Deceptive Mailings Prevention Act, to render deceptive government look-alike mail as nonmailable unless such matter contains a conspicuous disclaimer. My bill is identical to legislation introduced in the House of Representatives by my Indiana colleague, Congressman FRANK MCCLOSKEY, which the House passed earlier. Similar legislation passed the House last year, but the Senate failed to act on it. Thus, corrective action on this matter is long overdue. I am pleased that the Senate Governmental Affairs Committee has reported a bill which is similar to and would accomplish the same objectives as my own bill.

S. 273, as amended, provides that matter mailed from a nongovernmental entity that solicits for the purchase of or payment for goods or services, and which contains a seal, insignia, trade or brand name, or other words or symbols such that the mailing could reasonably be construed as having some government connection is nonmailable unless: First, the mailer has an express connection with the Government, as in the case of certain veterans organizations; second, the otherwise objectionable matter is contained in advertising in a publication mailed by other than the advertiser, such as a newspaper; or third, the mailed matter carries a conspicuous notice, both on the mailing envelope and on the mailed contents, disclaiming any connection with or endorsement by the Government. The bill also provides the same restrictions and conditions with respect to mailed matter that solicits contributions or the payment of membership fees.

S. 273 also requires the Postal Service to study and report to the Congress, within 90 days of enactment, on the sufficiency of existing enforcement mechanisms and the feasibility of establishing a procedure for expedited consideration of inquiries concerning mailability. The Postal Service is also directed to coordinate its enforcement activities with those of the Secretary of Health and Human Services pursuant to section 428 of the Medicare Catastrophic Coverage Act of 1988.

The principal difference between S. 273 and my own proposal is that S. 1356 also included a provision expanding current law to declare false billing statements for the solicitation of donations as nonmailable unless such matter bears on its face a disclaimer stating "This is a solicitation of donations, and not a bill or invoice or statement of accounts due." Under title 39 of the United States Code, false billing statements for goods and services are nonmailable without a disclaimer. S. 273 contains no such provision. I regret this omission. The House bill contains a false billing disclaimer requirement. I hope that the conference will retain such a requirement so that this deceptive practice will also be ended.

S. 273 will address deceptive mailing practices without infringing on the rights of honest persons and legitimate organizations to communicate their ideas and to have access to mass mailings so that they can reach postal patrons nationwide. Most importantly, S. 273 will strengthen the rights of consumers, especially the elderly, against the real threat posed by organizations that resort to these deceptive mailing practices. This legislation will also ensure that those who provide a genuine service through honest advertising of legitimate, needed products and services are also protected.

Mr. President, I urge my colleagues to support this important and overdue legislation.

Mr. PRYOR. Once again, let me thank my good friend from Pennsylvania, Senator HEINZ. We had the privilege, going back many years, of serving together as Members of the House of Representatives. He beat me to the Senate by a few years. He has been a very, very fine colleague on the Aging Committee. He has chaired the Aging Committee, and we are both in strong agreement that this legislation, as passed, is going to be the beginning of even stronger legislation, even stronger enforcement in the future, to prevent deceptive mailing for those very, very vulnerable citizens in our country.

Mr. HEINZ. Mr. President, I want to conclude by saying that I look forward to working with the Senator from Arkansas, my friend and colleague, DAVID PRYOR, on additional legislative steps in the coming Congress, during which we both hope to be in attendance. Since Senator PRYOR is, as I understand it, unopposed for reelection, his chances of return, I understand, are fairly good. Therefore, I think I can, with some certainty, predict that, the good Lord willing, we will have that opportunity to so represent our country.

Mr. PRYOR. Mr. President, I appreciate the fine comments and very generous comments of my friend from Pennsylvania. But I must remind the Chair and my friend from Pennsylvania that about 2 years ago the people of Leningrad had their first opportunity to vote in a public election, and the mayor of Leningrad had no opposition, Mr. President, in his race for reelection; no one opposed the mayor of Leningrad in that race, and he was defeated by a vote of 2 to 1. So I must keep that in perspective, as we must say, there is a very, very restless group of constituents out there today, with some degree of justification.

Mr. HEINZ. I want the record to show I did not say it was certain that our colleague would return. I said the chances were very good.

The PRESIDING OFFICER. The Chair took note of that observation.

Mr. PRYOR. Mr. President, one final point on deceptive mail. I am sure the Senator from Pennsylvania will agree with me. If any citizen in our country receives any of these letters asking for a contribution or asking for money, I urge that citizen, if that citizen wants to know whether this is a real, valid organization, to just write back a letter asking them "what do you do with your money, how is that money being spent; give me a statement from your accountant so I can see where this money is coming from and how it is being used."

Most of the time you will not hear from them again. I might say that because they do not want to reveal this information. But I think it would be, certainly in the idea and in the hope of public service, that we inform our people not to send their money back unless they know full well the groups they are sending to.

## EXTENSION OF MORNING BUSINESS

Mr. PRYOR. Mr. President, I ask unanimous consent that the period for morning business be extended not beyond 2 p.m. today under the previous conditions.

The PRESIDING OFFICER. Without objection, it is so ordered

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

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

Mr. SIMPSON. Mr. President, I am just inquiring as to the order of business. Is it morning business until the hour of 2 p.m.?

The PRESIDING OFFICER. The Senator is correct.

Mr. SIMPSON. I thank the Chair.

Mr. President, I wanted to just speak a moment on the issue that is certainly consuming all of us, the issue shortly to become the business of Congress. I do not speak so that our colleagues who will listen carefully find I possess unique and dazzling insights into the

budget deficit we find ourselves in but I speak because of the true enormity and magnitude of the problem and enormity of our responsibility to see that it is corrected.

This is our responsibility. It is Congress' responsibility. It is not previous Democrat or Republican Presidents that got us here. It is Congress that got us here—Democrats and Republicans alike in the years pass. And it is told to me in the phone calls that come to my office saying, "What are you doing" or "How can you do this to the senior citizens? How can you do this to the veterans?" How can you do this to this group or that group? And we have done very little to those groups.

I was here on the floor when we set aside the veterans so that they were not affected by anything under Gramm-Rudman-Hollings except for a very minor ding of 1 or 2 percent while the rest of the country would suffer a 35 percent reduction. I helped do that. I am a veteran. I am very proud of that. But all veterans, especially veterans who fought for their country, know that it is time now to fight for our country once more in its fiscal chaos which is to come if we do not do this.

Then they will say, "Look what you did to the senior citizens." And I say, what did we do to the senior citizens? We did not touch the cost-of-living allowance on Social Security, not one penny. We did not do a single thing of increasing the money they would pay, even for those who are affluent; we never increased the amount that would be subject to tax. We did not do a thing with that, nothing. All we really did was raise the deductible 75 bucks a year to 150 bucks a year. Now that is all.

Plus one other thing. Part B. Part B premiums under Medicare is an absolutely voluntary operation. You do not have to be in it. You really do not. You can go buy your own insurance. But if you are in it, it is going to go up about 4½ bucks a month. That is what is going to happen. Then it is going to be up to about 54 bucks a month in the out years over the 5-year period. And that is what we did. Nothing more.

I have had some of the most wearisome calls I have ever heard from people saying, "What did you do to senior citizens?" I said well, nothing very much, except raise your deductible on this extraordinary health care system which costs 600 billion bucks a year; health care in the United States of America is 600 billion bucks a year. And under part B premiums they go to now where the beneficiary will have to pay 30 percent instead of 25 percent. Is that an act of thoughtful Democrats and Republicans or people who are going to do in senior citizens or do not care? Are they unthoughtful, cruel, hideous? Of course not.

Then people say—this is the good one—"How come it took you this long? What is the purpose of putting the country through this exercise down to the last minute?" I almost have to chuckle at that one because it is because of the interest groups of the United States and the citizens who listen to the drivel they pour out that make it so difficult to govern. If you listen to the news, pick up the paper, you would think that we are riding senior citizens into the ground. That is a phony, phony argument.

I have just outlined the only two areas where seniors are affected—a $150 per year deductible, and up 4½ bucks a month on part B voluntary part of the Medicare. You do not have to be in it. If you do not like it, get out of it. And that is it.

And they say, why are you taking so long; why is this done? Let me tell you, why that is. Because every time we try to do something realistic, the interest groups get up their stuff and beat your brains in. And boy, are they out there. And their executive directors live right here in this community. They have marvelous jobs. Most of them make much more than we do. And their sole purpose in life is to juice up their membership; that is their sole purpose in life, to juice up the membership and come in here and hack us to shreds. And they are doing a magnificant job. My question to them is, "What do you do as an alternative? Do you have anything to suggest? Because I really want to see the look on your face when we go to a sequester between October 15 and election day." It is called a permanent sequester.

The PRESIDING OFFICER. The Chair would inform the Senator that his 5 minutes in morning business are up.

Mr. SIMPSON. Mr. President, I appreciate the courtesy of the Chair. I see my colleague from Illinois.

Mr. DIXON. I was very interested to listen, may I say, Mr. President, to my dear friend's comments and I would like to listen longer if he will give us more of his thoughts.

Mr. SIMPSON. I would love it. I thank my colleague from Illinois.

The PRESIDING OFFICER. Does the Senator request additional time to speak?

Mr. SIMPSON. I ask unanimous consent for an additional 2 minutes.

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

Mr. SIMPSON. So these groups, I asked them, "What do you have for an alternative for us?" Well, they do not have much. They blanch, kind of scratch themselves, jump up and down, shake, and get apoplectic and then they say, "Well, if you people would just use self-discipline and will power, we would not be here." I said, "Are you kidding? You have been hanging around me like a poor relative for 5 years, asking for this, asking for that, in an insatiable quest for everything you can imagine." And it never ceases.

There is not one of us here that does not know that the whole budget year and the whole entire time of our opportunity here to help govern consists of people who are sitting in front of us saying, I hope you get this deficit under control but before you start I want my money and I want my loan guarantee and I want this tax credit and I want this change in the Internal Revenue Code and I want this and I want that, and all of it is destined to suck something out of the Federal Treasury.

That is where we are. It is still a representative Government. And if the people really want this, because here is your pitch now, the people who are going to vote for this package are going to receive unshirted hell in this election and they are going to be the subject of 30-second spots and they are going to be called evil and foul and defilers of the public trust and many of them will lose. And the American public will get just what they asked for, and that is people who will give them everything they want. And any government that is big enough to give you everything you want is big enough to take away everything you have.

## OPPOSITION TO DEBT FORGIVENESS FOR EGYPT

Mr. DIXON. Mr. President, when I was young, my parents always reminded me that Finland, as small a country as she was, repaid her debt to the United States from the war. If my parents were alive today, they would be appalled at what we are being asked to do in terms of forgiving debts to foreign nations.

I rise today to announce my opposition to the administration's proposal to forgive some $7 billion in outstanding debt owed to the United States by Egypt. At a time when the American people are being urged to swallow more taxes and higher Medicare premiums, this debt forgiveness proposal leaves a bad taste in the mouths of all Illinoisans.

I make this promise: If any legislative vehicle retains the debt forgiveness language in the foreign operations appropriations bill, I will offer an amendment on the floor to strike the language when it comes before the full Senate.

I have consistently opposed debt forgiveness proposals. Debt forgiveness costs the American people money. How so? Debt repayment figures are part of the revenue projections in the President's budget. It is assumed in

fiscal year budgets that a certain amount of debt will be repaid by those countries who maintain outstanding debts. While the administration has acknowledged that the Egyptians were unlikely to be able to repay the $7 billion owed the United States, we are led to believe that the only solution to the problem is debt forgiveness. I do not think so.

Just because this country believes one of its debtors is unable to pay up is not sufficient reason to forgive their debt. Debt forgiveness has real budget impact.

According to the budget summit agreement, over $1.8 billion in projected repayments are forgiven over the next 4 fiscal years. One billion, eight hundred million dollars is real money, Mr. President. This proposal is similar to the banker who holds your mortgage, ripping up your loan, liquidating not only the principal owed, but the interest as well.

Egypt is a friend and ally, and its effort to rally Arab support against Iraq have been important. However, it should not be the policy of the United States to reward countries with debt forgiveness when they take actions we support. Debt forgiveness sets bad precedent. Debt forgiveness is bad policy.

It is especially galling to the people of my State, a State which gives a great deal more money to the Federal Government than it gets in return, and who even now face more taxes and less benefits from their Federal Government.

I have here a couple of letters out of numerous communications from my constituents in Illinois, and they are outraged about this proposal. A gentleman from Harvard, IL, sent me a copy of a letter he sent to President Bush. It reflects the overall sentiment of the letters I have received on this issue. He states:

> Write off $7 billion that Egypt owes us as a symbol of appreciation? No, no, a thousand times no.

A woman, from Lemont, IL, writes:

> I think that before we retire any of Egypt's debt we should retire $7 billion of our national debt * * * or spend it on legal fees to convict the white collar thugs that raided the S&L industry * * * my point is that $7 billion is $7 billion and we need it here.

The folks back home are tired of bailing out every other debtor. They do not see anyone bailing them out. They just do not understand this debt forgiveness business, and this Senator agrees with them. Who are we here to represent, if we are not here to represent our own citizens?

We have been giving Egypt over $2 billion of assistance a year for a number of years. To forgive this debt on top of the aid we give them every year sets terrible precedent. I do not believe that Egypt will be the last country asking for such relief.

The United States needs this money here at home. Our citizens have justifiable reason to expect that debts, rightfully due and owing, be repaid. The American people, who are wallowing in the costs of our own internal debt, see no such relief coming our way. The American people and the people of Illinois have a valid point on this issue, Mr. President. It is time we listened to them.

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. EXON. 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. EXON. Mr. President, I ask unanimous consent that I be allowed to proceed as in morning business.

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

## CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed, save, and except for a unanimous-consent request. The Senator may proceed.

## THE BUDGET SUMMIT AGREEMENT

Mr. EXON. Mr. President, it is with a degree of unhappiness that I rise today to express my opposition to the President's budget summit agreement. As a member of the Senate Budget Committee who has time and time again come to this floor to offer tough alternative deficit reduction plans based on the freeze concept, I want very much to support a long-term deficit reduction which is both fair and effective.

Unfortunately, the plan put forward by the President and the bipartisan leadership budget summit fails with regard to fairness and effectiveness and would have a staggering negative effect on not only the economy of the State of Nebraska and rural America in general, but upon the Nation as a whole. We are in, or are going into a recession. The package agreed to is the wrong tonic at the wrong time.

Mr. President, I took a very careful look at the budget summit agreement, giving it full and fair consideration. Even if other numerous shortcomings in fairness where ignored, the last minute horrendous deal to further emasculate the Tax Code with the tax loophole for the 25-percent stock investment credit proves its unworthiness. I do not enjoy going against the wishes of the President and the bipartisan leadership of the House and Senate.

Despite those efforts, I am left with no choice, in all good conscience, but to oppose this package. I may be accused of parochialism becaue of the severe hit agriculture takes. This, at the very time when corn, to mention only one commodity, brings a cash price of $2 per bushel, about 50 cents below production costs. So be it.

Mr. President, I say that in all good conscience, after reviewing the proposal and coming to a negative conclusion, I reviewed it all over again, under the assumption that agriculture would take no hit whatsoever. My conclusion was, that even then this package, however well-intentioned, would be an economic disaster for my State and for our country of a major magnitude.

I must concede that a portion of my concern is that too many of the key players in this scenario to cure the problem supposedly solved it 5 years ago with Gramm-Rudman that promised a balanced budget by October 1, 1990. We can conclude that was a complete exercise in futility since we are now faced with an additional $1 trillion in debt, that now has mushroomed to over $3 trillion. In fact, the true deficit is worse than it has ever been.

Having worked with a bipartisan corps of fiscally conservative Senators to craft alternative budget packages, I know how difficult it is to find agreements which produce meaningful deficit reduction. If any of the many alternate plans which we have offered since 1982 would have been adopted and implemented, the Nation would not be on the present brink of fiscal meltdown. Do we need to do something to correct all of this?

We surely do. But forcing this tortured compromise born more out of mindless frustration than wise economic concepts and reason and reasonableness is, in my opinion, dangerous folly. No amount of Presidential armtwisting and veto threat rumblings can improve upon, or make this proposal a sound one.

Senator GRASSLEY and I recently received a report from the General Accounting Office which appropriately identified the budget as "out of control." It is time that those who had their fingerprints all over the Gramm-Rudman law and the 1986 Tax Reform Act which has already increased the deficit by $31 billion, after being sold to the American people as a revenue neutral plan, admit their terrible mistakes. The Gramm-Rudman law has failed.

The tax reform was not revenue neutral, as the Congress and the President said.

This should have been so stated and been a part of the budget summit. It is time that we come out and say very di-

rectly and very sincerely that it is way past the time when we should face this problem with reality.

We should embrace not the summit plan but the Senate Budget Committee proposal and abandon the fiscal monkeyshines of the Gramm-Rudman law and the political deal which was made at the President's budget summit.

Just as the Gramm-Rudman law was designed to push aside serious action on the deficit, the budget summit seems poised to again push this serious crisis beyond consideration until the 1992 Presidential election. That is political convenience but had fiscal policy. It is no accident, Mr. President, that the budget summit agreement clearly contemplates a renegotiation in 1993. This proposition can best be called "son of Gramm-Rudman"—same song, same sour second verse.

In short, the budget summit asks pain from working and elderly Americans with little real gain in terms of overall deficit reduction. It is long on promises and, if enacted, would be woefully short of stated accomplishments. I illustrate this point by the fact that the first year reduction which started out to be a promised $50 billion was reduced to a stated claim of $40 billion and ends up as a possible maximum of $34 billion when Desert Shield costs are finally recognized. Even further deterioration of that figure is probable by economic and technical adjustments. We will be billions of dollars out of whack under this proposal even before we get out of the starting gate.

In terms of fairness, the President's approved budget summit tax package takes dead aim at the middle class working Americans who already bear an increasingly heavy tax burden and on seniors with fixed incomes. These are the same Americans who had their Social Security taxes raised last January and the proceeds used to hide the deficit.

While I do not favor a tax increase, if one is necessary at least it should be progressive. Under the President's budget summit agreement, very little is asked of the rich. Where are the recovered revenues from the ill-gotten gains of the S&L thieves, or the seizure of assets from the fraudulent directors who helped the Nation get into this mess?

The tax portion of the agreement is peppered with tax giveaways to business and to the very oil companies which have been gouging American consumers at the pump. Is it not enough that working Americans have had their pockets picked once already by the international oil conglomerates? Uncle Sam should not reach into already nearly empty pockets.

To illustrate how the package socks it to the working American families, according to the New York Times, total tax changes will increase taxes by 3.3 percent for families earning in the range of $30,000 to $50,000 per year but only increase taxes three-tenths of 1 percent—three-tenths of 1 percent—for families earning over $200,000.

On the spending side, it appears that seniors and rural Americans are the central focus of the package. For Nebraska, the impact of the gas tax, the Medicare tax increases, the insurance tax increases, and the unrelenting attack on agriculture programs spells serious economic harm. For farmers, the President's economic package is a disaster. Over 5 years agriculture is cut 24 percent in nominal terms and 40 percent, Mr. President, in real terms. Agricultural commodity program spending has already been reduced from $26 billion just back 4 years ago, in 1986, to only a little over $8 billion in 1990. For Nebraska, the total farm payments have dropped from that figure that I just cited of 4 years ago, which resulted in a payment to Nebraska farmers totaling $1.04 billion, to just $299 million in 1990. To ask even more from farmers when other areas of spending are given a pass is unconscionable.

Nebraska will also pay a heavy price in terms of gas taxes. Initial calculations indicate that a 12-cent-per-gallon increase in the gas tax would cost the average Nebraskan at least $105 a year.

When the three biggest chunks of the agreement are considered together for State impact, specifically agriculture, the gas tax increase and Medicare changes, Nebraska is hit to the extent of the third hardest, the third hardest, Mr. President, of any State in the Union per capita, ranking only behind our two rural neighbors to the north, North Dakota and South Dakota.

That is not fairness, Mr. President, for middle America.

Make no mistake about it. Nebraska seniors, farmers, and workers are willing to contribute to deficit reduction as long as it is fair and effective. This package is far from that. The budget summit agreement is perhaps most notable in that it asks virtually no savings from the domestic discretionary programs or international affairs. It also appears to give a blank check to the Department of Defense for the Desert Shield operation which essentially cancels even the most modest savings produced by the President's budget summit agreement.

I am further concerned that the President's proposal to cancel $7 billion of debt to Egypt and increase contributions to the Internatinal Monetary Fund are exempt from the restraints of the agreement. Another blank check seems to be written for the costs of the savings and loan bailout which is among one of the so-called held harmless items in the President's budget that was reached in the summit agreement.

The package also fails in terms of effectiveness. The ill-fated and failed Gramm-Rudman law, which I opposed from its very inception, is extended again for 5 more years—5 more years—5 more years—with one change that measures progress in the first 3 years against the deficit reduction targets—get that, Mr. President, against the deficit reduction targets—rather than the bottom line deficit. Gramm-Rudman is a cat that has far, far more than 9 lives.

The effect, I predict, is to produce 3 years of only compliance with the agreement and no significant downward movement on the bottom line deficit, forcing a renegotiation that I earlier referred to in 1993, which, conveniently, is after—after, Mr. President—the next Presidential election.

The most outrageous provision of this agreement, however, is the 5-year extension of the debt ceiling in an unspecified amount. We can just go on borrowing and borrowing at will and not have to vote on it.

Once again, a political compromise is evident and necessary to avoid confronting ever-increasing Federal borrowings and to bypass a congressional pressure point of fiscal restraint. I emphasize, Mr. President, that this compromise simply lets an awful lot of institutions off the hook and smoothes everything over past the 1992 election.

Although the agreement mysteriously omits a total debt figure, it is safe to say that a vote for the budget summit agreement is a vote for at least a $4.5 to $5 trillion debt limit, $2 trillion more than we have right now and five times what it was in 1980.

To some, the options appear to be a classic case of a choice between two evils. Supporters of the plan plot the only choice between the budget summit agreement and the devastating chaos of a Gramm-Rudman sequester. Neither is infallable or industructible. Gramm-Rudman is a unwelcome monster created like Frankenstein by mankind.

Gramm-Rudman is not 10 stories high and has loose bolts and nuts in its head. The only thing the villagers have to fear, to paraphrase F.D.R., is fear itself manifested by the President and the summitteers.

Mr. President, I say to my colleagues, there is a better way. It may be messy, politically difficult and disruptive of the traditional campaign season, but given the magnitude of the crisis, and inequities of the budget summit package, it is the only appropriate course. The House and Senate should reassert control of the budget process and fulfill their constitutional roles to craft a budget, and implement

legislation which can be presented to the President for signature or veto.

Let us quit making formal Presidential-congressional deals that then are forced upon the rest of the elected officials as a take it or leave it proposition. There is something in the Constitution about separation of powers that seemingly is being blurred. We may be heading for a form of government not envisioned by the framers of the Constitution. What is next? When a problem arises will the President, a few congressional leaders, and the Chief Justice of the Supreme Court, the third separate branch of government located across the park—they could get together and make a deal, and then Congress and the other Justices be told to accept it or they will collapse the Republic? It is long past time that both the President and the Congress lift their sights from the next election to the next generation.

The path I propose would reject the budget summit agreement, which would allegedly save maybe $34 billion in 1991 and adopt a freeze budget built on the foundation of the budget endorsed by the Senate Budget Committee earlier this spring.

The package I recommend would freeze most domestic programs at last year's level, grant a full cost-of-living adjustment to retirees, cancel the congressional pay raise, freeze new Federal hiring, freeze total foreign aid programs and include the fair share modified tax amnesty proposal put forward by Senator CONRAD and endorsed by the Senate Budget Committee.

On the revenue and fees side of the equation, the package should include the same level endorsed by the Senate Budget Committee, viewed at that time as consistent with the President's 1988 no new taxes pledge. This combination of policies would produce total savings in excess of $54 billion and hard savings in excess of $43 billion in 1991.

The key advantage of the freeze approach which I have advocated for so long would be that it would focus on reducing spending in an essentially equal level of sacrifice from all programs. Beyond the freeze, there needs to be reductions in defense programs. The dramatic changes in Europe, the Soviet Union, and now even between North and South Korea pose significant opportunities for long-term defense savings, with or without the Desert Shield Operation. Look at the defense numbers proposed for spending in the summit package. In fiscal 1990 we spent $297 billion on defense. In the summit proposal, its $297 for 1991, $294 for 1992, and $292 for 1993. In addition, all costs of Desert Shield would be on top of those figures. Some savings.

Mr. President, the budget summit is not in the best interests of the Nation. Selected and selective gas taxes and Medicare cuts as key parts of a package will not produce the hoped for result of serious deficit reduction. As key parts, the former is regressive and the later pointed unfairly at one segment of our society. It is a lose/lose proposition which is bad for America. I say, let the whole Congress bear the pain of crafting a new budget deal, sending it to the President for his signature or veto.

The President claims there is no smoke-and-mirrors in this proposal. That is nonsense. With Federal borrowings going up to $5 trillion or more, can anyone believe interests rates can go down to 4.2 percent in 1995? Without that happening the numbers fall apart and the package is meaningless.

There are even more examples of smoke-and-mirrors in this agreement. Only part of the Social Security trust fund is taken off budget. That portion which represents interest earnings remains on budget and is still used to hide the true size of Federal borrowing. In addition, highway and aviation trust funds are still used to hide larger portions of the deficit. Another example of rosy scenarioism is in the budget agreement's assumption that oil prices will register between $21 and $24 per barrel. Today oil is trading in the $35 per barrel range.

In conclusion Mr. President, even if fully adopted, this package will not "put this budget crisis behind us" as the President suggests. Once the cost of Desert Shield is counted, the savings and loan and banking system bailouts counted and trust fund surpluses excluded, there is very little real progress on the deficit. The GAO report I referenced earlier indicates that at least another $500 billion over the next 6 to 7 years will be needed to produce any hope of a truly balanced budget by the end of the century.

Mr. President, the Congress can do better, and the Nation deserves better.

Mr. President, I ask unanimous consent that two excellent articles, one by Art Hovey of the Lincoln Star and one by Robert Pear of the New York Times be printed into the RECORD.

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

[From the Lincoln (NE) Star, Oct. 3, 1990]

BUDGET AX FALLING ON FARM DOLLARS

(By Art Hovey)

Federal budget negotiators have set a course that can be expected to cut deeply into the hundreds of millions of dollars Nebraska's farmers get annually in price support payments, analysts of farm policy said Monday.

Nebraska used more than $2 billion in price supports in 1986-87 to dig its way out of the farm crisis. In the process, the average farmer reached a point where he was getting more than half his net farm income from the government.

A drought in other major farm states and resulting high prices brought the annual total down considerably in 1988, but the so-called safety net could become much smaller now at a time when production is up and prices for Nebraska corn and wheat are weakening.

Roy Frederick, a farm economist at the University of Nebraska-Lincoln, said the total cost for the five-year run of the 1985 farm bill could top $80 billion. The spending forecast for 1991-95 coming from the budget summit is for $41 billion.

"We're going to have significant adjustments to make over the next few years," said Frederick, former state director of agriculture in the Orr administration. "There's not much question about that. And the adjustments could well go beyond the farmers' pocketbook."

Also placed at risk are land values, state tax receipts and the economies of rural communities.

"I want to be cautious because I don't have enough details," Frederick said. "What I have at this point does not cheer me a great deal."

John Neuberger, state director of the Agricultural Stabilization and Conservation Service, said a weekend summit agreement amounted to only "a week's reprieve" on many ASCS funding uncertainties.

Because Congress has yet to act, he has been advised to hold back this week in making an estimated $70 million in payments under the Conservation Reserve Program. ASCS issues both CRP and price support payments.

The CRP payments to farmers for withdrawing highly erodible land from production normally go out the first week in October.

Sen. Jim Exon, D-Neb., facing a reelection challenge in five weeks, is among those gritting their teeth this week. He noted that the projected $8 billion in farm bill spending in 1991 was down from $26 billion four years ago. "If you put that in perspective with all the other spending programs, and see how unfair it is, I think it sticks out like a sore thumb," he said.

Fellow-Democratic Sen. Bob Kerrey said he needed to be convinced that there were more pluses than minuses in the budget agreement. "No one should underestimate the potential negative impact that agreement will have on the entire state of Nebraska."

Bryce Neidig of Madison, state president of the Nebraska Farm Bureau Federation, and John Hansen of Lincoln, president of the Nebraska Farmers Union, were not dispensing upbeat messages Monday.

"Agriculture, no matter how you cut it, is going to bear a disproportionate share of the budget balance," Neidig said.

Hansen said the U.S. Department of Agriculture had been ignoring ways to hold down farm program costs during the budget-balancing debate. "They're bound to beat on us," he said.

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[From the New York Times, Oct. 2, 1990]

BEARING THE BURDEN

Effect of all tax changes in the new budget agreement on individuals and couples in each income group.

| | *Percent* |
|---|---|
| Less than $10,000 | −0.1 |
| $10,000 to $20,000 | −3.8 |
| $20,000 to $30,000 | 3.0 |
| $30,000 to $40,000 | 3.3 |
| $40,000 to $50,000 | 3.3 |
| $50,000 to $75,000 | 2.0 |
| $75,000 to $100,000 | 2.0 |

| | Percent |
|---|---|
| $100,000 to $200,000 | 1.5 |
| $200,000 and over | .3 |
| All taxpayers | 1.6 |

[From the New York Times, Oct. 3, 1990]

SAVINGS SEEN AS LESS THAN PREDICTED

(By Robert Pear)

WASHINGTON.—Experts on the Federal budget said today that the deficit-reduction package announced Sunday would not save as much money as President Bush predicted, and they raised questions about the arithmetic used by the budget negotiators.

Mr. Bush said the package would save $500 million over five years, including $40 billion this year.

Although budget estimates beyond one or two years are notoriously unreliable, a projected decline in spending outlined in the budget agreement appears to be particularly questionable.

SPENDING DECLINE IS SEEN

Under the budget agreement, Federal spending would increase in the fiscal year 1991, which began this week. But the agreement envisions an $11 billion decline in total Federal spending, from $1,392 billion in the fiscal year 1992 to $1,381 billion in 1993. It then calls for a further decline of $38 billion, to $1,343 billion in 1994.

The projected decline in spending would mark a striking change. Total Federal spending has not declined in any year since 1965.

Lawrence A. Kudlow, chief economist at Bear, Stearns & Company, who served as chief economist at the Office of Management and Budget from 1981 to 1983, said it was highly unrealistic to expect such a drop. "To suggest that the level of total Federal spending will fall by $38 billion indicates that there is some hocus-pocus in these numbers," Mr. Kudlow said. "I am becoming very suspicious that there is much less here than meets the eye."

TOO MODEST FOR GAO CHIEF

Comptroller General Charles A. Bowsher, the head of the General Accounting Office, an investigative arm of Congress, said the deficit-reduction package, even if it achieved savings of $500 billion over five years, was "considerably more modest than we believe necessary" to maintain the health of the American economy and the United States' competitive position in the world.

The savings represent reductions from the level of Government spending needed to continue Federal operations at current levels, with an allowance for inflation but with no change in policy.

The Congressional Budget Office says the deficit for the fiscal year just ended will probably be the highest in American history, more than $220 billion, despite five years of supposed austerity and fiscal discipline under the Gramm-Rudman-Hollings law. The original law, signed by President Ronald Reagan in December 1985, said the Federal budget was supposed to be balanced in the fiscal year that began this week.

"OPTIMISTIC ASSUMPTIONS"

In 1987, Congress amended the law, deferring the goal of a balanced budget till the fiscal year that starts Oct. 1, 1992.

Stanley E. Collender, director of Federal budget policy at Price Waterhouse, and other experts said the budget agreement was unlikely to reduce the deficit as much as advertised for several reasons. The economic assumptions, while realistic for the years from 1991 through 1993, are overly otpimistic for the next two years, they said

"Most of the savings for the last two years are the result of optimistic economic assumptions," Mr. Collender said. "In fact, we don't have the slightest idea what will happen in 1994 and 1995."

The deficit is sensitive to assumptions about the economy. If the economy grows less than projected, Federal tax receipts are normally less than projected. Likewise, if unemployment is higher than expected, the Government typically spends more for unemployment benefits, food stamps and other types of assistance. A recession would throw off many of the calculations in the budget summit agreement.

The fragility of economic assumptions is dramatically illustrated by changes in President Bush's estimate of the Federal budget deficit for the fiscal year 1991, which began Monday. On July 16, Mr. Bush told Congress that the 1991 deficit would total $231.4 billion under current law. But on Sunday he and Congressional leaders disclosed that they were now projecting a 1991 deficit of $293.7 billion if no changes were made in current law.

Richard G. Darman, director of the Office of Management and Budget, listed three reasons for the $62.3 billion increase in his deficit projection, which startled many economists outside the Government. Deterioration of the economy, which causes a reduction in Federal revenue, increased his projection of the deficit by $30.4 billion. "Technical changes," mainly unforeseen costs of the savings and loan debacle, increased the deficit by $31.2 billion, while minor changes in laws and regulations added $700 million.

Much of the cost of deploying American troops in the Middle East was omitted from the calculations in the budget summit agreement, also distorting the savings to be achieved. While negotiators said they had achieved $9.8 billion in savings in military programs for the current fiscal year, the military effort in the Middle East will cost $5.7 billion

As a result, the "total deficit reduction" to be achieved this year is not $40.1 billion, as listed in the budget agreement, but $34.4 billion.

Mr. EXON. Mr. President, I yield the floor. 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. KERRY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

## MONEY LAUNDERING ENFORCEMENT AMENDMENTS

Mr. KERRY. Mr. President, I thank my distinguished colleague from Minnesota, and I will not be very long. I know he wants to speak for a few moments.

What I would like to do is simply bring colleagues up to date as to where we are proceeding here, and it is my hope that we are going to be able to proceed forward with the money laundering bill which we were on yesterday.

Senator GARN will be coming over momentarily and we will be, I hope, able to work out the issues on both sides so that we could dispose of this piece of legislation.

I might just say that yesterday I discussed the importance of the money laundering amendments in the context of the drug war. I would like to add just a few quick comments to that, because each of those people within the administration who are most involved in the drug war would very much like to see this kind of action taken by the Senate.

In a speech before the American Bar Association not very long ago, Attorney General Thornburgh said:

> The laundering of these billions is far more crucial to their operations—and much more difficult, and high risk—than the actual trafficking in drugs. If the DEA seizes cocaine with a street value of $19 million, it does not cost the Medellin cartel $19 million to replace that cocaine. Far less, somewhere between $2 and $4 million at Colombian prices. But when $19 million in cash is confiscated from a New York drug warehouse, there is no discount. That loss is $19 million.

The loss is $19 million, and those amounts of money make their way through our banking system.

The Attorney General said:

> That is also why money laundering has now been declared an international crime, under the United Nations Antidrug Convention signed in Vienna last December.

Among the signatory nations is our country. And we are mutually pledged to assist each other, other nations who are signatories, in enforcing the laws against money laundering.

Obviously, it is critical for us to take the action that enables us to do that. It is impossible for us to keep good faith with these other countries if we are saying to them: Make money laundering a crime; they sign a convention partly as a result of our pushing them, and then we sit here unwilling to put the measures in place that help us to do what we have asked them to do.

In addition, the drug czar, Mr. Bennett, has suggested that there is nothing more important than moving on the drug money laundering issue. In his strategy on drugs and narcotics, which he was required to issue, he specifically suggested that we must take additional steps in order to enforce money laundering.

So, Mr. President, what is really at stake here is a question of whether or not the Senate is going to move to a very straightforward, noncontroversial piece of legislation in an effort to try to reinforce what we have asked other countries to do, and in an effort to make real our own words about money laundering and the drug war. I hope that without further delay it will be possible for us to do that.

I will have more to say on this in a short time, but I do want to honor my agreement with the Senator from Minnesota, who I know would like to speak. I think Senator GARN is on his way over here now.

So I will 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. BOSCHWITZ. 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. BOSCHWITZ. Mr. President, I also ask unanimous consent that I be allowed to proceed as in morning business for a period up to 10 minutes.

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

## THE BUDGET AGREEMENT

Mr. BOSCHWITZ. Mr. President, I rise today to ask my Minnesotans to call and talk to me about the budget agreement that has been reached here in the Congress. Hundreds have already called me. I really have not gotten a reading about it today, but there was a fairly even split with more people really calling opposing than for, though, as the day wore on yesterday, more people called who favored the budget agreement.

When folks call me, I hope they have a good understanding of the budget agreement. I know many who are elderly and are on Medicare have called, feeling that the end was near. Many have called and felt that some great new burden was being cast upon them. So let me describe how this agreement affects the elderly directly. Indirectly, of course, it affects them in a number of ways. If they drive a car, it affects them at the gas station, and so forth.

But the budget agreement is directed in part at the Medicare Program. The Medicare Program is the fastest growing program of any program in the Federal Government, not by a little but by a great deal. They say that 10 or 12 years from now it will be the largest program in the Federal Government, larger than Social Security, larger than defense, and it will take a larger and larger part of the gross national product, as it has over the last 20 years or so.

What we have done to Medicare is to increase the part B premium. There are two parts to Medicare, as most people know, particularly the elderly: Part A, which deals with hospitals, and part B, which deals basically with doctors and office visits and emergency room visits.

Part A is untouched. It is unchanged. It is the largest part of Medicare, and that we have not impacted. Part A is funded by the HI—insurance; by the 1.45 percent that is deducted from the payrolll of those who work in our country.

Part B, that deals with doctors, was intended originally to be paid 50 percent by the taxpayers and 50 percent by the elderly through a monthly premium. Over the years that proportion changed so that now 75 percent is paid by the taxpayer and only 25 percent is paid by the elderly on Medicare through a monthly premium.

We are changing that proportion. We are changing it from 75-25 to 70-30. As a result, the premium under part B for the elderly will rise. In the first year I believe the amount is $3.60. That is the principal thing we are doing to Medicare part B that affects the elderly.

Yet there is another half, another principal thing I really should say, and that is we are increasing the deductible. The elderly who now go to the doctor or use part B of Medicare pay for the first $75 themselves. That $75 is being raised to $100, and then the year after to $125, and in the third year of this budget plan it is being raised to $150 for the entire year.

Is that fair or is it unfair? That is a rather rapid rise. It has to be put in context with the fact that for 15 years or so that figure has not risen at all. Even though during that time medical costs have tripled, the deductible has not risen during that course of time. So it is not unfair, I do not believe, that the deductible will now rise.

That is the principal way that the elderly are affected under this budget agreement. Medicare part B, and part A as well, is somewhat affected by the fact that the providers, the doctors, the hospitals, are going to be limited. But that really is not coming out of the pockets of the elderly and it should not affect their care. So, totally, the elderly are playing an important role in making this budget fix work, but nevertheless I think it is not an unreasonable role.

If farmers from Minnesota call me, they have more cause to call because, of any group of programs, perhaps the agricultural programs are being hit harder than any other single group. The farm programs, on the other hand, have risen to great heights in cost in recent years, and I say to my farmers that we had our advocates at the table. We on the budget conference, on the conference of the leadership of the House and the Senate, had our advocates. TOM FOLEY, the Speaker of the House, has been a member of the Agriculture Committee, or at least active in agriculture, for the entirety of his service there. So has BOB DOLE. Both of them. BOB DOLE has been on the Agriculture Committee here in the Senate for, I think, 22 years, his entire term, and in the House before that. And no one I know has a stronger understanding of agriculture, a more intuitive understanding, than BOB DOLE. His father ran a grain elevator, and BOB DOLE has, all of his life, represented farmers and has done so well. So we had our advocates at the table and they have been successful time and time again in advocating the needs of agriculture.

This time they were not as successful. Hopefully, next time they will be more successful. And we think that we will be able to arrange those programs so they still will give a safety net for the farmers of the United States.

Having said those things, Mr. President, let me also address the whole budget package. I believe I am going to vote for it. I am inclined to vote for it. I think the time to govern has come. I think we have gone this path so many times and have failed that we simply have to go for it, even if it is 4½ weeks before an election and that is not a particularly good time to vote for some of the elements of this budget package. Yet, this is the soundest budget package in many respects of any that I have worked on since I have been in the Senate in the last 12 years. I say that principally because of the enforcement provisions that are found in this package. The enforcement provisions are severalfold.

First, in reconciliation, while the Budget Committee can only reconcile for a single year, under this package there is reconciliation that will take place for 5 years. Not all of my constituents, nor all of my Minnesotans understand reconciliation, but reconciliation is essential directions from the Budget Committee to the other committees of the Congress saying you cannot spend more than this amount. So we are supposed to lock them into a figure.

Of course, there are the famous smoke and mirrors. Since reconciliation in the Budget Committee only applies to a single year, it is easy to move expenditures from 1 year to another, and avoid reconciliation. Not so in this budget agreement where the reconciliation applies for the entirety of the 5-year term.

Also, there are spending caps on the appropriated accounts, and the appropriated accounts are about 40 percent of the budget, if we include defense. The caps in this case also are enforceable. Where caps in the past have not been enforceable, they are enforceable here. Indeed, if the spending goes beyond the caps, these are automatic reductions that are applied to the entire function. So this is a strong, enforceable agreement with respect to the appropriated accounts of Government.

There is also a strong agreement with respect to the entitlements. They constitute just a little bit less than 50

percent of the whole budget. Entitlements, of course, are that to which you are entitled. If you are out of work, you are entitled to unemployment insurance. If you are below a certain income level, you are entitled to various benefits of the Federal Government. If you are above a certain age, you are entitled to Social Security or Medicare. If you find yourself in one condition or another, if you are handicapped, there are some entitlements. They constitute about 47 percent of the budget, and they are on automatic pilot; that is, entitlements. If you are entitled, no matter what the cost is to the Federal Government, you are entitled. No matter what the deficit position of the Federal Government is, you are entitled. There are no constraints to entitlements, and you do not need an annual appropriation.

In this bill, at least there is a constraint that new entitlements cannot be brought forward. If a new entitlement is brought forward, it has to be on a pay-as-you-go basis. That is, if you want to bring forward a new entitlement, you have to find some revenue somewhere to pay for it. Or you have to cancel some other entitlements so that there is a wash economically. That is kind of unusual around here.

New entitlements, therefore, cannot be brought forward, entitlements that constitute nearly half the budget. New entitlement programs cannot be brought forward unless it is done on a pay-as-you-go basis. That is, we can do away with other entitlements, or we find new revenues, we impose a new tax in order to raise the money to pay for the new entitlement.

It is very easy in this body to get 51 votes to pass a new entitlement. It is very hard in this body to get 51 votes to cancel another entitlement, and it is very difficult in this body to also raise taxes. So, therefore, this is a pretty good safeguard against expansion of entitlement programs and spending in that area.

In addition, there are some safeguards in this budget package that apply to a dire emergency supplemental. I was somewhat amused the first time I heard that term. Supplemental was a supplemental appropriation that was requested and it was called a dire emergency supplemental. I wondered what would happen if there was a real emergency, what they would call it in that case. There were also safeguards with respect to that.

Finally, Mr. President, let me just outline the whole budget package, if I may. It is $500 billion; $170 billion, somewhat more than a third, comes from defense and there is not much argument here that that is OK. That is the amount set by people on both sides of the aisle. That amount is going to be saved. So we are a third of the way.

Furthermore, in the event the package goes through, we are going to save $65 billion in interest payments over the years. So now we have $170 billion and $65 billion that nobody will argue with. We are almost halfway toward the $500 billion mark.

Now things get a little more difficult. There are about $140 billion of new taxes, some maintain even somewhat more than that. Those new taxes are onerous. People do not like to pay them. They are spread over 5 years. Nevertheless, I believe it must be done. Whether they are precisely the right taxes, whether it is precisely what I would have done, I suppose not, but we are a group of 535 souls, and certainly have about 535 different viewpoints.

So there is about $140 billion in taxes, and then there is about $120 billion in programmatic reductions. Over the next 5 years, there will be approximately $5 trillion spent on programs from which $120 billion is going to be taken away; somewhat less than 3 percent and, indeed, closer to 2 than to 3. That has to be done. It has to be achievable. If you cannot do that much, we will never get the budget to balance.

And so, Mr. President, I end as I started. I hope that my constituency will call me. I hope that they will have an understanding of what we are trying to do, and I believe, as I said, that I will vote for this package. The time has come to govern. The time has come to take the steps that are necessary to bring this budget into balance. Of all the economic issues that face this body, it is the most important.

And so, Mr. President, I call upon my friends from Minnesota to advise me and to counsel me, and I hope that they will have a good understanding and will see the necessity of this budget package. I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Michigan [Mr. LEVIN] is recognized.

Mr. LEVIN. Mr. President, I ask unanimous consent to speak as in morning business.

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

The Senator from Michigan [Mr. LEVIN] is recognized.

## THE BUDGET PACKAGE

Mr. LEVIN. I thank the Chair. Mr. President, the Senate may shortly be considering the budget package negotiated by the President and the congressional leaders. The leaders have worked hard on this package, but I cannot support it.

The first problem with this budget package is who is asked to do the heavy fighting against the deficit and who is allowed to take things easy?

This package asks middle-income taxpayers to do almost twice as much of the fighting against the deficit as it asks the wealthiest taxpayers, those making over $200,000 a year.

For example, this budget package would increase taxes on those making between $20,000 and $30,000 a year by 3.3 percent, at the same time that it increases the taxes on those making over $200,000 by 1.7 percent; that is twice as heavy a dose for middle-income families.

To add insult to injury, or more precise, to add injury to injury, these tax increases come on top of a trend in the 1980's in which the wealthiest among us got way ahead and the rest of the us had to do their darndest just to stay even. Look at the family which was making $22,000 in 1980. After taking into account taxes and inflation and after 10 years of hard work, that family found that it was making about the same in 1990 as it was in 1980.

Now compare that with the family that was making $200,000 in 1980 and 10 years later found itself with its income about doubled after taxes and inflation. That was the tax unfairness of the 1980's. The wealthiest 1 percent doubled their real income, while middle-income people got nowhere.

That is more than a tale of two cities. It is a tale of toil by the middle class with little return and a tale of many happy returns for those on top. When it comes to protecting our families, our towns and our country from the dangers of the budget deficit, it is fundamental fairness to ask those who benefited the most and those who are the most financially fit to carry the heaviest burden.

This budget package fails that test of fundamental fairness. Now can we possibly explain to a public that is already cynical about what we do here in Washington that any of this makes sense? We cannot because it does not make sense.

It makes no sense to those who drive automobiles anywhere or those who produce automobiles in my State of Michigan to take the Saddam Hussein gas hike and then be asked to bear a further big increase in gas taxes, courtesy of Uncle Sam.

And it makes no sense for working men and women in Michigan and elsewhere to face not only the prospect of unemployment in a recession, but also a brand new cut in unemployment benefits.

Mr. President, when we look at this package in the detail that I believe a strong appeal from the President of the United States and the congressional leadership demand, when we look at it line by line and dollar by dollar, this proposal makes no sense for middle-income Americans, for senior citizens and, ultimately, it makes no sense for our kids.

But this budget package is more than unfair. It is unwise. The victims

of that shortsightedness will include many of those who are asked to carry an unfair load of the burden by it. Included in this package is a provision that will effectively take in a level of defense spending that may turn out to be more than we need to confront the reduced threat abroad. In the past year, the Berlin Wall has fallen and the Warsaw Pact has virtually collapsed but the proposed level of defense spending in this package is holding about steady. We should not be effectively prohibited for 3 years from transferring dollars from defense to domestic needs or vice versa.

If our goal is to limit spending—and it should be—then let us focus on that goal in this agreement. The near ironclad subcategories for spending are not necessary to achieve that goal of spending restraint and are in fact counterproductive to our ability to meet the challenges of today which are likely to become more pressing in the few years ahead unless we have the resources to deal with them.

But the fact that this budget package is unacceptable to me does not mean that we should say no to every budget package. Rather, I hope that if this budget package is voted down, then it will quickly become clear that the reason for its defeat is because it does not pass the primary test of fundamental fairness. I hope that negotiations would resume in that event, with the goal of achieving a package which is fairer, so that we can put in place a budget that will allow us to avoid the across-the-board budget cuts which otherwise will take place.

Mr. President, I yield the floor. 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. CRANSTON. 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. CRANSTON. I ask unanimous consent that I may speak out of order.

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

## TIME TO DEFEND DEMOCRACY IN THE PHILIPPINES

Mr. CRANSTON. Mr. President, there is very disturbing news of unrest in the Philippines.

I am concerned that the long-threatened next coup attempt is now beginning. Military rebels in the southern island of Mindanao appear to have attacked Government positions in three cities. The situation is confused in that very isolated area. But given the number of bombings and verbal threats by military rebels, these attacks in the south may be a prelude to a larger action against the Philippine Government.

In the past President Aquino's government has succeeded in defeating the rebels. I hope that they will be able to do so again. But one has to be honest about the troubled Philippine situation. Opposition to the Government by elements of the military is strong and economic deterioration partly brought on by the rise in world oil prices have undermined the Government's support.

Now is the time for the United States to demonstrate anew its support for Philippine democracy.

The Senate will have an opportunity to do so next week when funding for the multilateral aid initiative [MAI] in the Philippines will be considered. I hope the Congress will fully fund the program according to the administration's request. At this very moment when democracy is once again being challenged by totalitarian elements we must not be pusillanimous.

However, we must also make clear to those groups trying to destabilize Aquino's government that the cost of their success will be dear, very dear indeed. I want to serve notice that as chairman of the relevant Subcommittee on Pacific Affairs of the Foreign Relations Committee that according to American law, all economic and military assistance will be terminated immediately if the Government is overthrown by force and violence. This would deprive the Philippines of about $500 million, half a billion dollars, at once.

The actual, whole cost to the Philippines of reversing democracy is immeasurable.

This might not matter to the Philippine military rebels but it should to their civilian supporters and to the rest of the population who must now decide their fate.

If Cory Aquino is overthrown, I am willing to predict that the world will turn its back on the Philippines in disgust. In 20 years the Philippines will have become an economic backwater—similar to that of Burma today. The Philippines will be set adrift in the Pacific having missed its one opportunity to join the emerging world of democratic, newly industrializing states.

I do not think Filipinos want that future either for themselves or their children. America certainly does not want that future for them. Over the years Americans have had no greater or more dedicated friends than Filipinos. They have stood by us in our time of need during World War II. We have stood by them in their efforts to reestablish democracy.

Once the United States supported dictatorship in the Philippines when the late President Ferdinand Marcos declared martial law in 1972. That was a mistake. We have learned from that mistake. We will not be idle if others try to establish a dictatorship once again.

Mr. President, I hope my colleagues will follow closely the situation in the Philippines over the next few days. What we are seeing is a dramatic test of democracy's strength. At the same time we are being tested in our resolve to support democracy. I pray that we will all be equal in these tasks.

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

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

The Senator from Arizona is recognized.

## THE BUDGET

Mr. DECONCINI. Mr. President, I rise today to announce a difficult decision. We are faced with two awful possibilities: A budget summit agreement that is not at all acceptable, or a nightmare called a sequester. There are other options. We could pass a short-term continuing resolution, go back to negotations and try to do a better job, and produce an agreement which is more equitable and fair.

No one likes this budget, and no one wants the budget, because it simply cannot be justified in the eyes of the majority of the American people. I have not really heard anyone speak up for the budget. Maybe I have missed a speech or two. Some people have said they are going to vote for it, but I have not heard anyone say this is really a good thing for the American people.

If we are to be the people's voice, then it behooves us to go back to the bargaining table, admit that we failed, or come to the floor with a budget and do it the old-fashioned way, stay out here until we pass something, go to the House, conference it, send it to the President. If he cannot stand it, let him veto it, and we continue to work. Obviously, what we have done has not worked. The process, in my judgment, has failed.

The bargainers have worked hard, and they have spoken loud and clear. Despite the President's plea, the leadership's plea, the American public does not support this package.

I believe we can do better. The American public expects us to do a better job. The President refuses to give us additional time for a continuing resolution. If he vetoes such a continuing resolution, causes a sequester or a great disaster, some say let him take the responsibility. We are taking

the responsibility by going forward and trying to do a better job than what we have done so far.

I am not here to criticize. I am here to lay all the accolades I can on those who were in the summit. They worked endless hours; they really sacrificed and did what they could. They represented their cause as best they could to try to come up with something. In the process, however, I fear they have fashioned an agreement that is unacceptable to the majority of the Members of Congress. Their efforts deserve our praises, and I give it to them, but the product does not deserve our vote.

I was startled to hear how many Republicans oppose this budget, particularly in the House of Representatives, at least as reported in the press.

A number of Republicans call this a Democratic budget. This is not a Democratic budget in the tradition of Jefferson and Roosevelt. It is more a budget in the tradition of Harding and Hoover, if anything. No budget devised by Democrats would so mercilessly attack the elderly. No Democratic budget would ever institute new regressive taxes.

A basic tenet of U.S. tax policy has been progressivity. Throughout the Reagan years, this principle was repeatedly violated. The basic belief that those who have more should pay more is not unique and it is not new; it is something that has been around since the 16th amendment of the Constitution was passed. Yet, the bulk of the revenues raised in this budget summit agreement are regressive.

The alcohol tax is regressive, and the tobacco tax is regressive. Most especially, the gas tax is regressive. The tobacco tax and alcohol tax may be justified in being regressive because of the damage tobacco and alcohol cause people. Nevertheless, it is a regressive tax. The alcohol and tobacco taxes are perhaps acceptable to many; they are to me. I would vote for those taxes because of the disease and damage they cause. Even the gas tax, though regressive, would be acceptable to this Senator. Gas prices are disproportionately low in this country in comparison to other industrial nations. An increase will encourage conservation and improve our air quality.

While each of these taxes may promote sound policy objectives, the problems remain that the package, in its entirety, is truly regressive in nature and cannot pass a fairness test under anybody's guidelines. If we are going to have to raise taxes to solve our budget deficit, as the President has agreed we must, they must be fair and equitably distributed. The budget agreement meets neither of those tests.

According to preliminary information, taxes for middle-income Americans under this agreement will rise by a greater percentage than for the wealthy. Taxes for Americans with adjusted gross income between $20,000 and $30,000 would increase by approximately 3.3 percent. Those with incomes between $30,000 and $50,000 will see tax increases of about 2.9 percent, almost 3 percent. But the very wealthy, those making over $200,000 a year, would see increases of only 1.7 percent.

This is crazy. Are we trying to eliminate the middle class in the United States? Are we trying to create a country of "haves" and "have nots?" I am not advocating soaking the rich. I am only advocating fairness. Those who have been blessed with good fortune and prosperity, as I have, must at the very least fairly share in the cost of preserving this great democracy.

The Reagan-Bush administration has been kind to the very wealthy over the past decade. The wealthiest 1 percent of our citizens have seen their income rise nearly 70 percent, from $300,000 a year to $500,000 a year, while the real income of the poorest members of our society has actually declined.

The income of the great middle class of America, which has made this country what it is, has risen a mere and a meager 3 percent over that period of time.

These statistics made it abundantly clear that the fairest option for raising revenues would be to raise the top tax rate on the very wealthy. No, we did not get that. The White House refused it. And I am very sorry that that happened.

Would it be too much to ask those who are making over $175,000 or $200,000 to raise their rate to 35 percent? I say, no, it would not.

That is not what we have here. Those of the wealthiest still pay only 28 percent above that figure of $200,000. That is not fair.

I know the Democratic negotiators offered plan after plan to make the wealthiest share a large share of the deficit reduction burden. Those efforts were repeatedly rejected by the administration. So we are now asked to vote up or down on a package that no one likes and no one thinks is fair. I cannot in good conscience, Mr. President, support this endeavor.

There are other elements of this package that also cause me a great deal of heartburn. This Senator has never been accused of being soft on defense. I believe in a strong defense and have consistently supported levels needed to maintain our society. However, this budget agreement locks in specific levels of defense spending for the next 3 years regardless of world realities. The whole world has been totally transformed in the past 10 months. How can we possibly know what our defense will be 3 years hence? There must have been something in the water that was being drunk out there at Andrews Air Force Base because this budget makes certain that there will be no peace dividend. Instead, the Defense Department makes out like a bandit.

We are facing aggression in the Middle East, and we have brave young men and women in the desert safeguarding our national interests in Saudi Arabia. But our allies in this struggle are beginning to share the costs so I think we can, and should, make deeper cuts in certain parts of our defense budget. More than 40 percent of our defense budget is spent in the defense of Europe. The reunification of Germany, the blossoming of democracy in Eastern Europe, and the remarkable thaw in our relations with the Soviet Union, force us to ask why so many United States tax dollars are going to the defense of Europe instead of into fighting some battles here at home. The people of this country have borne more than their fair share of the defense burden of Europe over the past decade. Now that the cold war is thawing out and may be over its America's turn to have some of those dollars invested here.

Under this budget summit agreement, however, we would be forced to maintain high levels of defense spending, higher than many experts feel is necessary or supportable, regardless of world events that occur over the next 3 years. If 2 years from now we wanted to transfer a measly $10 million from the defense budget to a program for drug addicted mothers and their babies, we could not do it.

Mr. President, if this comes down to making a choice between B-2 bombers or healthy babies, I will choose healthy babies any time.

The Medicare provisions of the summit agreement are even more regressive than the tax proposals and impose a particularly onerous burden upon the most vulnerable citizens of our society. Approximately half of all the savings achieved in this agreement and almost one-eighth of the entire package are financed through Medicare cuts. How can anyone justify this element of the package is beyond me. It is unfair; it singles out the elderly in our deficit reduction effort. Under the proposal, Medicare beneficiaries will have their out-of-pocket expenses increased by about $22 billion over the next 5 years by requiring them to pay higher premiums, by doubling their deductibles and by charging them a new 20-percent copayment for critical clinical lab services. These additional costs will hit the low- and middle-income elderly Americans hardest. Over half, 54.8 percent, of the increased costs will be paid by beneficiaries with incomes under $20,000. The agreement imposes the same costs on all beneficiaries regardless of ability to pay.

I ask this body, is that fair? And I answer the question. It is not fair.

The agreement imposes the same costs on all beneficiaries regardless of their ability to pay. Is that what we are about to do here? I hope the votes will not sustain it.

This flies in the face of the concept of fairness and our commitment that no one segment of the population should take a disproportionate share in cuts in Federal programs.

Yet we are talking about forcing America's poorest adult group—older Americans—to make the biggest personal sacrifice. Approximately 66.5 percent of seniors would lose income equivalent to at least one-half of their Social Security cost-of-living increase. Most seniors live on fixed incomes. They must struggle to meet their most basic medical needs in the face of spiraling health care costs. Many are already foregoing necessary medical treatment. Others cannot afford prescribed medications. This budget proposal will only exacerbate the problem. Do we want to make health care for our elderly a privilege rather than a right? That is exactly the direction in which we are heading with the summit proposal that may be voted on by the House today or tomorrow. It places an unacceptable burden on our needest seniors, and I cannot in good conscience support that.

Finally, Mr. President, everybody keeps saying that this summit agreement is great because there are no smoke and no mirrors; I believe the President even used those terms. Tuesday night, the President in his speech said: There are "no smoke; no mirrors; no magic act." Those are his quotes. Well, either the President has not read the economic assumptions listed on page 44 of OMB's summit agreement document or we have very different understandings of those words. They are quite clear, I think.

I was surprised, as no doubt many American people would be surprised, to discover that interest rates on 3-month Treasury certificate bills in 1995 will be 4.2 percent. Who are we kidding and who would really honestly suggest that that might occur 4 years from this time? When was the last time that interest rates were that low? I cannot remember. Not since I have been here, nowhere near, and that is 14 years.

Last week, domestic oil prices nearly reached $40 a barrel; yet the budget summit agreement anticipates oil prices at $21 a barrel for this year and $24 a barrel for next year. Is that realistic? Of course it is not realistic. Unless Saddam Hussein gives up tomorrow, pulls out of Kuwait and turns over all his oil wells to pay for all the damage and gives the oil away, there is no way the oil price for this year is going to be $21 a barrel on the average. It is just not going to happen. This year we will be lucky if the GNP creeps along at 0.7 percent, 0.7 percent, not even 1 full percent. Yet Mr. Darman of OMB anticipates a 1.3-percent GNP for next year and 4.1 percent in 1993. I am kind of getting the feeling that this country is headed in the other direction economically. We may be or are already in a recession. And yet next year and the year after that in 1993 we are going to have 4.1 GNP growth? Is that not fantastic? I mean, I can really be uplifted by that. The only trouble is it is not true. We are not all experts like Mr. Darman and his people at OMB, but even amateurs can see through this kind of nonsense.

In the end, where does the budget summit agreement leave us at the end of 5 years? Even if Mr. Darman's rosy economic forecasts should be accurate, and there is no way this Senator can swallow that nonsense, at the end of 5 years we will be worse off financially than we are today, much worse. The deficit will have increased by $1.2 trillion between now and 1995 even if we pass. Even with this $500 billion package we will be much worse off.

Even with the agreement that is an additional 4,500 dollars' worth of debt for every American man, woman, and child on top of the more than $3 trillion of debt we already have accumulated.

Mr. President, I would like to be able to vote with the President and the leaders of my party, but my conscience will not let me do so.

The debate has been framed as a choice between this budget summit agrement or the unthinkable—a sequester. But there are other choices. Let me mention one choice, too, that was mentioned recently.

President Bush when he ran for office after serving as Vice President under President Reagan made a commitment, he made a promise that, by gosh, we are going to have a balanced budget by 1992 and we are going to meet the Gramm-Rudman targets; we are not going to raise taxes.

Well, I am prepared to support the President's promise if we have to because it is his doing that we are in this position that we are in today. And in lieu of that, I propose that we pass a short-term continuing resolution and go back and try to negotiate if we have to. But I prefer it to come to the floor, to bring the budget here and let people put their stamp on it, let them offer their amendments, pass whatever we can, and send it to the President in a reconciliation bill. Let him veto it and tell the American public that we are going to shut down the Government.

I do not think it has to happen. And if it does, the responsibility lies with the White House.

## MONEY LAUNDERING ENFORCEMENT AMENDMENTS

The Senate proceeded to consider the motion to proceed.

Mr. KERRY. Mr. President, what is the regular order?

The PRESIDING OFFICER. The pending question is the motion to proceed to S. 3037, the Money Laundering Enforcement Amendments of 1991.

Mr. KERRY. I know of nobody on our side who wishes to speak at this point, and we are prepared to go to a vote.

The PRESIDING OFFICER. Is there further debate?

Mr. GARN. Mr. President, this vote would be on the motion to proceed to the bill?

The PRESIDING OFFICER. That is correct.

Is there further debate?

Mr. GARN. Mr. President, I have been requested to wait for one moment to check with a Member, so 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. HEINZ. 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. HEINZ. Mr. President, the money laundering bill, the present legislation before us, is legislation which, as I think our colleagues know, will contain several important titles: the money laundering and enforcement amendments of 1990, titles I and II which also includes amendments to the Expedited Fund Availability Act and the Home Equity Loan Consumer Protection Act, the Counterfeit Deterrence Act, title IV, and title V, the Coin Redesign Act.

The money laundering provisions contained in these titles themselves address some very real and quite clear gaps in money laundering deterrence and enforcement schemes. And the legislation authorizes penalties for convicted institutions and for bank personnel in order to enhance the deterrence and enforcement, and exchanges necessary to improve cooperation between Federal and State authorities, improved oversight enforcement of money laundering compliance programs of nonbank financial institutions, and addresses wire and other fund transfers transactions, that are currently not monitored for detection for money laundering.

Those two titles represent really the heart of the money laundering legislation.

In taking action, as we hope to do here today, we hope to significantly strengthen our ability to detect at any point, those who would seek to subvert our current law that is aimed at pro-

hibiting the kinds of illegal activities that shuttle massive amounts of money potentially without regard to the source of that money in an effort to evade the detection of drug-related activities, of gambling and other illegal types of activities that might otherwise be detected.

The third title of this bill, as I mentioned, reforms the disclosure in advertising savings accounts to enable consumers to compare different savings and investment products so that they can make better-informed decisions about investing their money. The legislation also corrects technical problems which have arisen with the implementation of the expedited funds availability tax, and I will have more to say about that in a moment.

Title III also amends the marginal disclosure requirement of the Home Equity Loan Consumer Protection Act, to ensure that such disclosure is made.

Title IV updates several sections of title 18 of the United States Code regarding counterfeiting of Federal Reserve notes and obligations to expand the definition of instruments of counterfeiting to include a variety of new technologies.

The legislation also broadens the term "counterfeit deterrence" to take into account emerging technologies that the Treasury Department will ultimately employ. Stronger penalties are authorized to deter counterfeiting.

The last title of the bill, title V, authorizes the modernization of the designs on the reverse side of U.S. circulating coins, some of which are 52 years old—about my age, I am sorry to say—in order to better reflect today's values and accomplishments. The legislation eliminates the requirement that the eagle be placed on the quarter dollar and half dollar, thereby paving the way for new designs on circulating coins. The exception is the Susan B. Anthony dollar coin which does not meet the 25-year design requirement outlined in title XXXI.

Mr. President, during the markup of the expedited funds availability amendments, the Banking Committee narrowly rejected an amendment that Senator GARN, ranking minority member, offered with my support to retain the temporary availability period for local checks. The vote on that amendment could not have been closer. It was 11 to 10. The closeness of the margin suggests that this issue should be revisited, either here today on the floor, or in conference.

The Chairman of the Federal Reserve, Alan Greenspan, who testified before our committee on this subject, wrote to the committee and to Senator GARN in support of an amendment to retain the 3-day availability for local checks which was reduced to 2 days on September 1, 1990, when the permanent schedule under the Expedited Funds Availability Act, went into effect.

The board of governors urged the Banking Committee to adopt the amendment, because, with the permanent schedule in effect, banks are exposed to fraud and losses, since they are now compelled to make funds available before they know if the collections have cleared.

The letter from the Federal Reserve stated:

> The board is very concerned that depository institutions can be exposed to significant risk of fraud loss under the act's permanent availability schedule for deposits of local checks, which becomes effective September 1990.
>
> Therefore, the board urges the committee to adopt an amendment to retain the current availability for local checks in the permanent schedule. This affords institutions a reasonable opportunity to learn the origin of an unpaid check before being required to make funds available for withdrawal. The availability required in the permanent schedule provides no such protection.

The Federal Reserve also noted:

> More than 75 percent of institutions currently provide availability faster than that required by law, and we expect that they will continue to do so if this amendment is adopted.
>
> This amendment is particularly crucial, however, to institutions that are most vulnerable to check fraud due to the composition of their customer base, and which feel it necessary to place holds on the customers' deposits.

Mr. President, a number of us—Senator GARN, Senator BOND, and myself, to name three—agree that the amendment that we offered would not change the availability policies at the majority of banks, but it would have given those banks, that have problems with fraud, the ability to protect themselves from substantial losses. And at a time when losses are very much a concern of the FDIC, the bank insurance fund in particular, we should be taking every precaution and safeguard to prevent unnecessary exposure of those funds, which are insured by the taxpayer, in effect, from any additional and unnecessary exposure.

The only certain way for banks to protect themselves against check fraud, is to know if checks have been dishonored before they have to make the funds available. That stands to reason. Otherwise, somebody who has kited the check will literally take the money and run. With the permanent schedule in effect, the banks are no longer able to use this method to protect themselves from losses on local checks.

According to a March 1990 report to Congress from the Federal Reserve, only 3 percent of the local checks that clear through the Fed, are returned by the time that funds have to be made available for withdrawal.

Mr. President, some have argued that banks can rely on certain narrow exceptions to the availability schedule to protect themselves. These exceptions—for example, reason to believe that a check is uncollectible—allow banks to hold local checks an additional 5 days. These exception holds do not apply in all cases, however, and do not really offer any systematic protection from check fraud.

In any case, it is a perverse policy to force banks to use the exception holds more often to try to protect themselves, when simply retaining the temporary availability for local checks would do the job.

During our committee's markup, some argued that the banks are protected from losses, because under current law, the Federal Reserve has the authority to suspend the availability schedule if the banks experience unacceptable losses. This is not an adequate solution either, I am sorry to say, because the losses would have to be incurred to trigger the provision. That is to say, the horse would be out of the barn. And the taxpayer, once again, would be left holding the bag. In addition, it is difficult to collect the data to prove that there have been losses which meet this statutory test.

So the amendment that we offered, Mr. President, is in fact a very simple proposition. It merely keeps the temporary availability schedule in place. Both the Federal Reserve and consumer groups testified before the committee that consumers were satisfied with availability policies under the temporary schedule, the one we would keep in place.

The amendment does not allow unjustifiably long check holds. That is a thing of the past, the abuses which inspired the Expedited Funds Availability Act for banks placing 10-day holds on cashier's checks. This amendment simply keeps the availability for local checks where it was before September 1 of this year, just a little over a month ago.

We are all concerned about the financial soundness of the banking system. It is vitally important to protect the banks and the FDIC fund from losses. Keeping the temporary availability for local checks is a simple and effective way to protect the banking industry from fraud losses, without inconveniencing or costing consumers.

When this legislation comes to the Senate floor, as it has now, we sincerely hope that there will be the opportunity to rectify this, either now during this consideration, or at conference.

Mr. President, I see other Senators on the floor.

I yield the floor.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KERRY. Mr. President, I was just conferring with the distinguished Senator from Utah. We are prepared to vote on the motion to proceed on this side of the aisle, and I ask my colleague—apparently about an hour ago, we were going to wait to see whether anybody wanted to speak. We have one person who has now spoken.

I do not know if anybody else wants to speak, but we are ready to proceed to a vote on the motion to proceed.

The PRESIDING OFFICER. Is there further debate?

Mr. GARN. Mr. President, once again, that is fine with me. I prefer not to go to the bill, but to pass it. I suggest if someone is not here to speak very soon—the majority or minority leader or Members on either side—that this game is getting a little tiresome, and we ought to go to a vote.

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

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

Mr. SYMMS. Mr. President, I ask unanimous consent that I might speak as though in morning business for 10 minutes and that the Senate then return to the pending business.

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

The Senator from Idaho.

Mr. SYMMS. I thank the managers of the bill, and I thank the distinguished Presiding Officer.

## PRESIDENT REAGAN'S ACHIEVEMENTS

Mr. SYMMS. Mr. President, I rise today to bring to the attention of my colleagues an article which appeared in the Sunday, September 15 edition of the New York Times.

Mr. President, sometimes the demands of current world and domestic crises prevent us from reflecting upon our success.

This article by Carlyle C. Douglas reminds us of the great distance we have traveled in the last decade. The article is headlined, "Reagan Hailed for Taking the Evil Out of the Empire" and, yes, it is about our former President, Ronald Reagan.

Mr. President, today we have deployed thousands of American men and women in the Middle East to halt international aggression. This would not be that amazing if it were not for the fact that nearly the entire world supports this position—yes, even the Soviet Union.

Ten years ago, this multilateral, multinational operation which has the support of East and West—of former adversaries—would not have been possible.

It is only because of the strong, focused leadership of Ronald Reagan that this country was able to guide the rest of the world into a new era of freedom.

The first sentence of this article, Mr. President, says it all:

> Historians may continue to debate exactly why communism fell, but Eastern European leaders last week rained gratitude on Ronald Reagan for giving it a push.

Now I know that Time magazine has proclaimed Mikhail Gorbachev as "Man of the Decade," but what are the people in Eastern Europe saying? The Polish newspaper Rzeczpospolitia called President Reagan "the real father of perestroika."

In Gdansk, where a common welder launched a revolution called Solidarity, banners flew proclaiming "Thank you, our President."

Mr. President, we are still living in a dangerous world. The situation in the Middle East is a powder keg. I, for one, am grateful that the United States and the Soviet Union are not lined up on opposite sides in this dispute. It is comforting to know that we are not facing a superpower showdown. Instead, the world community is united in an effort to confront an outlaw and bring him to justice.

I do not believe this world reaction would have been possible if not for the strong, principled leadership of Ronald Reagan, and I want to thank him for providing the world a means to deal with tyrants without blowing our precious planet to kingdom come.

Mr. President, I ask unanimous consent to print this article in the RECORD.

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

REAGAN HAILED FOR TAKING THE EVIL OUT OF THE EMPIRE

(By Carlyle C. Douglas)

Historians may continue to debate exactly why Communism fell, but Eastern European leaders last week rained gratitude on Ronald Reagan for giving it a push.

In East Berlin, where preparations are under way for ceremonies next month marking the reunification of Germany, the former President met Sabine Bergmann-Pohl, the President of the East German Parliament, who said, "Mr. President, we have much to thank you for." Later, near the site where in 1987 he had challenged Mikhail S. Gorbachev to "tear down this wall," the 79-year-old Mr. Reagan himself took a few symbolic hammer swings at a remnant of the Berlin divider and said he found it "damned hard."

Continuing an 11-day trip that will take him to Moscow and Rome this week, the former President next stopped in Poland, where the Government newspaper Rzeczpospolita hailed him as "the real father of perestroika," and called his European tour "a symbolic harvest" of his Presidency.

(Mr. Reagan's aides hastened to make it clear that that was the only sort of harvest the former President and his wife Nancy would be receiving on this trip. Mr. Reagan, who was roundly criticized for accepting $2 million in honorariums during a trip to Japan earlier this year, would be getting no speaking fees this time around, they said.)

In Warsaw, the Speaker of the Polish Parliament, Mikolaj Kozakiewicz, welcomed the former President with words reminiscent of some of Mr. Reagan's old speeches. "You are the President who returned to America its sense of greatness," said Mr. Kozakiewicz. "You raised the spirit of the American nation after a series of failures it endured."

Later, Mr. Reagan paid a courtesy call on President Wojciech Jaruzelski, the Communist party leader whose efforts to crush the Solidarity union a decade ago prompted Mr. Reagan to impose economic sanctions on Poland. These days Solidarity, from whence sprang the Polish democracy movement is split into factions that will oppose each other, perhaps bitterly, in coming elections. Lech Walesa, the Solidarity leader, has been at outs with some of his former comrades from the Gdansk shipyard strike days, and is mulling over a run for the presidency.

Doubtless mindful of this, Mr. Reagan, who was to meet the next day with Mr. Walesa, offered his hosts some tips on keeping family conflicts under control. "To protect the liberty you have won, you will need a full measure of the tolerance and openness that are Poland's tradition," he said. "You must fight as opponents, not as enemies."

Later in Gdansk, praise was exchanged all around. Speaking to a cheering throng at the site of the historic strike, Mr. Reagan said, "One might say this is the shipyard that launched a half-dozen revolutions." Solidarity banners aloft around the yard read, "Thank you, our President."

## THE BUDGET AGREEMENT

Mr. SYMMS. Mr. President, on the subject of the budget that is before us, I know that our budget summit negotiators, for whom I have the highest respect, worked very hard in order to come up with a budget that would have some semblance of saving money for the taxpayers in their view and guaranteeing a strong future full of economic growth.

The more I study this budget—and I must say that I have told the leadership and the White House that I would withhold making any public statements until I had time to study it, though my gut reaction when it came out on Sunday was that this is a raw deal, it is not a good package. The more I look at this budget, Mr. President, the more concerned I become.

Out of the $500 billion package, we have the largest peacetime tax increase in American history, to the tune of $134 billion. We have $67 billion in defense cuts with a possibility that in 1994 and 1995 there will be more cuts out of defense since there are no controls on the agreement where they come from in the discretionary accounts in 1994 and 1995. So that amounts to $182.4 billion. In other words, 75 percent or three-

fourths of this package is made up of either tax increases on working Americans or it comes from real and potential defense cuts.

Mr. President, I think there are some severe problems with it, and I know we could all nitpick the package. Although I do not intend to do that at this point, I would like to go back and just reiterate some points I made on October 27, 1989, on the Senate floor about the strength of the American dollar and what was happening. There seems to be a thought in many respected people's minds in this country that somehow a weak dollar is good for America's economy. I know of no nation in history that has operated under a policy of weakened dollar, which ends up weakened currency, that does not end up in a lot of trouble.

I also have a letter from the distinguished economists from Johns Hopkins University and an article written by economist Keith D. Bronstein. I ask unanimous consent that my remarks on October 27, 1989, be printed in the RECORD along with these two articles.

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

[From the CONGRESSIONAL RECORD, Oct. 27, 1989]

THE VALUE OF THE AMERICAN DOLLAR

Mr. SYMMS. Mr. President, it seems it has become a very popular issue nowadays to discuss the appropriate exchange value of the American dollar. There are many people in this country, largely among major exporters, who would like to see the dollar depressed in price. Exporters believe they may sell more goods and make more profits. But, Mr. President, it is a fallacy—an example of the "broken window" fallacy.

A cheaper dollar may bring in more dollars for some U.S. exporters, but it won't bring in more yen, or more francs, or more marks. And everything we import would cost some other American more dollars. We would not be better off even if we did finally export more and import fewer goods. Some Americans may be better off, but they will be better off at the expense of some other Americans, who will be worse off.

Mr. President, I just want to make a few comments about currrencies. I have some articles I want to have printed in the RECORD. I think first I will say that it is not worthy of a great nation to have a weak currency. Weak currencies are a sign of distrust of a government's future policies, both by its own citizens and by others. The value of our currency is a measure of what other citizens in other countries think of us.

If we think somehow having a weak curency is going to make America a greater nation or make our economy stronger, then I think we should take heed to what Lawrence Kudlow recently said. He was formerly an economist with the Office of Management and Budget. He said, "Were it true that a weak currency would pave the way for a trade surplus, then Argentina should be the center of today's global economy."

I think one should just look at Brazil, Argentina, and Mexico. They would be the world's most successful trading nations. Japan would be one of the weakest traders in the world if, in fact, it paid to have a weak currency when, in fact, it is just the opposite. If the intervention of the Fed and Treasury is effective, it will only raise the price of all imported goods for all consumers in this country. It will generate price inflation, which can lead to further monetary inflation. This would be very destructive to the real growth in the economy and not be at all helpful to the American economy.

In addition to that, Mr. President, a weaker dollar would allow foreign countries to buy America's engines of production more cheaply. So while major exporters, and some of my friends in the agriculture business in Idaho are involved in exporting agriculture products abroad, sometimes get excited about the dollar going down so they can be more price-competitive in those foreign markets, they fail to look at the question all the way through. I always make the point to them, if you are willing to sell your farms to the Japanese, then go ahead and let the dollar go on down. That is exactly the situation that will happen when they come in and start buying up these assets with an undervalued dollar.

I think the real question is, Should we be intervening to try to drive our currrency down? I personally think what we need to do is go to the C-7 meetings—and I have discussed this with Secretary Brady—and ask each country to run a sound monetary and sound fiscal policy. That is what we should do and let the currencies seek their own level.

In 1988, the Federal Reserve reported $500 million in losses from its foreign exchange intervention, realized losses. Unrealized losses were greater. The Fed purchased $23 billion in foreign exchange in 1988 and 1989 and already has unacknowledged losses of approximately $4.5 billion. This whole idea of currency intervention is a loser, Mr. President.

So I think rather than berate the dollar and talk the dollar down, what we should do is to encourage a strong, sound policy here in this Congress. That would mean a reduction in spending to meet the targets of Gramm-Rudman and a reduction in the capital gains rate of taxation, and avoiding excessive intervention with respect to our business policy in the country so we can, in fact, produce and maintain a competitive stance.

Mr. President, I ask unanimous consent that an article from the Washington Times newspaper yesterday by a very distinguished economist, Mr. Warren Brookes, be printed in the RECORD.

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

[From the Washington Times, Oct. 26, 1989]

WOBBLY CURRENCY QUANDARY

(By Warren Brookes)

One of the three key planks of the 1980 supply-side agenda was the reform of the monetary system back to some kind of commodity standard and away from central bank manipulation.

Unfortunately, it was largely ignored by President Ronald Reagan, and casually dismissed by President George Bush. But the nation is continuing to pay the price of world monetary instability, which has produced massive trade imbalances, excessively high interest rates, and ever-threatening inflation.

It also produces periodic financial idiocy, as represented by the current efforts of the Treasury to drive the dollar down, even as the Federal Reserve pursues policies that push it up. Obviously, no one can agree about the dollar's "correct" value. That disagreement could badly damage the world economy.

The irony of all this monetary schizophrenia is that last September, Federal Reserve Board Gov. Wayne Angell, along with supply-side guru Jude Wanniski, were invited to the Soviet Union specifically to instruct its leadership on how and why to adopt the gold standard as a way of making the ruble convertible in international markets. Mr. Angell compared the present ruble to a thermometer with lines, but no mercury and no numbers, and thus no common reference of measurement.

But that analogy applies in degree to all the world's major currencies since the United States terminated the Bretton Woods Agreement in 1971 and severed the dollar's final tenuous link to gold.

Since that severance, world interest rates have soared, along with inflation, debt and exchange-rate volatility. As economist David Ranson of H.C. Wainwright in Boston said in a recent paper:

"Prices cannot be stable when they must be expressed in terms of an unstable [paper] unit. Nor can interest rates be stable when the future value of the currency is unpredictable.

"Monetary instability confuses markets, distorts supply and demand, and makes it harder for the economy to operate."

Most of all, it results in the kind of economic nonsense of wasting $5 billion in net taxpayer costs in the last 13 months trying to drive the United States dollar down in value, on the fatally flawed theory that strong currencies produce trade deficits, and weak paper currencies produce trade surpluses.

As Bear Stearns economist Larry Kudlow notes, if this were literally true "Argentina would be the center of today's global economy . . . and Japan and Germany would be first and second on the IMF's debtor watch list." Since the 1971-73 Bretton Woods breakdown, the yen has been the strongest world currency. "Yet contrary to Keynesian assertions Japan over this period has accumulated huge trade and financial surpluses. What's more the yen's strength has been accompanied by the lowest inflation and interest rate structure of any of the major industrialized nations."

In other words, anti-inflationary policies that promote price stability and strong currencies produce very low interest costs of capital and those cost advantages more than offset the competitive disadvantage of the higher exchange rate.

Conversely, inflationary policies that promote currency devaluation, also drive up domestic costs, which more than offset the competitive advantage of lower currency valuations.

The problem is, without any real value standard for paper currencies, all interest rates have to be much higher to reassure investors and give otherwise worthless paper currencies some credibility. This makes anti-inflationary policies, as desirable as they are, economically much more risky in the short run.

Great Britain is a case in point. Even though it is running a huge fiscal budget surplus, it is running a massive trade deficit, which is relatively equivalent in size to a $190 billion trade deficit in the United States. That deficit was fueled in part by inflationary monetary policies followed by Chancellor of the Exchequer Nigel Lawson

after the 1987 stock market crash, when interest rates were lowered to 7.5 percent, and the pound fell sharply as U.K. inflation rates suddenly doubled, to more than 8 percent.

If the floating-exchange-rate Keynesians had been right, the falling pound should have produced a trade surplus. Instead, it coincided with the worst trade deficit in U.K. history.

Yet, to fight soaring inflation and support the pound, Mr. Lawson has now had to put interest rates up to 15 percent, and this in turn has made Britain even less competitive.

This illustrates the basic dilemma of purely paper currency systems managed by fallible central bankers. In the long run, Federal Reserve Chairman Alan Greenspan's stated commitment to zero inflation, and against foolish currency-market intervention or pegging is surely the best way to promote U.S. competitiveness.

Unfortunately, in a purely paper money world, Mr. Greenspan has discovered it is very difficult to get real price stability without waging a Phillips-curve interest-rate war against growth, and risking driving up the dollar and the trade deficit.

Mr. Kudlow correctly argues that "the goal of U.S. monetary policy should not be a higher dollar or a lower dollar but a stable dollar," and he salutes "the Fed's effort to maintain monetary discipline by linking the dollar to broad commodity indexes including gold" which he argues "could lead to astonishing results if it continues."

Those results, he says, could be 2 percent or less inflation, interest rates of 6 percent or less, and "American business and capital costs could be sufficiently low and competitive so as to generate a flood of exports and a virtual end to the trade deficit."

But Mr. Kudlow argues the only way that will happen is if the Treasury Department "moves away from willy-nilly currency intervention" and pushes for "an international commodity standard. Exchange rates should be anchored to gold and commodity indexes. This is a prescription for expanded world trade, economic growth, international cooperation and prosperity."

Unfortunately, Mr. Kudlow fails to note that central bankers, finance ministers and their bureaucracies understand all too well that taking such a prescription would be institutional suicide, while monetary instability gives them power and well-paid employment.

This is why the ruble is more likely to become gold-convertible than the dollar or the pound.

Mr. SYMMS. Mr. President, I ask unanimous consent that an article by Keith Bronstein of Glencoe, IL, entitled "Neville Chambelain Economics" be printed in the RECORD. I think it is signficant for my colleagues to read this. When he talks about how for us to think we can solve our trade problems by manipulating the value of the dollar he makes my central point clear. What we have to do is be more competitive, make better goods and services available to export and that will do for us everything that needs to be done.

Mr. President, I also ask unanimous consent that a letter from Prof. Steve Hanke at Johns Hopkins University, dated September 27, to me with reference to the Federal Reserve policy be printed in the RECORD. Dr. Hanke has documented how much our government has wasted on behalf of this misguided policy of currency intervention.

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

JOHNS HOPKINS UNIVERSITY,
DEPARTMENT OF ECONOMICS,
*Baltimore, MD, September 27, 1989.*

Senator STEVE SYMMS,
*Senate Hart, Room 509, Washington, DC.*

DEAR STEVE: The Federal Reserve has pursued monetary restraint since May 1988. To date, this has proven to be a prudent policy, since the economy has continued to grow and inflation has moderated. In consequence, the nominal exchange value of the dollar has risen.

The dollar's strength has motivated politicians to claim that our competitiveness is being damaged. This claim is largely unfounded. Our competitiveness depends on real, inflation-adjusted exchange rates, not nominal rates. To appreciate this point, consider that, if our inflation rate fell five percentage points relative to our foreign competitors', an increase of five percent in the nominal exchange value of the dollar would be required to keep dollar's real exchange rate and our competitiveness constant.

To accommodate political pressures, the Federal Reserve has engaged in sterilized intervention on a massive scale. This policy has no lasting effect on exchange rates.

Intervention (the acquisition of foreign currency) requires the Federal Reserve take a speculative position: that foreign currencies will appreciate vis-a-vis the dollar. In other words, it requires the Federal Reserve to gamble that its inflation control policies will fail.

If this type of government speculation were not bad enough in principle, it is very costly. In 1988 the Federal Reserve reported $500 million in losses on foreign exchange intervention. However, the Shadow Open Market Committee points out that the losses are much greater because (1) the Federal Reserve only reports realized losses (unreported losses on the $23 billion of foreign exchange purchased in the 13-month period ending in July 1989 were about $4.5 billion), and (2) the Federal Reserve fails to report losses on the Treasury's secret Exchange Stablization Fund.

Allow me to urge you to do everything in your power to convince your colleagues (and the Federal Reserve) that foreign exchange intervention is a misguided and costly policy. In addition, you should insist that the Federal Reserve be required to report all of the realized and unrealized losses from U.S. foreign exchange intervention if it should occur.

With my best wishes, I am

Yours sincerely,

STEVE H. HANKE,
*Professor of Applied Economics.*

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NEVILLE CHAMBERLAIN ECONOMICS

(By Keith Bronstein)

The United States administration's economic policy makers have somehow been mistakingly convinced that the road to economic prosperity is through making exchange rates the principle focus of policy. One need only to look at Great Britain's obsession with the value of the pound, to see the folly in this idea. If all a country sets out to do is to manage its exchange rate, then that economy is destined for trouble.

Exchange rates in a free environment are a reflection of monetary, fiscal and macroeconomic policy, economic trend developments and investments and capital formations strategy with sound responsible exchange rates arriving at efficient levels. Nevertheless, United States administration economic policy makers have chosen to manipulate the exchange rate policy as a panacea for whatever economic problems appear to exist in the world today.

This exchange rate policy can take us into the 1990's on one of two paths. The first path is that a country with a strong currency, which in turn makes the cost of imports low, reduces inflation pressures and allows our economcy to expand vigorously. This is possible with the low interest rates and a strong monetary growth that a strong currency make possible.

The second path and preferably "the road not taken", is that of the dollar debasement. This bumpy road brings with it inflationary pressures, economically strangling monetary growth restraint and high interest rates. All of this will eventually lead to economic stagnation at best and more probably, to a worse-case scenario of a severe contraction. Lacking in the necessary fundamental understanding of economic history, these strategists have chosen to follow this road and will thus fall prey to "history repeating itself" with the most negative consequences.

All of this leads, even the casual observer, to ponder if those in charge of our economy have discussed the following questions. "Has there ever been a time when a nation prospered by pursuing a policy of debasing its currency?" "Are we modeling exchange rate policy after that pursued by economic 'sick men' like Great Britain and our more immediate neighbors of Mexico and Brazil. Or, are we trying to copy the economic titans like Japan and West Germany?" "Is there any logic to the arguments put forward by the other G-7 nations at these semi-annual U.S. bashings?"

If, in fact, any of these questions had been asked, they would lead to some tragic conclusions. For just a moment, let's review our recent history with regards to the debasement of currency. In the 70's, the Nixon administration presided over a dollar debasement process. This was accompanied by a rapidly expanding money supply which led to an explosion of inflation. This was then followed by the most severe economic contraction since the great Depression. On the heels of this collapse, the 70's Carter administration also pursued a dollar debasement strategy. Again exploding money supply growth and a collapsing dollar, resulted in inflation and ultimately, very high interest rates and another severe economic contraction.

Since 1987, we have been practicing "Dollar Debasement—Part III". This time, however, there is a difference, Now, Federal Reserve officials have refused to play the game. Money supply growth has been held at very constrained levels. By almost any measure, liquidity has grown at the lowest rate in 20 years. Thus, without the complicity of monetary officials, the treasury, and its foreign "bosses", (or the more benign sounding "G-7 Partners") can only lower the dollar by selling dollars. Federal Reserve officials clearly understand that if they pursue a constructive pro-growth, anti-inflations policy, that the market forces will assure the fair economic exchange rate.

This brings us to G-7 and Neville Chamberlain. Reading the reams of public statements that surround these talks, I continue to wonder why, U.S. officials seem so unable to grasp economic reality. For example, during the late 70's, our trading partners rightfully accused the U.S. of being the international "engine of inflation" because of our double-digit money supply growth and collapsing currency flooding the world. They maintained responsible money supply growth and were rewarded with low interest

rates and very strong currencies. Ultimately market discipline forced much higher interest rates in the U.S. and after a severe economic shake-out, we returned to monetary sanity.

Now, just a few years later, these same trading partners insist that by running a responsible monetary policy which has contributed, along with our firm economic growth, to a strong dollar, that the U.S. is again the "engine of inflation". The fact that Japan's money supply grows at double digit rates, flooding the world with Yen liquidity and European Central Banks follow a similar, although less dramatic policy, makes the U.S. again the villain in the inflation debate. Even a child can see that this is a case of "heads I win, tails you lose". Could it possibly be that our economic policy decisions are being made by someone less astute than a child?

Our trading partners say that we should protect their relative monetary profligacy by bashing our currency so that they can maintain relatively low interest rates with buoyant money growth and booming domestic economies. Then as an added bonus, they have the leverage to purchase U.S. assets at fire-sale prices. These fire-sale prices exist since all U.S. assets become cheaper denominated in Yen and Deutschemarks, et al. This, of course, includes the fact that there are a phenomenal amount of Yen being created and loaned to Japanese businesses and investors at 5 percent interest rates versus much higher rates in the U.S. Is it any wonder that our property and desirable productive assets are being snapped up?

Japanese capital spending is growing at the fastest rate in 15 years. They are investing in all of the productive assets and capital improvements that will assure them control of the world's economic future. Certainly, they are entitled to whatever economic success they achieve, but why are we financing this expansion through our mindless exchange rate policy? Can we really compete if we finance our competition?

How about this awful trade imbalance the G-7 asks? Since 1987, the U.S. trade balance has narrowed to some degree. Since 1985, however, the dollar has been virtually halved against the Yen and our trade balance has improved only imperceptively. Are there some other dynamics at work here? Are we debasing our currency, and subsidizing the economic growth of our international competitors at a tremendous cost, with little or no benefit?

Thus our economic policy makers surely deserve comparison to the famous Prime Minister of Great Britain. Neville Chamberlain lacked vision and understanding of dynamic foreign affairs in Europe between the wars. This lack of vision, understanding, will, and the courage to stand up for the right principles, allowed him to be bullied into fatal errors in negotiations with Hitler's Germany.

Now, 50 years later in the arena of international economic relation, the U.S. has lost its vision, its belief in rational economic thought and clearly its will to negotiate on an equal footing with our G-7 partners. If we fail to quickly get our wits about us, raise our sights and pursue national policies, including the vision to realize that with fundamentally sound monetary and fiscal policy, we must undertake domestic, long-term projects like education and rebuilding our infrastructure, that our standard of living will decline dramatically.

Now is the time to stop subsidizing everyone else's growth at our own expense by bashing the dollar. Instead, we must allow the dollar to seek, in the world market place, a value that is commensurate with economic and monetary fundamentals. If we fail to heed the warnings of the past, then the year 2000 will look very different for the people of the United States. The U.S. runs the risk of matching the rest of the Western Hemisphere with its high external debt, a "junk" currency, sky-high interest rates, a depressed standard of living and all worthwhile property and worthwhile productive assets, owned by everyone . . . but ourselves.

It is not too late to learn a lesson in tactics from Neville Chamberlain's failure . . . but the clock is ticking very fast.

Mr. SYMMS. Mr. President, I ask unanimous consent to have printed in the RECORD a Wall Street Journal article entitled "Pull the Plug on the Budget Deal"; an article entitled "Lessons From the Duke"; an article entitled "Bubba Takes the Tax Hit"; and an article entitled "Numerical Chicanery."

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

PULL THE PLUG ON THE BUDGET DEAL

(By Jim Miller)

As one who participated in a (1987) budget summit lasting half as long, my heart goes out to those brave, honorable souls who did their duty as they saw it in the negotiations at Andrews Air Force base. However, the result deserves to be rejected by Congress.

The agreement's greatest deficiency is that it contains no budget process reforms to rectify the bias toward ever-expanding government and increasing reliance on deficit finance. There is no line-item veto, no balanced budget amendment, no legally enforceable budget resolution.

The spending caps don't apply to some accounts, such as the International Monetary Fund and Egyptian debt forgiveness and to presidential requests for "emergency supplementals." The caps do not apply during the first two years of the agreement to revisions in spending because of "technical and economic adjustments."

Nor do they apply during the remaining three years if the president's representatives and the congressional leadership agree that revisions are in order. Since the economic assumptions for the out years are especially optimistic—for example, 4.1% real growth, 3.2% inflation and 4.9% T-bills in 1993—revisions almost certainly will be found to be in order. Moreover, the caps can always be waived by a three-fifths vote in both Houses.

It is truly remarkable that the compromise is so unbalanced. Roughly speaking, one side (led by the president) wanted to avoid increases in taxes and reductions in defense spending. The other side wanted to avoid cuts in domestic spending. Even if we were to take the results of the deal at face value, the president's side would have been outfoxed: The agreement calls for 1991 tax increases of $16.2 billion, defense cuts of $9.8 billion, and entitlement cuts of $12.1 billion.

However, the face value is inaccurate. $1 billion of the alleged $12.1 billion in domestic spending cuts is phony: It replaces a lump-sum payment to retiring civil-service employees with an annuity. Another $4 billion of "cuts" consists of new user fees that are counted as "negative outlays." Disregard the phony cut and count the user fees as what they are—taxes—and the "cost" of the agreement to the president's side is on the order of $30 billion in the first year, while the "cost" to the Democratic leadership's side is only $7.1 billion. And this imbalance persists throughout the five-year term of the agreement.

The agreement says that revenues are to rise by $73.9 billion next year, a 7.1% increase. Spending would go up by $109 billion, an 8.6% increase. Domestic spending would rise even faster. Evidently, the taxes raised by the agreement would be used to finance spending, not reduce the deficit.

Despite all the hype, the current agreement would not reduce the deficit, which would rise from approximately $218.5 billion this year to an estimated $253.6 billion next year. On the other hand, if there were an $85.4 billion initial sequester (as required by Gramm-Rudman-Hollings), the deficit would fall to $168.2 billion.

President Bush gave up a lot for this agreement, and he has little to show for it. He broke his "no new taxes" pledge, and even accepted an increase in rates in the disguised form of a limitation on deductions. He cast aside the jewel of his negotiating demands—a cut in the tax rate on capital gains—which would have done much to stimulate economic growth and would have more than "paid for itself" through higher federal receipts.

Although he is honor-bound to support the agreement, the president should be ready with a quick response if Congress refuses to pass it. He should order a sequester. This would result in something approximating a nominal spending freeze. Then, he should challenge Congress to reorder spending priorities. Even if spending were permitted to rise as fast as inflation and even if there were no tax increase, the deficit would still be lower next year than it would be under this much ballyhooed but fatally flawed agreement.

LESSONS FROM THE DUKE

Instead of trying to rally his Republican congressional delegation around the alleged deficit reduction, $134 billion tax-increase plan, President Bush would do well to remember who won the 1988 election, and observe what happened to the man he defeated.

While the pundits had a field day with the Sept. 18 political upset in Massachusetts by Boston University president and political neophyte John Silber who won the Democratic nomination for governor over the party's endorsed candidate, former Attorney General Frank Bellotti, they have largely ignored the real target of that voter backlash, Gov. Michael Dukakis.

At the Democratic party "unity" meeting on Sept. 19, Mr. Dukakis was neither invited nor allowed to say anything. The man who came within 7 points of becoming president has now become the biggest albatross in that state's pungent political history.

While Mr. Silber is indeed an attractively fresh new face and voice for a national party that has sold its soul to every pleading and bleeding special interest, his support came as much or more from people voting against the well-known Dukakis/Bellotti axis as it did from those attracted to Mr. Silber's shocking candor.

To put it bluntly, what happened on Sept. 18 in Massachusetts was a revolution of contempt for the political establishment because of the fiscal nightmare into which Mr. Dukakis and his legislative cronies have led

the people of Massachusetts, who have been hit with more than $2 billion in higher taxes and fees since the 1988 presidential campaign started.

Yet, despite those massive tax increases (or because of them?) the state is headed for its fifth straight budget deficit in fiscal 1991, and Mr. Dukakis is threatening to close old soldiers' homes to scare voters against supporting the Citizens for Limited Taxation ballot initiative calling for the rollback of those taxes.

The blatant cynicism of that effort explains why the taxpayers may now hate Mr. Dukakis and all incumbents enough not only to pass the potent CLT petition but throw still more "ins" out.

As the Boston Globe's liberal columnist Mike Barnicle admitted more than a year ago, "hate is not too strong a word to use because the worst thing you can do to the public is regard the people as morons, incapable of figuring out truth and reality. And that is precisely what Dukakis has done: treat citizens like fools . . . and show contempt for those who cough up hard-earned money to float a fat, untouched bureaucracy."

Last week, even as the entire political establishment was warning that CLT would destroy government services, the public found out the state's bloated payrolls had dropped less than 1 percent since last June, and were still nearly 15,000 higher than when Gov. Edward King left office in 1982.

This news came while the Boston Globe was running a five-part investigative series showing a supposedly overburdened municipal court system in which judges with fat payrolls and pensions were routinely working only three- and four-hour days, while moonlighting lawyer/legislators on House and Senate judiciary committees were trading favors to judges for lenient treatment of drunk-driving clients.

All this, while state spending continues to rise well above the rate of inflation despite repeated alleged "spending cuts." In fiscal 1990, ending last June 30, state spending rose 10.4 percent over fiscal 1989, which in turn had risen 11.2 percent over fiscal '88. Yet in both of those fiscal years, Mr. Dukakis and the Legislature had supposedly "slashed services" to the bone.

Tax-cut guru Barbara Anderson, responding to the charge that her petition "went too far," told her fellow CLT members: "I'll tell what's 'too far.' A 92 percent increase in spending over the last seven years with inflation up 25 percent. That's too far. A per capita tax burden that is sixth-highest in the nation, while we're rated third-worst managed state; that's too far!"

In fact, since fiscal 1983, state spending has risen nearly 100 percent, more than triple the total consumer price index in that period (about 30 percent). Massachusetts spending has consistently averaged 20 to 30 percent faster growth than the average for all states. Had the state merely held its spending growth to the average for all states, it would now have a substantial budget surplus without the $2 billion in taxes enacted since 1988. This means CLT is merely retroactive fiscal prudence.

Instead, the state chose to outspend even its own incredibly strong revenues, which have grown nearly 20 percent faster than the national average for all states. While Massachusetts revenue growth from 1983–1989 averaged 9.6 percent, spending growth was 10.4 percent.

The predictable result is that a $600 million funds surplus in fiscal 1986 had become an effective $2 billion funds deficit by fiscal 1990 when state spending outraced revenues by $1.4 billion, which then had to be "bonded" in the way normally reserved for capital investments. Even after that bonding, serious observers agree the state is still at least $1 billion or more in the hole.

Yet, when Mr. Dukakis inherited the state in 1983, its economy was indeed in a miraculous turnaround. Its personal income growth in 1983 was third-fastest in the nation, compared with third-worst in 1978. Its total tax burden had fallen from 10 percent above the nation to 5 percent below it, a nearly 20 percent drop. Yet its revenues from 1983 to 1987 grew nearly 13 percent a year, 30 percent faster than all states' average.

But instead of using that "miracle-driven" revenue growth to reinforce the state's trend to lower taxes and a stronger economy, it all went to build a massive political machine. The huge tax and fee increases since 1988, supposedly to balance the budget, have merely kept that machine running, fueled spending growth and increased the deficits in a now Depression-style economy.

There's a message in there somewhere. Who's listening?

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BUBBA TAKES THE TAX HIT

A man defines himself by the choices he makes.

In breaking his pledge of "no new taxes," in surrendering his capital-gains tax cut for a budget "deal" imposing new taxes on the people who elect him, President Bush has defined himself. He is a Big Government man all the way.

What was the alternative of $134 billion in new taxes?

The federal government would have had to accept $85 billion in spending cuts Monday. To Mr. Bush, this was as intolerable as it was to liberal Democrats. He simply could not face the "chaos."

Inescapable conclusion: Mr. Bush believes that the U.S. government, which takes a fifth of America's income in taxes, and spends closer to a fourth, must grow. It cannot be reduced in size. Political conclusion: No major party in America still believes in reducing the size of government.

After this "deal" takes hold, the higher taxes will become a permanent fixture. Yet, somehow, the budget cuts will be restored, lest they result in "hardship." As Ronald Reagan, who called the 1982 budget deal the worst mistake of his presidency, learned, the $100 billion in new taxes he accepted proved permanent; the $300 billion in cuts he thought he had locked in proved illusory.

The Democrats were gracious in victory, as befits champions who have just humiliated their rivals on the field. They talked of what a hard-fought game it has been. But, everyone knows the real score. After a decade of dealing with Reaganite Republicans, the city is rid of them. We were routed, horse, foot and dragoons; George Bush, Big Government Republican, is prince of the city.

Who gets hit? Bubba gets hit. The fellow who was ready to vote Democratic in '88, until he got a look at the Little Duke's record on taxes and prison furloughs, on Willie Horton and gun control, on the American Civil Liberties Union and Pledge of Allegiance.

The price of Bubba's smokes is going up; the price of his Lone Star Beer is going up; the price of the Texaco he needs to commute 80 miles a day is going up. The price of Sunday at the Legion Hall watching Joe Montana lead the 'Niners to glory is going way up. Why? Because our congressional incorrigibles are unable to hold federal spending to that 20 percent of GNP they annually consume in taxes. And because Mr. Bush has thrown in with them. If Bubba takes a walk on the GOP next time out, who can blame him?

Our most successful citizens face an added income tax wallop of $18 billion. Washington is going to skim off the cream of America's investment capital from the individuals who earned it, so Teddy Kennedy and the Democratic Congress can invest the money more wisely. Good Republican doctrine, eh?

There is no modern economic theory—Keynesian, Friedmanite, supply-side—that argues for hitting an economy that is tottering on recession with new taxes. But there is a Republican precedent for what Mr. Bush has done: Herbert Hoover, rest his soul.

Mr. Bush's party has forfeited a grand opportunity. The mortgage interest deduction, the charitable deduction and the deduction for state and local taxes could have been traded in—for a reduction in the top rate on federal income taxes to 20 percent and the bottom rate to 12 percent. Add a 60 percent exclusion on capital gains and interest income—to promote saving and investment—and the Moynihan cut in Social Security taxes to bring along Democrats, and we could have left House Speaker Tom Foley and Senate Majority Leader George Mitchell out there sucking wind. The United States would have become again the most attractive investment bargain in the world; we could have blown Japan's doors off. Instead, we have a tax bill drafted by the firm of Scrooge & Marley.

In the television age, a party is defined in the minds of voters by its leader, an the policies he adopts. Consider, then, the GOP in 1990.

It stands for continued growth in social spending—paid for by cuts in defense—and higher taxes on working folks. It stands for sharpened oversight of business so the private sector does not behave bigotedly toward blacks, women or the handicapped. It stands for owls against loggers, feminists against Virginia Military Institute. It stands beside the Big Spenders and against the conservatives. It stands for a New World Order, where our wealth is spread around the globe through foreign aid and institutions like the United Nations and the World Bank.

Jack Kemp was right when he said in South Carolina that, if Mr. Bush were nominated, the Reagan Revolution would be over. Not only has the Democratic Congress taken the GOP into camp, it has persuaded Mr. Bush to provide political cover for tax increases and a huge congressional pay raise. President Michael Dukakis never could have gotten away with this. The GOP would have raised the roof, stopped him cold, routed the Democrats in '90, as prelude to a total government takeover in '92.

Where are the conservatives? Some are battling bravely in the House. Others, however, have stacked arms. They need the money the Big Man can raise; they need those presidential visits; they need the committee assignments GOP Hill leaders pass out to those who go along. They like going to White House socials, sitting in the president's box at the Kennedy Center. They love it here; they don't want to leave; and they don't want to be left outside in the cold.

Anybody got a fishing trip lined up for Election Day?

NUMERICAL CHICANERY

The budget deal serves the needs of the handful of Washington insiders who put it together, but it totally ignores the needs of the economy.

Moreover, the agreement is a fraud, pure and simple. In fact, it is outrageously shameful, and it's easy to see why. The numbers reveal it. Do you believe that budget outlays in 1995 will only be $25 billion higher than in 1991—the equivalent of a five-year budget freeze? Over the previous five years (1987-1991) budget outlays rose by $380 billion.

Do you believe that the federal government is going to spend fewer dollars in 1993, 1994 and 1995 than it spends in 1992? Do you believe that the congressional budget negotiators, President Bush and budget director Richard Darman, believe that dollar outlays in 1994 will be $50 billion below the amount the government spends in 1992?

The outlay and revenue numbers agreed upon by the budget dealmakers show that federal outlays for the next five years peak in 1992—an election year—and that revenues are up $100 billion in 1992 over the adjusted base revenue path in 1991. There you have what the budget deal is about—buying the 1992 reelection.

The savings are based on the assumption that spending in absolute dollar terms in 1993, 1994 and 1995 is below the level of 1992. In other words, the savings are based on the assumption of three years of budget cuts that individually are more severe than the threatened 1991 budget sequester, the fear of which has allegedly driven Congress and the White House to a budget deal.

Do you believe that politicians, who fear a sequester that would still allow a spending increase in 1991, are going to implement a budget plan that actually cuts spending, not in relation to some projected growth figure but in relation to a previous year's spending?

And that's not the half of it. Consider the economic assumptions that underlie these "savings." There is no recession in the forecast, which assumes a 3.8 percent average rate of real economic growth over the four years 1992-1995.

We have here a "rosy scenario" with a tax increase! In 1981, when the Reagan administration, with a major tax rate reduction, forecast less real growth than had occurred over the previous five years, it was greeted by critics with hoots or "rosy scenario." Now the government is proposing comparable real growth numbers, but this time they will result from a tax increase.

But the government knows that this is not really true. It has secret paths for outlays and revenues that adjust the figures in the budget submit agreement of Sept. 30, 1990 for revisions in the economic assumptions showing slower growth in 1990 and 1991 than previously projected.

These revisions show that spending will be $75 billion higher than the advertised "agreed" amount for the 1991-95 period, while receipts for the five-year period will be only $8 billion above the previous baseline path. In other words, the economic slowdown eats up all but $8 billion of the $133.8 billion tax increase!

These adjustments reduce the claimed five-year savings from $500 billion to $300 billion, and that's with all the tricks and no recession.

This makes it clear that a pro-growth budget would do far more to reduce the deficit than the absurd budget agreement that is before us. If the economy and the budget are to survive, Mr. Bush must quickly find a budget director with a pro-growth budget.

It remains to be seen whether the Reaganite-Kemp-populist members of Congress will allow this fraud against the public, or whether they will demand the resignations of Mr. Darman and the congressional leadership who together concocted this absurd collection of numbers.

Reporters no longer report. They just print whatever tricksters like Mr. Darman hand them. The Wall Street Journal, the New York Times, and The Washington Post all had front page stories on Monday emphasizing that the deal would "soak up $500 billion in federal red ink over five years." Not a single story revealed the unbelievable agreed outlay path that makes this claim ludicrous.

Mr. Darman succeeded in deflecting attention to the claimed deficit reduction and the various features of the proposed new taxes. "Bush May Be Winner in the Long Run" is a deadline straight from Mr. Darman's office.

The fraudulent budget agreement is so blatant that it shows the government's total disrespect for the public. The national press' complicity in the fraud shows the media will perpetuate any lie in behalf of a tax increase. It would be a light sentence if the budget negotiators and the reporters were tarred and feathered and run out of town.

(Paul Craig Roberts, an economist at the Center for Strategic and International Studies, is a columnist for The Washington Times.)

Mr. SYMMS. Mr. President, the Federal Reserve, which has tried under difficult circumstances to watch commodity prices and also watch the yield curve between short-term rates and long-term rates, that if this budget package does not pass Congress, and it may well pass and I know many of my colleagues are very sincere who think that, if it does not pass, we are going to have some kind of a calamity in the financial markets. However, I invite my colleagues to look at what is happening in the financial markets since the budget package has been announced. The U.S. dollar is very weak. People are buying yen, Swiss francs, and foregin currencies and are getting away from the dollar. It is a severe, serious problem for our economy when people try to get out of dollar-denominated accounts and try to invest in other countries.

We cannot overlook that here in the Congress. I know many of my colleagues are under the opinion that we have to pass this package or else real financial calamity will come.

Mr. President, I do not buy that. When you analyze this package, a rather small amount of cuts that are made in the first year in the budget in terms of lasting spending restrictions. I know my colleague from Texas, whom I respect and admire as much as any Member of this Senate, Senator GRAMM, has given me some numbers where he predicts the Federal budget will be $1.385 trillion in 1995. If I thought that were true I would be the first one to jump on board and vote for this package. I do not happen to believe that is true.

I believe what we are doing with this so-called budget package is, we are asking the working men and women in the country to spend 12 cents a gallon for gasoline taxes, not put the money in the highway trust fund to build roads with it, but so that we can allow the bureaucratic welfare state to continue to grow. I do not think that is a good deal for the country.

I do not feel that foreign investors are going to think it is a good deal for the country. I do not think it is going to attract capital in the United States. Capital is going to flow when tax policy is positive, toward what used to be called Reagonomics when all the money flowed into this country, where people thought it was a good place to invest and get a good return to investment. We cannot overlook that.

Mr. President, when you look through some of the things contained in this tax-and-spend package, this country would be better off to have gone ahead on the policy the President started out on, a sequester. The President was the one who ran on the platform that he did not want new taxes. I must say, as a Republican, I wept the other night when I watched the speech of the President and of our very distinguished majority leader on television. Then I weep even more when I see the President say in the press, as it is reported today, "Blame me; for those people that are having trouble on voting for it, blame me."

All I can say, Mr. President, is I thought the President had to compromise with the majority leader and the Speaker and the majority in the Congress, who wanted taxes on the table and a tax-increase package, to get a package through the budget negotiators. I do not criticize my colleagues because I know the fiscal year came to an end. You are under pressure. Everybody is on the diving board, diving off, and they have to jump in the water feet first or head first. So they came out with the best package they could get.

In my opinion, Mr. President, this country would be way better off if we did have a modified sequester. There is no reason why we would have to close the airlines and close the meat inspectors and not have milk for the children in the inner city. We can do those things, but have a modified sequester that will, in fact, actually save $50 billion in outlays for fiscal year 1991 that the markets and the world can see, and they would know that the Congress was serious and the administration was serious about restraining growth and spending.

My fear is that when you look at a $500 billion package with most of the savings to be made in the outyears, they will not become a reality. The only thing that will become a reality is that the working men and women of the country, yes, the middle-class people who work for wages, raise their families, try to educate their children and get up in morning and go to work every day, are going to be asked to pay more money for gasoline and other excise taxes that will come right out of their budgets. That will be real. But the Congress will somehow, in the end, get around the actual savings in those other appropriated accounts and the money will not be saved.

It just appears to this Senator that we would be way better off, and the White House, I think, would be way better off, if the President would simply say, "I tried; we could not get the budget package I wanted," and let us have this sequester. Make some modifications in it so we can live with it. Adjourn this Congress and then let the American people vote on this issue on November 7.

Those that want to raise taxes can go out and say so, and those that do not can say they do not. We can either solve this budget crisis by one or two ways, either spend more money and raise more taxes and have more Government, or hold the line on spending and let the private sector grow.

What has attracted capital and investment in the United States has been a favorable view of tax policy the last few years in this country. We are running rapidly away from that.

I, in good conscience, just do not believe I can vote for a budget that, in my opinion, will push this country into a recession. Let me tell you why I think it will. Look at the financial markets, Mr. President. The dollar is going down every day. I think we all know that the responsible people at the Fed are going to say we must protect and defend the dollar.

When they start defending the dollar with short-term rates, by raising interest rates to flatten out the yield curve between long-term and short-term rates, it will tumble this country into a recession. If you think you have a budget problem now, Mr. President, we really will have a budget problem if we see a slowdown in our economy.

So it just seems to me that this is not Armageddon. If this first package is rejected, we would be better off to take some of the other suggestions that have been introduced. Our colleague, Senator ROTH, has a proposition.

I ask unanimous consent to have printed in the RECORD at this point a statement by Senator BILL ROTH on his alternative budget, a plan for economic growth, and the tables that accompany it to show that there is another way that this can be done without raising taxes.

I also would call attention to my colleagues that last week Senator BURNS along with several other Senators introduced a package called the 4-percent solution, where there is no new taxes. You slip the targets on Gramm-Rudman and freeze all Federal spending at the baseline projected to grow from $1.2 trillion in fiscal 1990, allow it to increase only at a rate of 4 percent. This can be accomplished.

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

ROTH UNVEILS ALTERNATIVE BUDGET PROPOSAL FOR ECONOMIC GROWTH

WASHINGTON.—Emphasizing the need to "above all else, promote growth in the U.S. economy," Senator William V. Roth Jr., R-DE, today unveiled a budget proposal designed to break the gridlock in the budget negotiations while saving the American people from a tax increase.

Calling it "The Roth Alternative," Roth said his plan would drop proposed increases in taxes, would cut $400 billion over five years, and would institute several policies to stimulate economic growth, without the proposed cut in the capital gains tax rate.

"My budget plan is straightforward and easy to understand. First, I abandon the budget negotiators' proposed tax increases. Warning signs point to a recession," Roth said. "A tax increase would throw the nation into a recession headfirst.

"Second, I lay aside a proposed cut in the capital gains tax.

"Third, I cut the federal deficit by $400 billion over five years, a significant cut, but one which will not have damaging effects on an already weakened U.S. economy.

"Fourth, the Roth Alternative expands Individual Retirement Accounts to enhance savings incentives as well as raise federal revenue," he said. "In addition, the R&D credit is made permanent and education incentives are broadened to keep our industries competitive and our employment base strong.

"The American people have had enough. They are tired of excuses. They are tired of tax increases. They are tired of excessive federal spending." Roth said. "It's time for Congress to set aside the bickering and cut the finger pointing. It's time for us to initiate real reform that will address the needs of our nation today. We are days away from a sequester that is both dangerous and embarrassing.

"Above all else, the budget passed by the Congress this year must promote growth in the U.S. economy," he said. "We need to advance internal reforms that strengthen our economy here at home, expand our markets abroad, and meet our responsibilities in the emerging global community."

Specifically, Roth would: (1) reduce defense spending by $6 billion in the first year and $176 billion over the next five years. (2) Reduce entitlement spending $6 billion in the first year and $56 billion over five years. (3) Reduce discretionary spending by $12 billion in the first year and $70 billion over five years. In addition, the Roth Alternative would Raise $11.5 billion in new user fees and $29 billion in additional revenues, primarily through a rollover provision in the expanded IRA.

SEPTEMBER 26, 1990 OUTLINE

| Item | Fiscal year— | | | | | |
|---|---|---|---|---|---|---|
| | 1991 | 1992 | 1993 | 1994 | 1995 | 1991–95 |
| Revenue items: | | | | | | |
| IRS (w/rollover) | $1.50 | $3.40 | $3.30 | $3.30 | $3.30 | $14.80 |
| Extension of current law tax provisions | 1.85 | 3.04 | 2.97 | 2.90 | 2.81 | 13.57 |
| Retiree health benefits rollover | 0.20 | 0.40 | 0.20 | 0.00 | 0.00 | 0.80 |
| Subtotal of increases | 3.55 | 6.84 | 6.47 | 6.20 | 6.11 | 29.17 |
| Spending cuts: | | | | | | |
| Defense | 6.00 | 17.00 | 34.00 | 50.00 | 69.00 | 176.00 |
| Nondefense discretionary ($12 billion off final appropriations) | 12.00 | 13.00 | 14.00 | 15.00 | 16.00 | 70.00 |
| Entitlement changes | 6.30 | 9.11 | 10.54 | 13.43 | 16.89 | 56.27 |
| User fees | 5.49 | 1.45 | 1.55 | 1.36 | 1.65 | 11.50 |
| Net interest | 1.60 | 5.60 | 10.50 | 16.00 | 23.40 | 57.10 |
| Subtotal of cuts | 31.39 | 46.16 | 70.59 | 95.79 | 126.94 | 370.87 |
| Total | 34.94 | 53.00 | 77.06 | 101.99 | 133.05 | 400.04 |

SENATOR WM. V. ROTH, JR. PLAN—SEPTEMBER 26, 1990—DETAIL OUTLINE

| Item | Fiscal year— 1991 | 1992 | 1993 | 1994 | 1995 | 1991–1995 |
|---|---|---|---|---|---|---|
| Revenue items: IRA (w/rollover) | $1.50 | $3.40 | $3.30 | $1.30 | $3.30 | $14.80 |
| Extension of expiring provisions: | | | | | | |
| (a) Permanent research and development credit | (0.50) | (.90) | (1.10) | (1.30) | (1.60) | (5.40) |
| (b) Educational Assistance Act | (.23) | (.33) | (.35) | (.36) | (.37) | (1.63) |
| (c) Health insurance for self-employed | (.25) | (.31) | (.36) | (.41) | (.46) | (1.79) |
| (d) Foreign allocation of R&D | (.50) | (.71) | (.77) | (.84) | (.90) | (3.72) |
| (e) Mortgage revenue bonds and credit certificate | (.01) | (.05) | (.14) | (.24) | (.33) | (.77) |
| (f) Airport and airway trust fund taxes | .88 | 1.56 | 1.67 | 1.81 | 1.99 | 7.91 |
| (g) IRS user fees | .06 | .06 | .06 | .06 | .06 | .30 |
| (h) Administrative expense limits of private foundations | 0 | 0 | 0 | 0 | 0 | 0 |
| (i) Tax on deep seabed hard minerals | 0 | 0 | 0 | 0 | 0 | 0 |
| (j) Telephone excise tax extension | 1.50 | 2.50 | 2.70 | 2.90 | 3.10 | 12.70 |
| (k) FUTA 0.2 percent surtax extension | .77 | 1.09 | 1.12 | 1.15 | 1.18 | 5.31 |
| (l) Extension of leaking underground storage tax | .13 | .13 | .13 | .13 | .14 | .66 |
| Retiree health benefits | .20 | .40 | .20 | 0 | 0 | .80 |
| Subtotal of increases | 3.55 | 6.84 | 6.47 | 6.20 | 6.11 | 29.17 |
| Spending cuts: | | | | | | |
| Defense | 6.00 | 17.00 | 34.00 | 50.00 | 69.00 | 176.00 |
| Nondefense discretionary ($12 B off final appropriation) | 12.00 | 13.00 | 14.00 | 15.00 | 16.00 | 70.00 |
| Agriculture subsidies: | | | | | | |
| (a) Reduce price supports | 1.50 | 2.10 | 2.40 | 3.00 | 3.50 | 12.50 |
| (b) Reduce REA loan subsidies | .07 | .19 | .33 | .43 | .50 | 1.52 |
| Medicare: | | | | | | |
| (a) Secondary payer reform | .31 | 1.27 | 1.63 | 1.98 | 2.33 | 7.52 |
| (b) Part B premium floor 25 percent | .00 | .67 | 1.75 | 3.13 | 4.81 | 10.36 |
| (c) Rural hospital capital at 85 percent | .17 | .21 | .23 | .25 | .27 | 1.13 |
| (d) Urban hospital capital at 75 percent | 1.36 | 1.72 | 1.88 | 2.05 | 2.22 | 9.23 |
| (e) Overvalued procedures | .11 | .18 | .21 | .24 | .26 | 1.00 |
| (f) Durable medical equipment | .11 | .20 | .22 | .25 | .27 | 1.05 |
| Medicaid: | | | | | | |
| (a) Eliminate Federal Medicare match | .61 | .66 | .71 | .76 | .81 | 3.55 |
| (b) Pay employee premium if cost effective | .18 | .22 | .26 | .31 | .97 | 1.94 |
| General government and Postal Service: | | | | | | |
| (a) Federal retirement lump sum | .96 | .72 | (.06) | (.07) | (.07) | 1.48 |
| (b) Federal Employee Health Program | .32 | .37 | .38 | .50 | .42 | 1.99 |
| (c) Postal Service indirect subsidy | .60 | .60 | .60 | .60 | .60 | 3.00 |
| User fees: | | | | | | |
| (a) Customs | .81 | .82 | .84 | .86 | .88 | 4.21 |
| (b) Nuclear Regulatory Commission | .30 | .32 | .33 | .34 | .36 | 1.65 |
| (c) Naval petroleum reserve | 1.00 | (.09) | (.03) | (.27) | (.03) | .58 |
| (d) Food and Drug Administration | .16 | .16 | .16 | .17 | .17 | .82 |
| (e) Strategic petroleum Reserve | 3.00 | 0 | 0 | 0 | 0 | 3.00 |
| (f) Additional user fees | .22 | .24 | .25 | .26 | .27 | 1.24 |
| Net interest | 1.60 | 5.60 | 10.50 | 16.00 | 23.40 | 57.10 |
| Subtotal of cuts | 31.39 | 46.16 | 70.59 | 95.79 | 126.94 | 370.87 |
| Total | 34.94 | 53.00 | 77.06 | 101.99 | 133.05 | 400.04 |

Estimates based on CBO, OMB and JCT figures.

## THE 4-PERCENT SOLUTION

### FACTS

**Baseline spending is projected to grow from $1.207 trillion in fiscal 1990 to $1.297 in fiscal 1991. This is an increase of $90.2 billion.**

**Baseline tax revenues are projected to grow from $1.044 trillion in 1990 to $1.121 trillion in fiscal 1991. this is an increase of $77.7 billion in new tax revenues. Thus, baseline spending increases will exceed revenue increases by $12.5 billion in fiscal 1991.**

**True deficit reduction can only be achieved if new spending does not exceed new revenues.**

### SOLUTION: CONTROL FEDERAL SPENDING

**Amend Gramm-Rudman-Hollings to link GRH deficit targets to a 4 percent cap on the total amount that federal outlays can increase over the previous years' level. A 4 percent cap in total outlays would allow for about $45 to $50 billion in new spending per year, but it would require Congress and the President to choose how to allocate the funds.**

**GRH targets would be changed and linked to the following outlay targets:**

[In billions of dollars]

| | Fiscal year— 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 |
|---|---|---|---|---|---|---|---|---|
| OMB: | | | | | | | | |
| Outlays [1] | 1,208 | 1,256 | 1,306 | 1,358 | 1,413 | 1,469 | 1,528 | 1,589 |
| Revenues | 1,044 | 1,122 | 1,196 | 1,279 | 1,363 | 1,441 | [2] 1,521 | [2] 1,600 |
| Deficit | −164 | −134 | −112 | −80 | −50 | −28 | −8 | +11 |
| CBO: | | | | | | | | |
| Outlays [1] | 1,192 | 1,240 | 1,289 | 1,341 | 1,394 | 1,450 | 1,508 | 1,568 |
| Revenues | 1,044 | 1,123 | 1,188 | 1,260 | 1,337 | 1,417 | [2] 1,506 | [2] 1,601 |
| Deficit | −148 | −117 | −101 | −81 | −57 | −33 | −2 | +33 |

[1] Does not include cost of S&L bailout.
[2] Estimated from OMB and CBO trends.

**Expand the number of sequesters. There should be at least a mid-year sequester, or, perhaps, even quarterly sequesters. This is essential to prevent spending increases from being enacted mid-session.**

**Eliminate current-services budgeting.**

1-YEAR DEFICIT REDUCTIONS UNDER THE 4-PERCENT SOLUTION: SPENDING REDUCTION OFF BASELINE

[In billions of dollars]

| | Fiscal year 1990 | Increase | Fiscal year 1991 |
|---|---|---|---|
| OMB: | | | |
| Baseline outlays | 1,207.7 | 90.2 | 1,297.90 |
| 4-percent solution | 1,207.7 | 48.3 | 1,256.02 |

1-YEAR DEFICIT REDUCTIONS UNDER THE 4-PERCENT SOLUTION: SPENDING REDUCTION OFF BASELINE—Continued

[In billions of dollars]

| | Fiscal year 1990 | Increase | Fiscal year 1991 |
|---|---|---|---|
| Spending reduction | | | 41.88 |
| CBO: | | | |
| Baseline outlays | 1,192 | 86.0 | 1,278.0 |

1-YEAR DEFICIT REDUCTIONS UNDER THE 4-PERCENT SOLUTION: SPENDING REDUCTION OFF BASELINE—Continued

[In billions of dollars]

| | Fiscal year 1990 | Increase | Fiscal year 1991 |
|---|---|---|---|
| 4-percent solution | 1,192 | 48.0 | 1,240.0 |
| Spending reduction | | | 38.0 |

4-PERCENT SPENDING VERSUS REVENUES BASELINE

[In billions of dollars]

| | Fiscal year 1990 | Increase | Fiscal year 1991 |
|---|---|---|---|
| OMB: | | | |
| 4-percent solution | 1,207.7 | 48.3 | 1,256.02 |
| Revenues | 1,044.0 | 77.7 | 1,121.70 |
| Deficit reduction | | 29.39 | [1] −134.32 |
| CBO: | | | |
| 4-percent solution | 1,192.0 | 48.0 | 1,240.0 |
| Revenues | 1,044.0 | 79.0 | 1,123.0 |
| Deficit reduction | | 31.0 | [1] −117.0 |

[1] Deficit.

SPENDING OPTIONS USING THE FOUR PERCENT SOLUTION

Fiscal 1990 Outlays (minus S&L bailout costs) are $1.208 trillion (OMB) or $1.192 trillion CBO). Using either figure, a four percent increase above that level allows for about $48 billion in new spending. The following programs can be fully funded—with scheduled baseline increases—in FY 1991 with $48 billion. All other programs would make do with FY 1990 spending levels.

FISCAL 1991 BASELINE INCREASES

[In billions of dollars]

| Program | OMB | CBO |
|---|---|---|
| Social Security | 18.0 | 18.0 |
| Interest | 14.2 | 13.0 |
| Medicare | 8.5 | 9.0 |
| Medicaid | 7.3 | 6.0 |
| Total | 48.0 | 46.0 |
| Military Retire | | 1.0 |
| Veterans benefits | | 1.0 |
| Total | | 48.0 |

Under this option the following entitlement programs would not receive full baseline increases:

| *Fiscal year 1991 increase (CBO)* | |
|---|---|
| Food stamps | $3 |
| Supplemental security income | 3 |
| Family support | 2 |
| Federal civilian Retired | 4 |
| Total | 12 |

Budget summit negotiators have been discussing changes in Medicare that would cut $6 billion off the baseline. This $6 billion could be used to fund the baseline increases in Food Stamps and SSI.

Implementing the Four Percent Solution could save at least $2 billion in Net Interest payments. These saving could be applied to the remaining entitlement programs.

A list of billions of dollars in spending and entitlement reforms is contained in the last section of this document.

This, of course, is not the only allocation option available with the Four Percent Solution. It is, perhaps, the most politically attractive option one month before an election. Certainly, increases for other high-priority programs, such as drug enforcement, could be traded for reforms in other programs, the Food Stamp program for example.

COMMON-SENSE SPENDING CUTS

If the goal is: (1) to match the $50 billion deficit reduction package requested by the President (ie: $50 billion off the baseline) then $8 billion in real program cuts can be chosen from the menue below and added to the 4 percent solution; or (2) to find additional savings off the baseline to fully fund all entitlement programs, then the following cuts can be traded dollar for dollar.

Repeal the Davis-Bacon Act and the Contract Services Act. Savings: $2 billion.

Require that unemployed workers wait two weeks before they can begin the 26 weeks of unemployment benefits. Savings: $2 billion.

Raise the federal civil service retirement age from 55 to 65, and eliminate the lump-sum retirement option. Savings: $3 billion.

Hold States liable for all erroneous AFDC overpayments. Savings: $1.2 billion.

Reduce overlapping AFDC benefits for those who live in subsidized housing. Savings: $500 million.

Combine expenditures on all food assistance programs into a block grant to the States, with a 20 percent reduction in spending (to recapture excess administrative and benefit payments associated with program overlap), and allow the States to redesign their assistance programs to better meet the needs of their citizens. Savings: $5 billion.

Reduce overlapping benefits between Food Stamps and Child nutrition programs. Savings: $1 billion.

Retarget Food Stamp benefits to more accurately reflect the nutritional needs of household members. Savings: $1.1 billion.

Restore the Food Stamp purchase requirement. Savings: $1 billion.

Establish a State matching requirements for the Food Stamp program. Savings: $2.5 billion.

Hold States liable for all Food Stamp overpayment errors. Savings: $1 billion.

Merge WIC with Medicaid. Savings: $800 million.

Lower the minimum Federal matching rate for Medicaid to States with high per capita incomes. Savings: $4.5 billion.

Hold States liable for all erroneous Medicaid overpayments. Savings: $1.3 billion.

Mr. SYMMS. People have said to me: "Well, that is not a program, that is just simply a slogan." That is just because we do not want to bite the bullet and face the music, Mr. President. I, personally, feel that the Congress is not looking very good in the eyes of the American people and it probably should not. But I say that advisedly, and not out of great disrespect for my colleagues that have worked for this. But in good conscience, there is no way that I believe, when you look closely at this $500 billion package, that it is a good package.

Surely a limited growth of the Federal Government—if you left it up to me, I would only allow the Federal Government to grow 1 or 2 percent a year. I am talking about making a compromise. If you are not happy with 4 percent, let us limit it to a little less.

But I predict that, with the package that is before the Congress, the Government will grow at a rate much greater than the budget summiteers think it will, and the defense budget will be the area that will suffer. We put ourselves and our young men and women in this country, that are in the forces of peace and freedom, at undue risk and in harm's way, if we cut the defense budget dramatically in order to meet some targets because we do not have the courage to reduce spending on the domestic side.

I think that there are actions that we can take and I will support those actions. But I think this budget simply is not meeting those criteria and those qualifications.

The PRESIDING OFFICER. The Senator's request for time for morning business has expired. If there is a request to continue in morning business, we will return to morning business.

Mr. INOUYE. Mr. President, I ask unanimous consent that I be permitted to speak for 10 minutes as though in morning business, and upon completion of my statement, return to the pending business, the consideration of S. 3037.

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

Mr. INOUYE. Does the Senator from Oklahoma need time?

Mr. NICKLES. If the Senators would yield just for a second, I wanted to compliment Senator SYMMS for his statement and also for his suggestions on the need for more deficit reduction. I will speak further on that after the conclusion of my friend from Hawaii.

## CHEMICAL WEAPONS DESTRUCTION

Mr. INOUYE. Mr. President, on September 27, the junior Senator from Hawaii [Mr. AKAKA] introduced a bill of extreme importance to the people of Hawaii and the Pacific Basin. His measure will prohibit the transport and destruction or storage of any additional chemical munitions after those from Germany arrive at Johnston Island. I wholeheartedly support the Akaka plan.

Exactly 2 months ago, I came to the Senate floor to discuss with my colleagues the planned shipment of chemical munitions to Johnston Island, and to address the concerns of my constituents. Two modified cargo vessels carrying approximately 100,000 chemical artillery shells have begun their voyage from Nordenham, West Germany, to Johnston Island, and are scheduled to arrive on or about November 10.

Of all the horrible weapons produced by man, perhaps none instills fear as readily as chemical agents. These weapons are to be feared, because they are extraordinarily dangerous. I do not deny or disparage the fears of my constituents. Indeed, I

share them. We must resolve to seek the adoption of the presently negotiated international treaty which will restrict the further production of these weapons, and destroy most of those which currently exist throughout our planet.

In doing so, we must take every precaution to avoid an accidental release of chemicals. For this reason, on August 14, I visited Johnston Atoll for an onsite inspection to ascertain for myself the safety of the destruction procedures. At my invitation, media representatives accompanied my delegation to Johnston Island. I sought to guarantee that what I saw—they and the people of Hawaii would see. I wanted the facts to be reported with no coverup, no secrets. At that time, I vowed that, if there were any reasonable doubts that the weaspons could not be safely destroyed, I would take every measure at my disposal to block the shipment of chemical weapons from Germany to Johnston Island.

In the course of my visit, I became convinced that the increasingly stringent tests that have been repeatedly conducted to ensure the integrity of construction, the adequacy of safeguards, and the safety of the processes employed meant the Johnston Island Chemical Disposal System is as safe as any human endeavor can be. I believe the media representatives who accompanied me shared this view.

Mr. President, there have been some startup delays in the operation of the disposal system at Johnston Island. But these have been taken to ensure the continued safe and efficient operation of the facility. I believe that our Government and military officials have taken the proper course of action—they are cautious, they stress safety, and they endeavor to ensure the proper operation of the system.

Johnston Atoll is our Nation's first large-scale incinerator for the destruction of chemical weapons. It is also the model for eight others to be constructed throughout the continental United States. I believe it is fair to say that the vast majority of Americans agree with the policy of destroying these gruesome weapons. However, I believe it is also fair to say that the vast majority of Americans will fight to keep it "out of their backyards."

Mr. President, fairness and equity—as well as safety—dictate that these chemicals be destroyed in place. The incineration of chemical weapons is the best available means to rid the world of these deadly chemicals. Let me state a simple truth—if we are to rid the world of chemical weapons, they must be destroyed. We, in the Pacific, are the first to shoulder our share of this national responsibility. Many of my Hawaii constituents, as well as the citizens of the U.S. territories in the Pacific which are under the protection of our flag, are fearful of the impending shipment. Some are outraged.

However, they are even more concerned that Johnston Island, which is 825 miles west-southwest of Honolulu, will become the dumping ground for U.S. chemical weapons. Mr. President, I want to assure my constituents that no more than 6.6 percent of the U.S. chemical weapons stockpile will be destroyed on Johnston Island. The remainder will be destroyed within the continental United States at locations where they are currently stored.

The proposal of Senator AKAKA ensures it. As chairman of the Senate Appropriations Subcommittee on Defense, I intend to incorporate the Akaka Johnston Island plan into the fiscal year 1991 Defense appropriations bill. I believe the Akaka plan is sound. For Hawaii, it accepts our share of the national responsibility to begin the process of destroying these deadly chemical agents, while concurrently guaranteeing that we will not be called upon, again and again, to accept a disproportionate burden of chemical weapons destruction. We must now accept as our destiny the challenge to make this world a safer place for our children, grandchildren, and the generations to follow. I embrace it. I intend to carry it through. We will destroy these chemical weapons from Germany on Johnston Island. We, in the Pacific, will fulfill our responsibility. We will then look to others to do their share.

I yield the floor.

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

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, I ask unanimous consent to proceed for 15 minutes as in morning business.

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

## THE BUDGET AGREEMENT

Mr. NICKLES. Mr. President, I heard my friend and colleague Senator SYMMS talk about the deficit, and I heard him mention a lot of the problems and the dilemma we are faced with today. We are faced with some serious problems. The deficit is far too high, and it is growing. We need to work together, Democrats and Republicans, conservatives and liberals, with the administration, and bring the deficit down.

Is the package before us good enough? I am not sure. Frankly, I do not think it is. I do not think it is enough. Is it better than nothing? Maybe. I think we have to weigh it versus a sequester, and frankly everybody in town is scared to death of sequester. No one knows how much it will be, or how serious it will be. I think we have to weigh those two alternatives.

First we have to look at where we are and how we got into this situation. Mr. President, the deficit this year through the month of August is $241 billion. That is an enormous deficit. That is a deficit that is hard to comprehend. It is a deficit that is over $1,000 for every man, woman and child in the United States. That is how much our indebtedness has grown this year alone, $241 billion.

That compares to a deficit last year at the same time of $145.9 billion. In other words the deficit this year alone is 65 percent more than it was last year. So the deficit is really widening, it is growing. That cannot continue. That is not healthy. That is not a good thing for our country, it is not a good thing for the financial markets, it is not a good thing for our children. It needs to be reversed.

We might ask ourselves, why is the deficit so large? Why did it grow? How did it expand up to $241 billion this year? Let me mention a couple of things.

Spending is growing much faster than the revenues. As my friend from Idaho is well aware of, spending this year to date has increased 12.8 percent more than last year. That is two or three times the rate of inflation. Actually, we have spent this year $133 billion more than we spent last year for the first 11 months of the fiscal year, all the way through August; this year we spent $133 billion more than we did last year.

Revenues are not growing as fast. Revenues this year have grown at 4.2 percent. We actually have more money to spend this year than last year, but the growth rate is a lot slower. The growth on the revenue side has only increased 4.2 percent. So if expenditures are growing at 12.8 percent, and revenues are growing at 4.2 percent, you realize the deficit is increasing. This year, we actually spent about $100 billion more than we did last year. So spending continues to escalate.

I make mention of the fact that spending is $133 billion over last year because everyone is so concerned about a sequester. I am concerned about a sequester. I do see that a furlough would put a lot of people out of work. I know in my State, and a lot of other States, the sequester could have a very negative impact on a lot of people. It will disrupt their lifestyle. It will put some people out of work probably permanently. It will put a lot of people in the position where they will

miss several days per year. In other words, they might miss as many as 22 days for the entire year. Those were days they planned on being paid for. They will not be paid for. Why? Because they chose to work for the Federal Government? Because we could not get our fiscal house in order?

I do not think that is fair for public employees. I do not think it is a fair way to manage our financial affairs. But I also look at a $100 billion sequester and compare that with the total amount we are spending. We are spending $1.3 trillion. If we are going to spend $1.3 trillion, and if we are to reduce that by $100 billion, and actually spending is anticipated to increase by another $100 billion between 1990 and 1991, that means you can actually have a sequester and you will still be spending about the same amount of money in fiscal year 1991 as we did in fiscal year 1990. The outlays will be almost identical. Therefore, why would it be so painful?

One of the reasons it will be so painful is the way we set up Gramm-Rudman. We exempt about half the budget from the sequester. That means the other half is hit twice as hard. We say, that will be from 8 percent to 16 percent, but yet most of the figures that we hear on the sequester are reductions in spending of 33 or 34 percent. I am still not sure why we exempt military personnel, we exempt Social Security, we exempt veterans pensions, we exempt a lot of programs targeted and designed toward lower income levels.

Those groups that might be hit are civilian personnel in the Navy at Norfolk. They might be civilian personnel in the FBI or the Secret Service. They might be civilian personnel in the Bureau of Indian Affairs or the Park Service. Those areas that are not exempt get hit and they get hit very hard; probably too hard.

What should we do? We have to weigh this; we have to weigh this difficult decision in passing this budget as proposed. Maybe it can be modified; maybe it can be improved. I think it should be improved.

I happen to serve on the Appropriations Committee, and I see appropriations growing at every single level. My colleagues will be kind of surprised at this—and I will include in the RECORD some CBO estimates on the amount of appropriations increases. They are very large in a whole variety of areas. I can go through individual areas, but the bill we passed yesterday the VA/HUD bill, increased budget authority by 16 percent and outlays by 10 percent. I can go all the way through, but that is common. On outlays, on the so-called budget package, we provide that nondefense discretionary spending actually increases with inflation for at least 3 years. I do not know if that is fair.

Is it fair for us on the Appropriations Committee to say we are going to grow with inflation for the next 3 years, but we are going to ask American citizens to pay more taxes in order to fund that? Should we not have maybe at least 1 year to have a freeze on domestic discretionary spending? If we are going to have a freeze on defense spending, why not have it on domestic discretionary spending? I would support that. My guess is we could probably get the votes for it. Maybe not. I know the negotiators were not successful in getting it. Maybe it is too much to ask. I do not think it is. I personally think we should have that. I know it was tried. I compliment my friend and colleague, Senator GRAMM, because he did try that in the negotiations. Unfortunately, he was not successful. It takes both sides, and both sides fashioned the package that we have before us.

Mr. President, I am concerned about the growth in spending. I am concerned about the fact spending this year has already grown at 12.8 percent. I look at the projections for next year, and I see that spending is projected again to grow at 10 percent. I personally think, instead of fueling the fires of more and more Federal spending, that we should really be stronger in our desire and in our attempt and in our efforts to reduce the growth of spending. Instead of allowing spending to compound at 12 percent or 10 percent, I think we should try and contain the growth of spending in the 3 or 4 percent range.

Yes, that may require sacrifice upon all Americans, but I think it is a fair sacrifice. And then I think it would also give us the tools and the mechanism to have real significant deficit reduction. It will be very, very difficult to have real deficit reduction if we allow spending to continue to escalate at 9 or 10 or 12 percent. What we will do in that regard is allow the tax increases that are generated to basically fund the spending increases. To me that is not fair.

I will compliment those who have negotiated this agreement. They say we have caps and budget reform and they project in the outyears that spending will not really grow. In the years 1992, 1993, 1994, and 1995, the outlay growth is relatively constant. It does not even increase with inflation. I hope that is the case.

I heard my friend from Idaho say that if that was the case, he would support the package. He remains to be convinced. I remain to be convinced. I told Governor Sununu and others in the administration, if I was really convinced we would keep a level cap on outlays for the next 4 or 5 years, I would be the first Senator to sign onto this package and I would be most enthusastic for its passage. I think it is vital for the economic health of this country for us to contain the growth of Federal spending.

I am not sure this package does it. This package may be better than nothing, and I may support the initial step. At least in the authorizing committees we should work on it and see if we can make improvements. I think improvements need to be made.

There are several provisions in this bill, in my opinion, which will not work. The bill has a tax on reversions on pension plans up to 40 percent. The net impact of that would be that we are going to discourage people from fully funding their pension plans. That is going to make a lot of pension plans underfunded.

Therefore, beneficiaries will find over the course of years, all of a sudden their pension plan will not have enough money in it and then will be coming to the Pension Benefit Guarantee Corporation and say give me more money. They will say, we do not have it.

Congress decided to tax the reversions so heavily it is not in the plans. I think we have to change that. It does not raise much money, but I think it will cause a whole lot of problems with the private pension community.

There is another provision that says it will increase the fines and penalties of OSHA, the Occupational Safety and Health Administration, which OSHA imposes on employers. It will increase those penalties five times. What sense does that make? OSHA is supposed to encourage and work with employers and employees for a safe and sound environment within which to work; increase safety, not to raise money for the Federal Government; not to harass employers, not to be walking in and say, "You have that ladder in the wrong place. That is a $5,000 fine." "Oh, that exit sign is not posted" or "painted brightly enough; that is a $5,000 fine." That is not the purpose of OSHA.

But yet that happens to be in this proposal. It needs to be changed. I happen to be one of the few businessmen in the Chamber—and I know the Presiding Officer made a career in business before coming to the Senate. There are provisions to enhance small business. I happen to be a small businessman. I will tell my colleagues, the provisions that I have seen supposedly to enhance small business will not work. They might attract a lot of people into financial schemes to reduce taxes but, in my opinion, that is not sound. That is not good economics. And it should not be in the final part of the package.

I support capital gains reductions. I think that would help the economy. I do not think several of the changes proposed so-called to benefit small businesses in this package are worth it.

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Why should we raise taxes on other people in this regard to try and cram money into certain small enterprises, as defined in this bill, with tax credits, et cetera, all designed supposedly for small business? As I said, I come from a small business background. I think that is a mistake. I hope and expect it will be changed. If not, we will come back and change it in a few years.

There are a lot of other things that I think could, should, and I hope will be done in this package. I hope we will come up with a real reduction package. I hope we will come up with significant savings. When I say savings, I am talking about real savings. I am talking about compared to what we spend in fiscal 1990, not just reductions in the rate of growth.

I do not think we can afford to continue to allow Federal spending to climb in double digit figures. I think we on the Appropriations Committee have to take control. We have what we call controllable and mandatory spending. Frankly, what we show for domestic nondefense controllable spending is only $220 billion out of a $1.3 trillion budget. I think appropriators have to take total control over all the money in those committees and not assume that spending is mandatory and just disregard it.

Mr. President, spending is compounded in a variety of committees, in almost every committee. I see the Presiding Officer is my friend and colleague from the Transportation Subcommittee. Budget authority—these are all CBO estimates, I will tell my colleagues—for the Transportation Subcommittee declines by 18 percent, a rather striking thing, and outlays only increase by 1 percent. That is very unusual, because almost all other committees increase in both budget authority and outlays by double digit figures.

I will just mention outlays, for example, but HUD increased by 10 percent; Treasury, 10 percent; Transportation, only 1 percent; military construction, 1 percent; legislative branch, 11 percent—we have not brought that bill up. I am involved in that committee and I will try to reduce that—labor, 10 percent; foreign ops, 3 percent—that may be changed—defense, a minus 1 percent in outlays. In other words, we will actually be spending less next year than we did the previous year; District of Columbia, it shows a minus 5 percent. I am not sure that that is what we actually passed. That is what CBO shows in their chart; Commerce Department, an increase of 9 percent; Energy, 10 percent; Agriculture, 10 percent; and Interior, 12 percent.

Again, Mr. President, it is obvious, with one or two exceptions, Federal spending in almost all appropriations bills is compounding, at double digit figures, more than twice the inflation rate. I personaly think we need to hold the growth of spending down to no more than 3 or 4 percent. That happens to be what revenues are growing at right now, 4 percent. I think we need to contain the growth of expenditures to 3 or 4 percent as well.

That will not be easy. Congress is used to spending more money. Congress is going to have to break its habits.

Mr. President, I ask unanimous consent to print in the RECORD CBO estimates.

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

APPROPRIATIONS SUBCOMMITTEE SPENDING

[Dollar amounts in millions]

| | Fiscal year 1989 actuals | Fiscal year 1990 estimates | Change from 1989 | | Fiscal year 1991 Senate | Change from 1990 | |
|---|---|---|---|---|---|---|---|
| | | | Dollars | Percent | | Dollars | Percent |
| Interior: | | | | | | | |
| Budget authority | 10,200 | 11,200 | 1,000 | 10 | [1] 12,871 | 1,671 | 15 |
| Outlays | 10,000 | 10,700 | 700 | 7 | [1] 11,997 | 1,297 | 12 |
| Agriculture: | | | | | | | |
| Budget authority | 35,700 | 45,200 | 9,500 | 27 | 52,690 | 7,490 | 17 |
| Outlays | 29,800 | 31,400 | 1,600 | 5 | 34,419 | 3,019 | 10 |
| Energy: | | | | | | | |
| Budget authority | 16,600 | 18,700 | 2,100 | 13 | 20,893 | 2,193 | 12 |
| Outlays | 16,400 | 17,900 | 1,500 | 9 | 19,758 | 1,858 | 10 |
| Commerce: | | | | | | | |
| Budget authority | 15,400 | 18,000 | 2,600 | 17 | 20,185 | 2,185 | 12 |
| Outlays | 15,400 | 17,500 | 2,100 | 14 | 19,133 | 1,633 | 9 |
| District of Columbia: | | | | | | | |
| Budget authority | 600 | 500 | (100) | −17 | [1] 570 | 70 | 14 |
| Outlays | 600 | 600 | 0 | 0 | [1] 570 | (30) | −5 |
| Defense: | | | | | | | |
| Budget authority | 282,400 | 284,300 | 1,900 | 1 | [1] 263,489 | (28,811) | −7 |
| Outlays | 278,300 | 280,200 | 1,900 | 1 | [1] 276,243 | (3,957) | −1 |
| Foreign Ops: | | | | | | | |
| Budget authority | 14,400 | 15,500 | 1,100 | 8 | [1] 15,353 | (147) | −1 |
| Outlays | 12,300 | 12,900 | 600 | 5 | [1] 13,301 | 401 | 3 |
| Labor: | | | | | | | |
| Budget authority | 141,800 | 154,400 | 12,600 | 9 | [1] 173,477 | 19,077 | 12 |
| Outlays | 146,000 | 160,100 | 14,100 | 10 | [1] 176,108 | 16,008 | 10 |
| Leg Branch: | | | | | | | |
| Budget authority | 1,900 | 2,000 | 100 | 5 | [1] 2,340 | 340 | 17 |
| Outlays | 1,900 | 2,000 | 100 | 5 | [1] 2,227 | 227 | 11 |
| Mil-Con: | | | | | | | |
| Budget authority | 9,000 | 8,300 | (700) | −8 | 7,797 | (321) | −4 |
| Outlays | 9,000 | 8,500 | (500) | −6 | 8,617 | 117 | 1 |
| Trans: | | | | | | | |
| Budget authority | 10,900 | 16,000 | 5,100 | 47 | 13,189 | (2,811) | −18 |
| Outlays | 26,900 | 29,300 | 2,400 | 9 | 29,475 | 175 | 1 |
| Treasury: | | | | | | | |
| Budget authority | 16,100 | 18,700 | 2,600 | 16 | 20,710 | 2,010 | 11 |
| Outlays | 16,000 | 18,100 | 2,100 | 13 | 19,881 | 1,781 | 10 |
| VA/HUD: | | | | | | | |
| Budget authority | 61,700 | 67,500 | 5,800 | 9 | 78,588 | 11,088 | 16 |
| Outlays | 65,000 | 71,200 | 6,200 | 10 | 78,439 | 7,239 | 10 |
| Totals: | | | | | | | |
| Budget authority | 616,700 | 660,400 | 43,700 | 7 | 682,334 | 21,934 | 3 |
| Outlays | 626,600 | 660,500 | 33,900 | 5 | 690,168 | 29,668 | 4 |

[1] 302(B) allocation.

Source: Office of U.S. Senator Don Nickles CBO estimates.

MONTHLY TREASURY STATEMENT COMPARISON

[In millions of dollars and fiscal years]

| | Receipts | Cumulative | Outlays | Cumulative | Deficit/(surplus) | Cumulative |
|---|---|---|---|---|---|---|
| October | 63,582 | 63,582 | 90,590 | 90,590 | 27,009 | 27,009 |
| November | 64,320 | 127,902 | 93,454 | 184,044 | 29,134 | 56,143 |
| December | 93,655 | 221,557 | 105,097 | 289,141 | 11,442 | 67,585 |
| January | 89,306 | 310,863 | 86,500 | 375,641 | (2,806) | 64,779 |
| February | 61,897 | 372,760 | 89,769 | 465,410 | 27,871 | 92,650 |
| March | 68,205 | 440,965 | 103,984 | 569,394 | 35,779 | 128,429 |
| April | 128,892 | 569,857 | 88,320 | 657,714 | (40,572) | 87,857 |
| May | 71,025 | 640,882 | 96,491 | 754,205 | 25,466 | 113,323 |
| June | 108,249 | 749,131 | 100,460 | 854,665 | (7,789) | 105,534 |
| July | 66,191 | 815,322 | 84,430 | 939,095 | 18,239 | 123,773 |
| August | 76,136 | 891,458 | 98,285 | 1,037,380 | 22,150 | 145,923 |
| September | 99,233 | 990,691 | 105,299 | 1,142,679 | 6,066 | 151,988 |
| 1989 total | | 990,691 | | 1,142,680 | | 151,988 |
| 1990 | | | | | | |
| October | 68,426 | 68,426 | 94,581 | 94,581 | 26,155 | 26,155 |
| November | 71,213 | 139,639 | 101,018 | 195,599 | 29,805 | 55,960 |
| December | 89,130 | 228,769 | 103,906 | 299,505 | (14,776) | 70,736 |
| January | 99,538 | 328,307 | 91,286 | 390,791 | (8,252) | 62,484 |
| February | 65,170 | 393,477 | 100,437 | 491,228 | 35,267 | 97,751 |
| March | 64,819 | 458,296 | 118,165 | 609,393 | 53,346 | 151,097 |
| April | 139,624 | 597,920 | 97,865 | 707,258 | (41,760) | 109,337 |
| May | 69,212 | 667,132 | 111,769 | 819,027 | 42,558 | 151,895 |
| June | 110,614 | 777,746 | 121,747 | 940,774 | 11,133 | 163,028 |
| July | 72,357 | 850,103 | 98,291 | 1,039,065 | 25,934 | 188,962 |
| August | 78,486 | 928,589 | 131,240 | 1,170,305 | 52,754 | 241,716 |
| September | | | | | | |
| 1990 total | | | | | | |
| 1990 Compared to 1989 (in percent) | | | | | | |
| October | 7.6 | 7.6 | 4.4 | 4.4 | −3.2 | −3.2 |
| November | 10.7 | 9.2 | 8.1 | 6.3 | 2.3 | −0.3 |
| December | −4.8 | 3.3 | −1.1 | 3.6 | 29.1 | 4.7 |
| January | 11.5 | 5.6 | 5.5 | 4.0 | 194.1 | −3.5 |
| February | 5.3 | 5.6 | 11.9 | 5.5 | 26.5 | 5.5 |
| March | −5.0 | 3.9 | 13.6 | 7.0 | 49.1 | 17.7 |
| April | 8.3 | 4.9 | 10.8 | 7.5 | 2.9 | 24.4 |
| May | −2.6 | 4.1 | 15.8 | 8.6 | 67.1 | 34.0 |
| June | 2.2 | 3.8 | 21.2 | 10.1 | −242.9 | 54.5 |
| July | 9.3 | 4.3 | 16.4 | 10.6 | 42.2 | 52.7 |
| August | 3.1 | 4.2 | 33.5 | 12.8 | 138.2 | 65.6 |
| September | | | | | | |
| 1990 total | | | | | | |

Source: Office of U.S. Senator Don Nickles.

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

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

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

The PRESIDING OFFICER. The Senator may not reserve the right to object.

Mr. KERRY. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The legislative clerk continued with the call of the roll.

Mr. NICKLES. Mr. President, I ask unanimous consent that the order of the quorum call be rescinded.

The PRESIDING OFFICER. Is there any objection? The Chair hears none, and it is so ordered.

Mr. NICKLES. Mr. President, I ask unanimous consent to proceed as if in morning business for 10 minutes.

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

## CLINICAL LABORATORY IMPROVEMENT ACT REGULATIONS

Mr. NICKLES. Mr. President, I am gravely concerned about a set of proposed regulations which will have a devastating effect on the quality of rural health care in America—the Clinical Laboratory Improvement Act of 1988 regulations which were published in the Federal Register on May 21 of this year.

The Oklahoma State Medical Association estimates that these regulations could force up to 40 percent of the affected hospitals in Oklahoma to close. In Oklahoma, there are 165 licensed hospitals, 126 have labs that would be affected by the regulations but only 39 labs would currently meet the proposed regulations according to the State medical association.

This is not only a problem in Oklahoma, the problem will affect most States, especially those with rural health care systems. Each Member of this body should be concerned about the affect that certain provisions of these regulations will have on their States.

I am sure that many offices have received letters and calls from concerned constituents. I have heard from over 6,000 Oklahomans on this issue alone. Hospital administrators, physicians, and many people who are concerned about the delivery of health care in their communities have written or called my office. When I traveled back to the State over the August recess, CLIA was mentioned at the meetings which I held in rural communities.

The aspect of the regulations which I am most concerned about deals with the personnel standards set forth in subpart L of the regulations. As part of the laboratory certification procedures established by CLIA 1988, the law states that laboratories shall "use only personnel meeting such qualifications as the Secretary may establish" for performance of various duties within the laboratory.

HCFA, in implementing the law, has proposed requiring a doctoral-level scientist or board-certified pathologist to be director and technical supervisor at every laboratory where "Level II" diagnostic testing is performed. Additionally, a medical technologist with a bachelor's degree and 3 years of experience is required to be in the laboratory whenever such testing is performed.

Oklahoma health care officials indicate there are not enough of such highly qualified personnel even if hospitals and physicians could afford to pay them. At a result, clinical laboratory testing will become centralized, competition will be reduced and patients will experience difficulty in obtaining needed tests and will face frustrating delays in obtaining the results of such tests.

In order to address the concerns related to HCFA's proposed personnel requirements, I am considering offering an amendment to the fiscal year 1991 Labor, HHS appropriations bill which would direct the Secretary of Health and Human Services to consider access, cost, and the delivery of other health care services when issuing final regulations. I also plan to address my concerns that the personnel standards not be implemented prior to the completion of a study mandated under the CLIA Act of 1988.

HCFA officials indicate that work on the study which was ordered by CLIA 1988 has not begun. The study has not yet even been contracted out. Nevertheless, the proposed rule sets out new personnel standards when the proposed rules at the same time admit that:

> CLIA 1988, in recognition of the absence of reliable information linking the performance of testing with specific personnel qualifications, requires PHS (Public Health Service) to study the relationship between personnel and test performance.

This study was ordered reported to Congress by May 1, 1990, far in advance of the July 1, 1991, effective date of personnel standards for laboratories not previously subject to section 353 of the Public Health Service Act. HCFA officials indicate that the study will not be completed prior to 1992.

If the proposed personnel standards go into effect in present form, hospitals will be forced to close, doctors will not be able to provide certain tests in their offices causing treatment to be delayed jeopardizing patients health care and further increasing the cost of health care.

The president of the Oklahoma State Medical Association happens to be a pathologist himself and serves on the American Medical Association Committee on Laboratories. He cites the following examples of the effect of these regulations:

A patient who is having open heart surgery. During this operation it is the anethesiologist's responsibility to test for blood clotting and oxygen levels. Under these regulations, the testing that is usually done in the operating room as the operation proceeds would have to be sent out to the lab in another part of the hospital. This would obviously endanger the life of the patient.

A patient who may have asthma who is in his physician's office. The physician could not do the necessary blood test for gases in his office but would have to send the testing out to another lab.

Again, that is another example of the denying speedy access to test results which may endanger a person's health.

Another example, an Oklahoma hospital administrator in Shattuck, OK, said:

How can you tell a heart patient or a possible diabetic. Well, come back in 24 or 48 hours or longer when we get the results of your lab tests, and then we'll treat you.

That may be too late.

An Oklahoma lab technician who works in an office lab in Hydro, OK, said:

The trouble is someone could die waiting for test results from an out-of-town medical lab. I don't think there is a hospital in western Oklahoma that could afford to hire the personnel to meet these new regulations.

I could go on and on. The fact is that the original law for which the regulations are being written mandates that certain studies take place prior to when these regulations go into effect. Let me read from the Clinical Laboratory Improvement Act, section 4 which was passed in October 1988:

SEC. 4. STUDIES.

(a) STUDIES.—The Secretary of Health and Human Services, acting through the Public Health Service, shall conduct studies of—

(1) the validity, reliability, and accuracy of proficiency testing of clinical laboratories under section 353 of the Public Health Service Act (as amended by section 2 of this Act),

(2) the correlation between established standards for personnel employed in clinical laboratories and the accuracy and reliability of the results of the tests performed by the laboratories which are subject to such standards,

(3) the correlation between internal quality assurance and quality control programs for clinical laboratories and the accuracy and reliability of the results of the tests performed by the laboratories,

(4) the extent and nature of problems in the diagnosis and treatment of patients caused by inaccurate laboratory test results, and

(5) the effect on laboratory test accuracy of errors in each of the components of the clinical testing process, including the communication between the attending physician and the clinical laboratory which it to conduct the tests, the selection of the tests to be performed, the limits applicable to the tests selected, the acquisition of the material to be tested, the transportation of the material to the laboratory, the storage of the material by the laboratory, the analysis of the material by the laboratory, and the reporting of the results by the laboratory.

(b) REPORT.—Not later than May 1, 1990, the Secretary shall report to the Congress the results of the studies conducted under subsection (a).

HCFA has not complied. They have not finished the study. I do not think we in Congress should allow that study to go forward or allow these regulations to go forward to mandate very strict, very severe, very costly personnel standards without knowing the effect on health care, without knowing what it will do to the quality of health care, without having any idea of what it will cost. I think all of those things are important.

I have the strong support of the leading associations in the medical field. At this time, I have been contracted by the following groups which are fully supportive of my efforts: The American Medical Association; the American Society of Internal Medicine; the American Academy of Family Physicians; and the American Academy of Pediatrics.

In closing, I would like to stress that it is not my intention to stop the implementation of the Clinical Laboratory Improvement Act. I think that the intent of the regulation and certainly the original law is a positive step to ensure that patients receive the most accurate of test results.

However, we cannot lose sight of the actual effect of these regulations on the quality of health care in rural communities whether it be in Oklahoma, Iowa, Texas, or any other State. Let us not mandate expensive, unworkable, regulations which will result in reducing health care in rural areas which are already struggling to survive.

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

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

AMERICAN MEDICAL ASSOCIATION,
*Chicago, IL, September 11, 1990.*

Hon. DON NICKLES,
*U.S. Senate, Hart Senate Office Building, Washington, DC.*

DEAR SENATOR NICKLES: The AMA strongly supports your proposed amendment to the FY '91 Labor-HHS appropriations bill that would prohibit the use of funds for the implementation of personnel requirements under the Clinical Laboratory Improvement Amendments of 1988 (CLIA 88) until studies are completed establishing the correction between personnel standards and the accuracy and reliability of test results.

Congress recognized the significant potential for adverse impact on patient care by specifically mandating a study of these critical factors as part of the enabling legislation. These studies must be completed and their results carefully analyzed prior to implementation of any regulations. Patient access to vital laboratory services must not be jeopardized by precipitious implementation.

In the AMA comments on these proposed regulations, submitted on August 20, 1990, we addressed the issue of personnel standards and patient access to laboratory services:

"Personnel standards for Level II testing as proposed in the regulation are too restrictive and unnecessary. Furthermore, sufficient qualified unnecessary. Furthermore, sufficient qualified personnel with these overly stringent qualifications are unavailable in many areas of the country. In addition, as HCFA states in the preamble to the proposed regulation at page 20911, there is no reliable data or scientific information to correlate proficiency testing performance with personnel education and experience. For these reasons, the AMA urges that the personnel standards for Level II testing be modified to be more realistic. Furthermore, we strongly urge HCFA to rely on outcome as the primary determinent of quality, not procedural or educational requirements.

"Section 493.1415, which establishes the qualifications for the Level II laboratory director, should be modified to allow the laboratory director to be a physician who is qualified to assume professional, organizational, and administrative responsibility for the facilities and for the services rendered. This is the same standard as required by the standards of JCAHO for hospital laboratories. This physician is knowledgeable about the laboratory services offered and is available as required by the laboratory staff to render administrative decisions, to provide consultation concerning the medical significance of laboratory results, and to assist in obtaining other required professional consultations."

The AMA fully shares your concerns that the highly restrictive laboratory personnel standards proposed in the CLIA 88 regulations issued on May 21, 1990 will severely jeopardize health care to patients. Again, the AMA fully supports your amendment and stands ready to assist you.

Sincerely,

JAMES S. TODD, M.D.,
*Executive Vice President.*

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AMERICAN SOCIETY OF INTERNAL MEDICINE,
*Washington, DC, September 12, 1990.*

Hon. DON NICKLES,
*U.S. Senate, Hart Senate Office Building, Washington, DC.*

DEAR SENATOR NICKLES: The American Society of Internal Medicine (ASIM) supports your proposed amendment to the FY '91 Labor-HHS appropriations bill that would prohibit the use of funds for the implementation of personnel standards under the Clinical Laboratory Improvement Amendments of 1988 (CLIA '88) until studies are completed to determine the correlation between established personnel standards and the accuracy and reliability of test results, and to assess whether these benefits, if established, outweigh the increased costs associated with personnel standards, including the impact on patient access to timely test results.

Because of our long standing commitment to quality physician office lab testing, ASIM was involved early on as Congress began to look at the need for a new approach to clinical lab regulation and was the first medical organization to support enactment of CLIA '88. We continue to support timely implementation of the law. ASIM is concerned however, with the adverse impact of the regulations, as proposed by the Department of Health and Human Services (HHS), on patient access to timely lab results and inevitably patient care. Specifically, ASIM believes that HHS has placed undue reliance on overly restrictive and unnecessary personnel standards—that of the pathologist director, in addition to other trained laboratory personnel (i.e., medical technologist requirement)—in assuring accuracy of lab results. ASIM believes a combination of reasonable personnel standards, participation in an approved proficiency testing program and quality control requirements will provide necessary assurance of accurate lab results. Attached are excerpts from ASIM's formal comments on these proposed regulations, submitted on August 20, providing statistical data which indicates that the stringent Level II personnel requirements would have a devastating impact on patient access.

Congress recognized this significant potential for adverse impact on patient care in the report of the House Committee on

Energy and Commerce on CLIA '88 (see excerpts) and by specifically mandating a study of these factors as part of the enabling legislation. Although the legislation does not specifically state that access to office testing must be maintained, the extent to which Congress sought to avoid onerous and impractical regulation of less complex testing sites indicates an intent to preserve access to office testing. For all these reasons, ASIM believes that these studies must be completed and their results fully evaluated prior to implementation of the personnel standards. Patient access to convenient and timely testing must be preserved.

You have targeted the central problem of the regulation that would present access problems. ASIM fully shares your concerns that highly restrictive personnel standards will jeopardize patient care. The Society supports the objectives of your amendment and the corresponding provisions of CLIA '88 ASIM stands ready to assist you.

JOSEPH F. BOYLE,
*Executive Vice President.*

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AMERICAN ACADEMY OF PEDIATRICS,
*Washington, DC, September 13, 1990.*

Hon. DON NICKLES,
*U.S. Senate, Washington, DC.*

DEAR SENATOR NICKLES: The American Academy of Pediatrics (AAP) supports your amendment pertaining to the Clinical Laboratory Improvement Amendments of 1988 (CLIA). This amendment will ensure that no funds will be appropriated to implement the personnel standards of CLIA until a study has been done which determines the correlation between established personnel standards and the accuracy and reliability of test results.

The AAP consists of 39,000 pediatricians dedicated to the principle of a meaningful and healthy life for every child. Our members provide health care for the majority of children in this country, and most of this care is provided in pediatricians' offices. We support the intent of CLIA for quality control and quality assurance, but we see the regulations imposing barriers to care, particularly in rural areas; sharply increasing costs for laboratory services for which patients, insurers and employers will ultimately pay; fragmenting the delivery of health care; delaying treatment; and reducing patient compliance.

The AAP agrees that it is necessary to perform this study before the law is fully implemented. When the law was passed two years ago, Congress asked the Health Care Financing Administration (HCFA) to do five different studies which were to be completed before implementation of the regulations. For various reasons, none of the studies have been undertaken, and HCFA said it will contract out to have these studies done simultaneously as the regulation is implemented. We are particularly concerned about the study dealing with the extent and nature of problems in diagnoses and treatment of patients caused by inaccurate lab tests, and the effect of errors in each component of the clinical testing process. This study directly impacts on the classification of tests, and therefore the degree of regulation to which a laboratory must be subjected.

The Academy thanks you for your initiative in this area. CLIA will dramatically affect the delivery of quality pediatric care and therefore needs to be thoroughly studied to assess its impact. The American Academy of Pediatrics would be pleased to lend its expertise to ensure this law is implemented in a way which will achieve the goal of quality health care.

Sincerely yours,

BIRT HARVEY, M.D.,
*President.*

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THE AMERICAN ACADEMY OF FAMILY PHYSICIANS,
*Washington, DC, September 12, 1990.*

Hon. DON NICKLES,
*713 Senate Hart, Washington, DC*

DEAR SENATOR NICKLES: On behalf of the more than 69,000 members of the American Academy of Family Physicians I want to express our deep appreciation and support for your efforts to delay implementation of personnel standards for clinical laboratories pending completion of studies.

As you know the personnel standards proposed by the Health Care Financing Administration in implementing the Clinical Laboratory Improvement Act of 1988 (CLIA-'88) are essentially unworkable. If implemented as proposed, millions of patients no longer will be able to receive laboratory testing as an integral part of the services provided by their physicians. A recent survey by the Academy indicates that approximately 93 percent of family physicians in active practice perform laboratory testing in their offices and that 62 percent of these physicians office labs would fall into the Level II category as proposed in the regulations. These physicians will be unable to meet the personnel requirements as proposed.

The Academy therefore supports your amendment.

Sincerely,

JOSEPH C. CZARSTY, M.D.,
*Chair, Board of Directors.*

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## MONEY LAUNDERING ENFORCEMENT AMENDMENTS—MOTION TO PROCEED

The Senate continued with the consideration of the motion to proceed.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER (Mr. HARKIN). The Senator from New Mexico.

Mr. DOMENICI. Parliamentary inquiry, Mr. President. Are we in morning business?

The PRESIDING OFFICER. The motion to proceed to S. 3037 is the pending business.

Mr. DOMENICI. Mr. President, I ask unanimous consent that I be permitted to speak for up to 10 minutes as if in morning business.

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

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## MEDICARE AND THE BUDGET AGREEMENT

Mr. DOMENICI. I thank the Chair.

Mr. President, I want to speak for a few minutes tonight to my colleagues in the Senate, and to those groups in this country, responsible groups, that are concerned about senior citizens and concerned about our country because I believe the last 72 hours has been more misinformation about what the so-called summiteers recommended regarding Medicare than anything that I have seen in my years in the Senate.

That is not to say that those who want to leave the status quo do not have a case. But for those who have stated the case in error, I will just assume that it is because this is a very complicated and difficult area. And I would like very much to try in a few minutes to explain as best I can what the recommendations regarding Medicare were in the budget summit.

Before I do that, let me suggest that there is no way that a budget solution could be prepared by a group of Democrats and Republicans and a President that satisfied everyone. Certainly it could not be a Republican package. It could not be a Democratic package. It had to be something that the Democrats, Republicans, and the President would support.

Having said that, let me also say as a Senator who has worked on these kinds of matters for a long time that clearly this is a tough package. But I think people know that the deficit is large and growing, and the time has come to try to fix it. If we do not, it is going to hurt everyone. It is not going to leave people out.

For those who are worried about programs, we might be nearing a point in time where, if we do not fix this deficit, it will not be a question of what programs are affected by this agreement, but rather would we be able to pay for any of them?

Having said that, let me just in my own way try to explain the $60 billion recommendation regarding savings in the budget summit from Medicare.

First of all, Mr. President, fellow Senators, that should be immediately broken into two parts. Thirty billion of it is supposed to come from the so-called providers; that is, the hospitals, doctors, and others who provide health care under all of Medicare. And I am not sure, but I do not believe we are hearing a great complaint from the providers.

I do not think the officers are getting besieged by the hospitals or the doctors of America, because I do not believe the $30 billion—that is, the package that will reduce the escalating price of providers—is that onerous.

As a matter of fact, I do not think the hospitals are going to complain because almost half of this package of $30 billion comes from keeping current law as it is; about $14 billion of the $30 billion. So for starters, let me say to the senior citizens that none of that $30 billion that has been alluded to in Medicare has anything to do with increased costs to the beneficiaries. What we are trying to do is reduce the cost of health care. So the providers are going to bear a share of this reduction, and that is what half of this is. Let me repeat, almost half of it is to extend the current limitations on pay-

ments out for another 5 years, about $14 billion of the $30 billion. We will have ample time to digest and discuss that $30 billion in detail. But I believe, my assessment is, that the doctors and hospitals are not going to claim they are going to close down or that this is unfair. So that is $30 billion.

The other $30 billion over 5 years, I would like to explain briefly. First, seniors of this country, it would be wonderful if we did not have to do anything on Medicare. But I remind you, we did nothing to the cost of living on Social Security or pensions. I remind you that we did not change the taxation of Social Security benefits. That was in the wind; seniors were worried. We did not do that.

I wish we could say to all Americans that there will be no increase in your health care costs in the next 5 years. Would that not be wonderful? Would it not be wonderful if we could tell the working men and women of this country, a young couple with two children, "Your health care costs are not going to go up in the next 5 years." For those who have bought health insurance policies, either through their company's group plan or otherwise, would it not be wonderful if we could say that is not going to go up in the next 5 years? Would it not be wonderful if we could say, "Your deductible is not going to change"?

I am afraid we cannot say that, Mr. President, I am afraid the working men and women in America, and those who have insurance policies and health care plans, know that health care costs are going up. We are not doing anything about that, because we do not know what to do about that. It is just going to go up.

What we have done in this proposed package is to ask the seniors of the country, to share the increase in health care costs under part B health care, which is not hospitalization. Many who have called are already confused; they are wondering if their hospital plan has changed. It has not. That is paid for out of the paychecks of workers and the self-employed who pay into the health insurance fund. That is hospitalization. That is not changed, Mr. President.

There is another program called part B premium health coverage. It came along after hospitalization, and we decided that the taxpayers of our country wanted to be helpful, and they would pay half the price of this part B health care program and seniors would pay half. Over the years, Congress has said, "We want to be more generous." So, instead of 50 percent, we have gone down, and now we are at 25 percent that the senior pays. Twenty-five percent. The taxpayers pay 75 percent. I repeat, this is no trust fund that comes out of paychecks. This comes right out of the general taxes of the Nation. We are a generous people. We really want to take care of our senior citizens. This little program that started out 50-50, we will match you dollar for dollar, we will help you pay for this premium, is now 75 percent from the taxpayer and 25 percent from the senior, this little program. It costs, Mr. President, $40 billion a year from the taxpayers of the country. Not $40 million, but $40 billion. The working people, the taxpayers send us their taxes, and we write a check for $40 billion for our share—which we are glad to do for this health care plan. It is 75 percent paid for by the taxpayer, $40 billion, and 25 percent by a premium that the seniors pay.

Let me stop there for a moment. We are trying to solve a deficit problem. Mr. President, what is the fastest growing program in the Government? I think you probably know that, because I asked the question in this discussion. It is that program, the one I just discussed. It is going up 15 to 16 percent a year. The $40 billion that we put in now, because we want to help our seniors with this health care for doctor and outpatient care, not hospitals, will be $57 billion in 2 years, from the general taxpayer who want to help senior citizens. It has nothing to do with the trust fund that comes out of the paychecks of workers out of the self-employed of America. This comes out off regular taxes to help pay for an insurance policy. It is $40 billion, and it will be $57 billion in 2 years.

All that was asked in this particular summit agreement was, could we recommend that the Federal Government pay 70 percent of that premium, and the beneficiary, the senior who we want to help, pay 30 percent, and we hold it at 30 percent for 5 years? For those who are saying that this is way slanted against Medicare, let me repeat. For the beneficiaries, the seniors of america, what I have just described is the entire out-of-pocket change or alteration in this premium, from 25 percent of program costs to 30 percent.

Some may say, is there not more to it? Yes, there is. I used the words "out-of-pocket," what it will be in premium cost. Everybody that has an insurance policy knows there is a deductible. It would be wonderful if every working man and woman in America that has insurance could say the deductible, whether $100 or $200—somebody called me today and said, "For my family I can only affort it at $1,000 deductible." It would be wonderful if the deductible was frozen and never changed.

But I just told you the fiscal facts, the reality. So the agreement said, can we change the deductible by $25, so that instead of $75 deductible for the whole year, it is $100, then the next year $125 until it gets to $150 3 years from now? That is the extent of what we are asking.

Mr. President, I am not going to cloud the issue of cost, other than to tell you whatever numbers have been bandied around as to the added premium cost, there is room for some confusion. But there is no room for the kind of confusion that has been around, because there are only two possible numbers that are right. It is either the premium is going up $2.60 a month next year, or it is going up $3.60 a month next year, not $5.50, not $9.

Let me explain. For any senior that would look at next year's premium without the budget agreement and say, "I want to know, from that premium, how much would it go up next year with the budget agreement." The answer is $3.60, not $6, not $9, but $3.60 cents. But if Congress had said it is going to stay at 25 percent, then indeed it would only go up $2.60.

So let us make it simple and say $3.60 is what it is going up in 1991 as a premium adjustment.

Mr. President, I am going to reduce all of this to charts in writing and send it to my fellow Senators, but I want to make one more point.

Some have now said, what about the poor people or the near poor and this premium? I would like to make two points.

When people say "this group," that put together the budget agreement, you know who they were, some of the best people around: The Speaker of the House, Senator DOLE, all of the people you have heard of. When they put it together they understood that even $3.60 a month might hurt some people, maybe the very poor or the near poor. Let me suggest to my fellow Senators that before they conclude that those who are poor are going to get hurt by this, let me suggest two things:

The way the law is right now, if you are at 95 percent poverty (100 percent by 1992) or below, the Medicaid law of the land says you do not pay the premium at all. Medicaid taxpayers pay it for you. This understanding says anyone who is in poverty, defined as poor, will have that premium, not the new add on, the entire premium paid for by the Medicaid Program, by the taxpayer. That takes care of one concern.

But, Mr. President, that did not go far enough. So if anyone will read the understanding and read it thoroughly, you will find another thing $2 billion was provided in addition. And it was stated that this was so the committees that work on this could hold as many of the near poor as possible harmless from any increase. And essentially what can be done—and I will close with this—with that $2 billion, you can hold harmless from any increase, those well beyond poverty, perhaps up

to 150 percent of poverty. The premiums will be held harmless and there will be no increase for them to pay.

Mr. President, I wish we did not have to do any of these things. In fact, I wish we did not have this $500 billion deficit package. I submit to you with reference to this, out of all the things that the Federal Government does and wants to do for our seniors, to ask this much in the area of health care seems reasonable in light of what everybody else is being asked to do. I thank the Chair for recognizing me and I yield the floor.

The PRESIDING OFFICER (Mr. HARKIN). The Senator from Massachusetts.

## MONEY LAUNDERING ENFORCEMENT AMENDMENTS—MOTION TO PROCEED

Mr. KERRY. Mr. President, I know the distinguished Senator from Alaska is waiting, and we have been here most of the afternoon on this effort, to proceed forward on the money laundering legislation. I have just met with the distinguished majority leader and the minority leader and it is our hope that it may be possible to proceed forward under some kind of an agreement before to long. But that still remains uncertain and I know colleagues are anxious to have a sense of what is happening. If I might I would just like to ask the distinguished Senator from Alaska for how long he is considering speaking?

Mr. MURKOWSKI. I thank my friend from Massachusetts. I intend to speak on the pending business, the motion to proceed on the money laundering bill. I probably will be utilizing about 12 or 15 minutes.

Mr. KERRY. Mr. President, as I say, we have been waiting to proceed forward on this and debate it for some time. I am going to yield to my colleague from Alaska, though I have things I would like to say about this and I have been waiting some time today to do so, but I will ask for the floor, I think, after the distinguished Senator from Alaska has had a chance to address it.

I see the Senator from Pennsylvania is also here. Is he wishing to address the question of money laundering or does he come for some other purpose?

Mr. SPECTER. If the Senator will yield, I have been on the floor for some time waiting for the Senator to conclude and Senator MURKOWSKI, and I intended to make a relatively short statement on the pending issue of linkage.

Mr. KERRY. Mr. President, given the circumstances of the afternoon, I ask unanimous consent that the distinguished Senator from Alaska speak at this time for a period of about 8 minutes.

Mr. MURKOWSKI. The Senator from Alaska prefers not to be tied down to a specific time. I indicated about 12 or 15 minutes to the Senator from Massachusetts, which I think I could comply with.

Mr. KERRY. Mr. President, I then suggest perhaps a period of 15 minutes to be followed by the Senator from Pennsylvania for a period of——

Mr. SPECTER. Not to exceed 15 minutes.

Mr. KERRY. Not to exceed 12 minutes, at which time I would ask I be able to reclaim the floor. I so ask unanimous consent.

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

Mr. MURKOWSKI. I thank my friend.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I appreciate the concern of the Senator from Massachusetts over the lengthy time this matter has taken. I rise to speak on the motion to proceed on the Money Laundering Enforcement Act of 1990.

I think we would all agree the primary goal of this legislation is worthy: Early detection of money laundering activities and severe sanctions for savings institutions that participate in this illegal activity.

I am a member of the Foreign Relations Committee and the junior Senator from Alaska on the Subcommittee on Narcotics and Terrorism has attended hearings on the issue. We have developed a series of recommendations to curb what is believed to be a $300-billion-a-year industry in laundering illegal drug profits.

Many of the subcommittee's recommendations have been incorporated into this legislation by the Banking Committee.

But, Mr. President, the Senator from Alaska has a concern over a portion of the bill and the portion is title III, for which I know that there has been a good deal of concern from a number of my colleagues because this bill goes further than the purpose of addressing money laundering enforcement. It goes into direct consumer legislation.

Title III has nothing to do with money laundering. It is a consumer provision dealing with bank disclosures and bank advertising. It would require the computing yield according to a formula on deposits. It does not sound like much. It cost $130 million. That is going to be passed on to you and me, the taxpayer or the depositor, the user of the services. This is known as truth in savings. The title requires any solicitation or advertisement to make certain disclosure to the consumer using a standardized formula. It sounds harmless on the surface, but it is another instance of Government micromanagement and overregulation that will needlessly increase the cost of doing business for the banking system.

To those out there who suggest that we need this, I think we need to examine why we need it. If they are guilty of utilizing inaccurate yields in their advertising, that is against the law. We have fraud laws against it. They should be charged with fraud. But, do you have to make every bank in the country communicate to every customer?

This is the kind of legislation that brings extreme cost and hardship, not to the big banks. The big banks can have a department to do it, but the small country bank, the guy sitting on the corner with a few employees, he has to comply with this.

Why do we need another layer of enforcement when we have laws against fraud? Banks will deal with the increased cost, as I have indicated, in two ways: Passing it on to consumers in the form of higher fees and lower deposit rates, or cutting into their already weak capital base, neither of which alternative is unacceptable to the Senator from Alaska. It is the wrong time to add more costs to the banking system.

So the Senator from Alaska is not against the bill on money laundering, but why throw in a provision dealing with consumers?

It is kind of interesting to cite the specifics, because I am sure none of my colleagues are too impressed with the reference that we add simply one more requirement, a requirement that we mandate computing yield according to a formula on deposit interest rates.

But let us take a look at the system and what we have done already. We had one this month, one next month.

The regulatory burden on banks is so overwhelming that we have a sea of regulations. In less than 7 years, Congress has passed seven consumer banking regulations related to: Expedited funds availability; adjustable rate mortgage caps; credit card disclosures; Equal Credit Opportunity Act; home equity line disclosures; the Community Reinvestment Act; and the Home Mortgage Disclosure Act.

These regulations are in addition to existing regulations. The list of consumer legislation alone already includes: the Truth in Lending Act; the Electronic Funds Transfer Act; the Consumer Leasing Act; the Equal Credit Opportunity Act; the Real Estate Settlement Procedures Act; the Fair Credit Reporting Act; and the Fair Housing Act.

Of grave concern is that more and more of these statutes are unrelated to safety and soundness. They just cost the banks more money and the banks pass it on to their depositors.

If they do not, there is already a cadre of attorneys. It is almost a full

employment act for attorneys if there are violations of these areas. So let us realistically look at how much is enough. What is a reasonable burden?

Additional staff is required for compliance. One effect of the accumulation of regulations is that additional staff must be devoted entirely to compliance. Now this is difficult, as I have suggested, in a small bank. Some banks have reported, for example, that they must employ three or more people devoted entirely to the issue of compliance to a single regulation; and that is the Community Reinvestment Act.

Reduction of service and products. Mr. President, truth in savings could have a chilling effect on new deposit product designs. The cost of potential liability and the cost of regulatory compliance will inhibit new products to be introduced for the benefit of consumers and bank customers. Regulations already in place illustrate this chilling effect. For example, some banks have determined that disclosure requirements for adjustable rate mortgages are so complicated that they cannot afford to offer them. So they are noncompetitive in the marketplace. It pits the larger institution that can underwrite all the compliance costs against the country banker on the corner. He is trying to provide a competitive atmosphere and he is eliminated by regulation. Talk about helping small business in America, Mr. President. Well, charity begins at home. Consumers are thus denied a valuable and a desirable product because of the additional regulatory burden.

While no single regulatory is most burdensome, the aggregate burden of the litany of banking regulations ultimately affects banks' operations and their ability to serve customers effectively. The aggregate burden consumes valuable officer and staff time and deprives consumers of products for which associated regulatory compliance costs are prohibitive.

The cost of compliance with consumer regulations adds significantly to the cost of the business of banking, with a substantial impact on banks' bottom line when that bottom line should have the earnings infused into the capital base. Moreover, the regulatory costs ultimately are passed on to consumers in the form of higher fees and lower interest rates on deposit instruments and higher fees and interest rates on loans.

Mr. President, make no mistake, the Senator from Alaska has had 24 years of experience in the banking industry as a commercial banker in Alaska. What I am telling you about overregulation is very real. What I am suggesting to you concerning the cost of compliance is very real. We have the oversight. The necessity of having more, in the mind of the Senator from Alaska, is not relevant to this particular piece of legislation which is worthy in the sense that we must curb the money laundering. But to put a consumer title in it, in the opinion of the Senator from Alaska, just has no application.

Mr. President, the cost of compliance with consumer regulations, as I have indicated, is substantial. The regulatory costs ultimately are passed on to the consumer.

Elements of the expense which apply to all regulations, including truth in savings go even further. As I have mentioned, they include legal fees for interpretation and implementation. The average banker has to hire counsel to get an opinion on his position on the interpretation of these regulations because they can be misunderstood and as a consequence the banker is subject to the legal liability associated therewith.

The collection and destruction of old forms; whether you throw out the old ones and get new ones; devising and drawing up of new forms; labor; meetings; the preparation of reports; development of new technology; computer technology; computer resources; printing of new forms; postage; handling inquiries and misunderstandings; the staff training; purchasing compliance education and auditing tools; training and retraining personnel; monitoring compliance; and assisting compliance examiners.

Mr. President, the issue goes on, and on, and on. How much is enough?

While compliance with requirement of the truth in savings bill may appear to be simple and inexpensive, as other, earlier statutes have shown, an apparently simple statute translates into an expensive regulation. For example, the direct cost of a single provision is estimated to be in excess of $123 million. That figure only covers the requirement that depository institutions mail to all account holders a copy of the account schedule of fees, terms, conditions of deposit and so forth.

The invitation to expensive litigation is staring them in the eyes. As the history of the Truth in Lending Act and other consumer statutes demonstrate, banks and other financial institutions pay dearly for minor and inadvertent compliance mistakes. Such statutes invite expensive class action suits regardless of the merits of the suits. The truth in savings title presents the same invitation.

I can assure you, Mr. President, the bankers do not do very well when they go before a jury in a compliance suit for compliance oversight.

The question, Mr. President, is, why do we need more unnecessary legislation? There is no great outcry coming from the consumers for this that they are being misled or are uninformed about the fees, charges, and interest rates on deposit accounts and so forth.

Indeed, most of the banks already provide such disclosures which are substantially similar to those required by the truth in savings title. Nevertheless, banks will incur significant expenses to do what they are already doing. Banks will be required to pay to review the new regulations and current disclosures, revise, redesign, reprint, and mail new disclosures and so forth. This will be one more area where Congress will be overkilling, as the benefits do not outweigh the costs of the new truth in savings regulations.

Finally, Mr. President, I hope that my colleague and the sponsors of the legislation would consider the merits of eliminating entirely title III, the consumer provision, from the bill. Then I can assure my colleague that the Senator from Alaska would support the Money Laundering Enforcement Act of 1991.

I yield the floor to my friend from Pennsylvania.

Mr. SPECTER. Mr. President, I suggest the absence of a quorum. I would like to consult with the distinguished Senator from Alaska for a moment on another matter. I shall remain on the floor.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

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## LINKAGE

Mr. SPECTER. Mr. President, I have sought recognition to make a statement that the policy of the United States is and should remain solidly against linkage between Iraq's invasion of Kuwait and the Israeli-Arab conflict. A suggestion has been made by former President Carter and President Saddam Hussein of Iraq and some others that linkage of those issues should be established.

I submit, Mr. President, that the policy of the United States has been articulated clearly to the contrary and there are powerful policy considerations that determine why a policy against linkage should remain. Simply stated, linkage would reward aggression by giving something of value, a reward to the kind of naked aggression, as characterized by President Bush, which has occurred in Iraq's action against Kuwait.

Mr. President, the factual proof that the United States has an established policy against such linkage is found in the statement of President Bush at the news conference at the summit on September 9, as shown in the tran-

script of the summit in the New York Times on September 10, 1990. President Bush was asked this question which in pertinent part states:

Do you think, Mr. President, that the conflict of the gulf gives the opportunity to solve the Palestinian problem?

President Bush then responded, in pertinent part:

Well, let me say that I see the implementation of the United Nations resolution separate and apart from the need to solve the other question.

Then the President continues a few lines later:

But the thing that I feel strongly about is that these issues are not linked. And any effort to link them is an effort to dilute the resolutions of the United Nations.

The same issue was raised at a news conference earlier in the State Department where Ms. Margaret Tutwiler, spokesman for the State Department, responded to a similar question. I now read the pertinent part:

Is there some kind of correlation or comparison to be made between the Israeli occupation of the West Bank and the Iraqi occupation of Kuwait? Do you see any comparison there?

Ms. Tutwiler, speaking for the State Department responded:

We think it's absurd, ridiculous and ludicrous. The two are not linked and we do not plan to link the two. He, obviously—Saddam Hussein—would like to change the focus away from his agression and it simply will not work.

It is hard to contemplate any stronger statement by the U.S. spokeswoman than, "absurd, ridiculous, and ludicrous" to contemplate such linkage.

There has been a grasping of a straw, when President Bush made a statement on October 1 at the United Nations to this effect:

In the aftermath of Iraq's unconditional departure from Kuwait, I truly believe that there may be opportunities for Iraq and Kuwait to settle their differences permanently, for the states of the gulf themselves to build new arrangements for stability, and for all the states and peoples of the region to settle the conflicts that divide the Arabs from Israel.

That statement—because a number of subjects were addressed in the same sentence—has been grasped as a straw in the wind by some to contend that there may be a suggestion by President Bush of linkage. I suggest, the statement that President Bush made in no way, fairly read, has any suggestion at all of linkage. The President is not stating in any way that he is going to trade Iraq's withdrawal from Kuwait for an unrelated issue. That is especially obvious in view of the prior explicit statement President Bush made on the subject coupled with the unequivocal declaration by Ms. Tutwiler, speaking for the Department of State.

There is an interesting analysis of former President Carter's contentions by former Ambassador Jeane Kirkpatrick which appears in the New York Post on Monday, Septeber 24 captioned, "Jimmy Carter flunks history."

Ambassador Kirkpatrick makes this statement:

Former President Jimmy Carter was wholly serious—and wholly mistaken—when he tried to make the case the two matters—

Referring to linkage—

have the same legal status."

Ambassador Kirkpatrick refers to an assertion by former President Carter that "there have been six or eight unanimous [resolutions] by the United Nations calling for" Israeli withdrawal.

After summarizing a number of other factors Ambassador Kirkpatrick says, "How could Carter have imagined that there were 'six or eight unanimous Security Council resolutions'?"

Then Ambassador Kirkpatrick, in very strong, really harsh terms, makes this statement about President Carter's position.

Or—a more basic question—how could he have seen the cases—

Referring to what former President Carter had argued—

of Kuwait and the West Bank as parallel when Iraq invaded and occupied Kuwait, a sovereign State, and Israel was itself invaded three times?

When our President, George Bush, said in the final line in his U.N. speech that I had previously quoted that, "the people of the region can settle the conflicts that divide the Arabs and Israel," that of course is to be desired. And Israel stands ready, willing, and able to enter into bilateral negotiations with any of the Arab States. It is a fact, admitted by all, that aside from Egypt which has entered into a peace arrangement with Israel through the Camp David accords, that as we speak all of the other Arab nations remain at a state of war with Israel. No other Arab nation recognizes Israel's right to exist. And no other Arab state has recognized the existence of a State of Israel.

I have said on a number of occasions, on this floor, that the central powers in the region—Syria and Iraq—had the potential through bilateral relations to establish peace. That was prior to Iraq's invasion of Kuwait.

There may be opportunities in the future for Syria to undertake Israel's offer for bilateral negotiations. Hopefully, when the current controversy in the Mideast ends and Iraq withdraws or is compelled to withdraw from Kuwait, there will be an occasion for these bilateral talks to go forward.

Israel has unequivocally stated its interest to achieve the objective which President Bush has articulated, and that is a settlement of the conflicts that divide Arabs from Israel in the Mideast.

Mr. President, I cannot find any better words than Ms. Tutwiler's words when she says, "absurd and ridiculous and ludicrous" to reward Iraq for their aggression, which is about as bad as any which can be contemplated. To reward Iraq's aggressive conduct by linking their invasion of Kuwait to any of the Israeli-Arab conflicts is ridiculous.

Fortunately, former President Carter does not speak for the United States. Fortunately, President Bush does speak for the United States. The idea of linkage is repugnant and abhorrent, and it would be my hope that the weight of logic and the weight of history and the weight of relevant authority would be persuasive to conclude that what former President Carter would like to see by way of linkage and what President Saddam Hussein would like to seek by way of linkage would be categorically rejected.

First, I ask unanimous consent the full text of Ambassador Kirkpatrick's article in the New York Post for Monday, September 24, 1990, be printed in the RECORD.

I further ask unanimous consent that the full relevant text of the transcript of the news conference involving President Bush and President Gorbachev at the summit from the New York Times on September 10, 1990, be printed in the RECORD.

I further ask unanimous consent that the page of the text of the transcript of the news conference of State Department spokesman Margaret Tutwiler from August 13, 1990, be printed in the RECORD.

Finally, I ask unanimous consent that an article from the Jerusalem Post dated Spetember 7, 1990, captioned "Soviets Reject Iraqi Linkage of Kuwaiti and Palestinian Issues" be printed in the RECORD.

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

[From the New York Post, Sept. 24, 1990]

JIMMY CARTER FLUNKS HISTORY

(By Jeane Kirkpatrick)

Saddam Hussein was only half-serious when he linked Iraq's conquest of Kuwait to Israel's occupation of the West Bank and Gaza. Former President Jimmy Carter was wholly serious—and wholly mistaken—when he tried to make the case that the two matters "have the same legal status."

In an interview with CNN's Bernard Shaw on Sept. 16, Carter made the weirdly mistaken assertion that "there have been six or eight unanimous [resolutions] by the United Nations Security Council calling for Israel to withdraw from the occupied territories, to restore the rights of the Palestinians, to come to an international conference—these have the same legal status as the resolutions demanding that Iraq withdraw from Kuwait."

But, Carter added, "The world has not marshalled its efforts to make sure that

these United Nations resolutions have been fulfilled."

Carter's comments are important because the unanimous Security Council resolutions to which they refer do not exist. This fiction is dangerous to Israel and dangerous to an understanding of realities in the Middle East.

As of Sept. 19, seven Security Council resolutions had been passed concerning Iraq's invasion of Kuwait. The first condemned Iraq's invasion and called for an unconditional withdrawal of Iraqi troops from Kuwait. The remaining six resolutions built on this.

There is no parallel resolution concerning Israel's presence in the West Bank and Gaza.

There is a resolution that calls for Israel's withdrawal from territories occupied in the 1967 war and also calls for Arab governments to end "all states of belligerency" against Israel and accept that "every state in the area," including Israel, has "a right to live in peace within secure and recognized boundaries free from threats and acts of force."

This, of course, is Security Council Resolution 242, passed at the end of the 1967 war in which Israel successfully fended off an attack by all her Arab neighbors.

Resolution 242 is the basis of the famous "land for peace" formula, which was reaffirmed in Resolution 338 passed after the next Arab war against Israel in 1973 and supplemented by a call for direct negotiations between the parties.

These resolutions were the basis of the 1978 Camp David accords negotiated by Israel's Menachem Begin and Egypt's Anwar Sadat with the help of then-President Carter. Those accords were a remarkable achievement because they were the only instance in which an Arab state was willing to negotiate with Israel or to make peace with the Jewish state.

For the crime of making peace with Israel, Egypt was expelled from the Arab League and Anwar Sadat was murdered.

All other Arab states have ever since refused negotiation, peace or normal relations with Israel. Most have continued to call for the destruction of Israel and to support terrorists attacks against Israel, and have ever since refused to reaffirm Resolutions 242 and 338. (The exception was Lebanon in the brief period of Bashir Gemayel's presidency—also terminated by assassination.)

How could Carter have imagined that there were "six or eight unanimous Security Council resolutions"?

Or—a more basic question—how could he have seen the cases of Kuwait and the West Bank as parallel when Iraq invaded and occupied Kuwait, a sovereign state, and Israel was itself invaded three times?

The answer, I think, is that a false version of the Arab-Israeli conflict has been so often repeated that many people—including some very high officials—have come to feel that Israel is somehow guilty of aggression.

It was, in fact, the victim of repeated wars of aggression.

They have also come to feel that Israel's occupation of the West Bank is as clearly "illegal" as Iraq's conquest of Kuwait, when Israel acted in self-defense against neighbors (including Jordan) who not only attacked but have been unwilling to make peace.

These mistakes have serious implications. They lead Carter and others who have come to believe them to feel that Israel is a lawbreaker and that the U.S. failure to "pressure" Israel is evidence of an American double standard.

This mythical version of the Arab-Israeli conflict ignores the reality of the hostility that has surrounded the state of Israel from its founding until today, and makes the Israeli government's conern with survival look like paranoia. It is not.

So far, the only relevance of the Gulf crisis to Arab-Israeli problems is to exacerbate them.

Israel's qualitative edge in weapons is being eroded by the United States' proposed massive arms sales ($23 billion) to Saudi Arabia.

Jordan has associated itself with the most radical, rejectionist, terrorist-minded Palestinians.

PLO leaders—together at last in Baghdad—have made clearer than ever their commitment to violent politics.

Saddam Hussein has threatened that, if attacked, he will retaliate against Israel.

If there is a double-standard in this situation, it exists only in the minds of those who, like Jimmy Carter, think there is a parallel between Iraqi aggression and Israeli defense.

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[From the New York Times, Sept. 10, 1990]

TRANSCRIPT OF BUSH-GORBACHEV NEWS CONFERENCE AT SUMMIT

PALESTINIAN ISSUE'S FATE

Q. My question to Mr. President—my name is Panyl. Do you think, Mr. President, that the conflict of the—do you think, Mr. President that the conflict of the gulf gives the opportunity to solve the Palestinian problem through an international peace conference for the Middle East? And my second question is if this problem was discussed today with Mr. Gorbachev?

Bush: Well, let me say that I see the implication of the United Nations resolutions separate and apart from the need to solve the other question. That question has been on the agenda of many countries for many years, and it is very important that that question be resolved.

The Secretary of State said the other day, and I strongly support that, that under certain circumstances the consideration of a conference of that nature would be acceptable—indeed, it's been a part of our policy from time to time. But, the thing that I feel strongly about is that these issues are not linked. And any effort to link them is an effort to dilute the resolutions of the United Nations.

U.N.'S PALESTINIAN RULINGS

Q. O.K., my question is—good evening; Doris Akatarian from Palestine News Agency, WAFA. My question is for President Bush, and I would also like to hear President Gorbachev's comment on that.

Interpreter: The question is to President Bush, and also wants to hear President Gorbachev's comment.

Q. President Bush mentioned that you failed to see the link between the Palestinian question and the present situation. I would like to know how come it is so important to implement U.N. resolutions in this particular instance when other standing ones have—have been frozen and overlooked and disregarded for so long? So, I'd like to know how come this aggression is so different from other ones? And I would also like to add that I personally feel that the Palestinian dilemma and question need the attention of the superpowers more than ever. Thank you very much.

Bush: I agree that it needs it, and we are very much interested in implementing resolution 242 of the United Nations. We've been zealously trying to do that, as have many other powers for many years.

But the fact that that resolution hasn't been fulfilled when it calls for withdrawal to secure and recognize boundaries, and it should be, and hopefully we can be catalytic in seeing that happen, does not mean that you sit idly by in the face of a naked aggression against Kuwait.

And the United Nations has moved, and the United Nations' resolutions should be implemented on their face without trying to tie it into some other undissolved—unresolved dispute. But I couldn't agree more that it is important, it is very important that that question eventually, and hopefully sooner than later, be resolved.

Q. I have a question for both Presidents—Oh, excuse me, sir.

Interpreter: Microphone, please, for Mr. Gorbachev.

Gorbachev: I think that everything that is taking place in the Middle East is a matter of concern to us, of equal concern. And even more than in the case of the Persian Gulf, we need to act more energetically in order to resolve the complex of problems in the Middle East, and to come up with decisions and to devise a system, to devise guarantees that would insure the interests of all peoples and of the whole world community, because it's a matter which is of vital concern to all of us.

And it seems to me that there is a link here because the failure to find a solution in the Middle East at large also has a bearing on the acuteness of the particular conflict we've been talking about here.

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STATE DEPARTMENT/REGULAR BRIEFING/ BRIEFER: MARGARET TUTWILER, AUG. 13, 1990

Ms. TUTWILER. I also said—in the second part of my answer, I said, but that does not preclude them from having an offensive quick strike. So we're basically the same position we were in over the weekend. I just gave you the—our best number of how many Iraqi troops are there. And further characterization of what they may or may not be doing—moving around, et cetera—we didn't have anymore to give to you today.

Q. Okay. On another subject, does US policy entertain at all the possibility raised by Saddam over the weekend that there is some kind of correlation or comparison to be made between the Israeli occupation of the West Bank and the Iraqi occupation of Kuwait? Do you see any comparison there?

Ms. TUTWILER. We think it's absurd, ridiculous and ludicrous. The two are not linked and we do not plan to link the two. He obviously—Saddam Husayn—would like to change the focus away from his aggression and it simply will not work. The whole world knows what he has done and the whole world has condemned it and the whole world is insisting that he end it. No tricks are going to change that, or false linkage.

Q. Well, regardless of linkage of "if they'll get out, I'll get out," just the basic principle that there are comparisons to be made, how does the US feel about that?

Ms. TUTWILER. We don't think that's an issue and we're not even going to entertain the discussion; it's absurd. And we have been, as forcefully as we could, said there is absolutely, positively no linkage.

Q. You don't think it's an issue that the Arabs see some kind of comparison between the two? That's not an issue to the US?

Ms. TUTWILER. I've stated as best I can, Candy, what our position is on Saddam Husayn's attempt at cleverness, attempt at false tricks, as we've characterized it, changing the focus or changing the issue. Nothing has changed. He is the aggressor. He is the one who the world has condemned and the world has, by and large, 100 percent isolated.

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[From the Jerusalem Post, Sept. 2, 1990]

SOVIETS REJECT IRAQI LINKAGE OF KUWAITI AND PALESTINIAN ISSUES

(By Walter Ruby)

Moscow.—Soviet citizens in Iraq are free to leave whenever they want, and Iraq would welcome a Soviet intermediary role in the Gulf crisis, Iraqi Foreign Minister Tariq Aziz said here yesterday.

Speaking at a press conference the day after his meeting with President Mikhail Gorbachev, Aziz described the Soviet Union as a "friend," despite its support for an international naval blockade against Iraq. He also reiterated the Iraqi position that the Gulf crisis is "interconnected" with the Palestinian problem and can only be considered in the context of a general Middle East settlement.

Speaking to reporters several hours later, Soviet Foreign Ministry spokesman Gennadi Gerasimov said that while there was "an element of truth" to Aziz's analysis of the interrelatedness of the Kuwaiti and Israeli-Palestinian situations, the two issues are not linked.

"The Security Council must have all its resolutions implemented," Gerasimov stated, "and we continue to urge Israel to implement all Security Council resolutions and withdraw from all occupied territories."

However, while theorizing that Israel might be encouraging the U.S. to attack Iraq, Gerasimov emphasized that the Soviet Union disagrees with Iraq's linkage of the Palestinian and Kuwaiti situations. Noting that Aziz "did not give a direct answer" to a journalist's question as to whether Iraq would withdraw from Kuwait if Israel left the territories, Gerasimov said flatly, "Iraq's aggression against Kuwait should be at the top of the [international] agenda."

Aziz said he had come to Moscow to brief Gorbachev on the Iraqi position in the Gulf crisis in advance of the Soviet leader's Sunday summit meeting in Helsinki with U.S. President George Bush. He said he did not carry a message for Gorbachev to deliver to Bush.

Gerasimov also announced yesterday that Israeli and Soviet experts would meet soon to plan the upcoming meetings of Foreign Ministers David Levy and Eduard Shevardnadze at the opening session of the UN General Assembly.

Gerasimov said that consultations are now in progress to set dates for these meetings. A delegation of Israeli Foreign Ministry experts is expected to arrive in New York by September 14 to meet with their Soviet counterparts.

Mr. SPECTER. Mr. President, so even the Soviets realize the ridiculousness of any idea of linkage on these issues.

I yield the floor.

The PRESIDING OFFICER. Under the unanimous-consent agreement, the Senate from Massachusetts retains his right to the floor at this time.

Mr. KERRY. Mr. President, I thank the Chair. I understand the distinguished Senator from Minnesota would like the floor for a period of time. I ask unanimous consent that he be permitted to speak for such time as he might need, and then that the Senator from Massachusetts again be recognized.

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

The Senator from Minnesota.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that I might proceed for 4 minutes as in morning business.

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

Mr. DURENBERGER. Mr. President, I first express my appreciation to my colleague from Massachusetts for permitting me the time on his very important piece of legislation to do this piece of morning business.

I would like to begin by associating myself with the remarks of my colleague from Pennsylvania on the subject that he has just addressed. I know him to be not only an expert on the subject which he addressed, but someone who feels very strongly about the appropriateness of the role that Iraq may have played in the Middle East, and certainly somebody who, when he speaks to the subject of linkage, does so with not antipathy for anyone but a desire to address issues in the sense of appropriate priority.

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## BUDGET RECONCILIATION

Mr. DURENBERGER. Mr. President, I rise to speak to the budget reconciliation issue and to note that the debate over the budget package has become very noisy and very complicated. But it seems to boil down, to this Senator, to one simple vital question, that is: What is the most important obligation of this Government at this time?

My answer to that question is simple: Reduce the fiscal deficit. Every other obligation—and I am on enough very complicated committees to recognize there are others—every other obligation for once has to take a back seat to that.

Our recent history over the last dozen years has been exactly the opposite. Everything at one time or another has taken precedence to the deficit: cutting taxes, the military buildup, farm programs, AIDS, the drug wars, child care, foreign military assistance and on and on. In the process, the American people have lost a war of attrition against Federal debt. This package is the day of reckoning for all of that. Finally we have a chance to make a decision of a united government, a chance to be responsible.

Having participated in 1985 in a failed attempt to do just that on a 50-to-49 vote in the middle of the night with a hospital gurney transporting one of our colleagues, and having seen the bitter consequences of inaction, I am praying that the Congress will find the guts to do the right thing this week.

I used to tell a little joke that I learned on a trip to Texas once. It went something like this. The question is: Why were there so many heroes at the Alamo? The answer was: There was no back door.

Since this agreement was announced on Sunday, many of our colleagues have been looking for a back door of some kind, and my hope and my conclusion, Mr. President, is that there is not any.

I heard many criticisms of the package: It is unfair, regressive, unbalanced and represents the views of only a few. To some degree, Mr. President, I agree with each of these criticisms. But before we label this a bad agreement, I must ask: Compare it to what? Is sequester the right policy for Americans? Is it balanced, thoughtful, and fair? Of course not.

Gramm-Rudman-Hollings has been much maligned, but today it is doing its job. It has raised the cost of inaction to an intolerable level and, to put it another way, it cuts through the political fog and it shows us what the true cost of inaction will be.

Mr. President, I have been doing business in this city for 12 years now. I think the thing that disturbs me the most is the fact that we have the ability to do microscopic analyses of parts of a problem and at the same time be totally blind to the whole.

Yes, there is an unfairness in elements of this package, but how minor those concerns are compared to the catastrophic and wanton unfairness of this generation spending hundreds of billions of dollars it does not have and passing the bill to its children. Can anything be more important than addressing that?

Mr. President, we do not have a range of options to choose from. We cannot go back and remake the compromise to be more to our liking. There are only two real alternatives: the sequester or the summit agreement. A vote against this agreement is a vote for the sequester or a decision to do nothing at all. The deficit is either the most important thing or it is not. My vote says it is.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Under the unanimous-consent agreement, the Senator from Massachusetts is recognized.

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## MONEY LAUNDERING ENFORCEMENT AMENDMENTS—MOTION TO PROCEED

The Senate continued with the consideration of the motion to proceed.

Mr. KERRY. I thank the Chair and I thank the Senator from Minnesota.

Mr. President, the ranking member of the Banking Committee, Senator GARN, and I have chatted about this. We are awaiting the leaders who are currently discussing the schedule and making some determination about how we will proceed. It appears as though we will be proceeding to a series of cloture votes, though I am not certain of that at this point in time.

Yesterday, Mr. President, I had an opportunity to present my views on why this legislation is important, and I really talked from a personal perspective of how I believe that money laundering is a key component of the overall drug war. As all of us know, as long as people can walk up to the door of a bank or find some scheme by which they can use cutout corporations and shells in order to be able to move money through the system, then the big guy who is involved in nacotics tends to be able to get away with it, and we wind up focusing all our energy on the street crime itself and fighting something of a frustrating battle.

I would like to share with my colleagues some thoughts about what the administration has had to say about money laundering and the importance of this kind of legislation in this particular bill. I think it is a shame that this bill is being held up for purposes that appear not to be particularly germane to the merits of the bill. The administration, I think, would like to see this legislation pass, and there is a strong reason for it.

Let me share the words of the Attorney General of the United States who gave us a speech before the American Bar Association last November. This is what he had to say. He said:

> The laundering of these billions is far more crucial to their operations—

Referring to the drug lords—

> and much more difficult and high risk than the actual trafficking in drugs. If the DEA seizes cocaine with a street value of $19 million, it does not cost the Medellin cartel $19 million to replace that cocaine. Far less. Somewhere between $2 to $4 million at Colombian prices. Though when $19 million in cash is confiscated from a New York drug warehouse, there is no discount. That loss is $19 million, $19 million that does not make its way underground into the worldwide economy to further capitalize the international drug trade which must have these ill-gotten funds to stay malevolently solvent.

Mr. COCHRAN. Mr. President, I take this time to express my concern over the continuing trend of placing on the smaller banks of this country more and more regulatory burdens which do not serve to improve the soundness of their operations or the safety of their customers' deposits.

The small banks in my State have a very high cost of compliance with what some have called social regulations.

One example is the Community Reinvestment Act, which requires certain kinds of community involvement and outreach to attract low-income or minority customers. Even though the goals are worthy, the regulations under this act are ambiguous and unnecessarily burdensome. Regulators who should be spending their time monitoring a bank's financial well-being must spend time judging intentions on social matters; their "ratings" are subjective, and their reasoning sometimes reflects a lack of knowledge of the community in which the bank is located.

One banker from a small town in my State who wanted me to see how much paperwork his bank was required to deal with, sent me a copy of every document he received over the past year from the Federal Deposit Insurance Corporation and the Federal Reserve. These included regulations, proposed regulations, request for comments on regulations, and other items. It came to me in a very large box because it was so voluminous. He said the shipment did not include paperwork received from the Internal Revenue Service, the Securities and Exchange Commission, or other regulatory agencies with jurisdiction over various aspects of bank activities. Neither did it include the reports and other paperwork required to respond to or comply with all these items.

Mr. President, small banks receive the same regulatory information that big banks do. Big banks can afford to employ people to comment on regulations and to assure their compliance with them. Small banks obviously do not have the resources that large banks have and cannot spread their compliance costs over a large customer base.

The situation boils down to this: small banks deserve a better break than they are getting from the Congress and the administration. Placing more regulatory burdens on them increases neither the safety of their depositors' money nor does it improve the soundness of their decisions.

On the contrary, when a small bank is forced to give attention to unnecessary and often frivolous, irrelevant matters, it is diverted from giving attention to the soundness of loans and the legitimate needs of the community. Furthermore, the money spent on compliance with these social regulations might otherwise be used to increase capital and to strengthen the safety and soundness of the bank.

If this regulatory trend continues, I am concerned that the cumulative effect eventually will be the financial failure of many small banks. If this occurs, the FDIC may have to close the banks, at a cost to the bank insurance fund, and possibly the taxpayers—all of this as a result of unnecessary regulations. The cost of such failures would go beyond the stockholders of these banks. Small communities survive and grow in large part because of the services offered by their hometown financial institutions. These communities would be the real losers if the nonfinancial regulatory burden continues to grow.

I do not know exactly what the solution is to this problem. Maybe we should stipulate that every new requirement we legislate must be offset by a reduction in other requirements. I do not know if that would pass, but it is something to consider.

Maybe we should exempt small banks from certain aspects of the Community Reinvestment Act. Maybe we should require that a charge of irresponsibility be brought against a bank before it is inspected for violation of these societal regulations. Maybe some here should stop presuming that all banks are guilty of some wrongdoing until proven innocent.

Mr. President, I hope the Senate will reconsider its tendency to respond to problems, real or imagined, by requiring more paperwork and regulations and consider the cumulative burden these requirements place on smaller banks.

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

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

## THE BUDGET AGREEMENT

Mr. LEAHY. Mr. President, I would like to say a word or two about the budget impasse we appear to be in.

We have a fiscal firestorm going on here, Mr. President. The irony is that the people who began the firestorm back in the Reagan era are not getting any blame for the fire they started. But it seems now that the American people want to blame those who are being asked to put out the fire.

I cannot help but think that we are going to see much of what we saw at the end of the Vietnam war. We had a lot of Senators of both parties who voted over and over again for the Vietnam war. Every time the appropriations bills came up, they voted for them. Every time an effort was made to cut the appropriations for the war, they voted it down.

But then I recall arriving here in Washington. I came in the class of 1974. My good friend, the distinguished Senator from Nevada, Mr. Laxalt and so many other Senators

were in that class, and many are still serving here. And we watched. Within 3 months of the time we came here the Vietnam war ended. It was interesting going in the cloakrooms among conservatives, liberals, and moderates. It was almost impossible to find anybody who had ever supported the Vietnam war. Yet, of 435 Members of the House, and 100 Members of the Senate, a majority had to vote for it over and over again.

We had people who raised questions about it. We had one Senator who said we should declare victory and pull out. But the war went on. Then when it finally ended everybody said, "My God, how did we ever get there? Is not this terrible?" But the blame or the credit fell on those in the last few days of the war. Hardly anybody went back to the beginning of the war and found out who made the mistakes to get us there.

Now that is where we are on the budget. We have a horrendous mess.

We are having wonderful speeches about balancing the budget. We have those who still want sloganeering. I heard one Member say that if we had a line-item veto, the deficit would be taken care of. Balderdash. A line-item veto would not do a darned thing. It would affect one-hundredth of 1 percent of the overall budget. In all likelihood, it would only affect Members whose vote the President might need at that time, no matter who the President might be.

We hear the sloganeering about constitutional amendments to balance the budget, but we have a law now that requires the President to submit a balanced budget. I have not seen any President submit a balanced budget since I have been here. President Reagan gave wonderful speeches on a balanced budget. He got elected twice on that speech. Every year he submitted a budget that had larger and larger deficits.

President Bush, who I admire in many ways, and respect greatly, campaigned on the same issue. Immediately he submitted a budget with an even greater deficit than had been there before. We saw, during the time of the last Presidential election, trying to hide the savings and loan bailout costs to keep it off budget. No one would do anything that might rock the boat during the campaign.

Mr. President, actions have consequences. As I look at the budget resolution before us, I do not see just numbers. I see the faces of the people of Vermont. These are real people, 580,000 real people. I see senior citizens forced to spend more of their limited incomes on health care and heating oil, farmers trying to survive yet another year when the Federal Government seems determined to drive them off their land. I see men and women, who go to work every day to pay the mortgage and feed their children, facing new taxes that are going to strain their already extremely tight budgets.

I see their faces, Mr. President. I think my feelings are a mixture of sorrow and anger at what I see. Anger, because the people who started this fiscal forest fire are not even being asked to pick up a bucket and join the line to help put it out. In fact, many of those who presided over the worst fiscal calamity in this country's history have now made money on it and have moved on to other things.

This fire did not start last week or last year. It started back in 1981. That was the year that President Reagan proposed, and the Congress enacted, the largest tax cuts and Pentagon increases for a nation at peace.

President Reagan had a very good set of slogans when he ran for office. A lot of people in this body and in the other body, in both parties, realized how important those slogans were, and they jumped on them and held on for dear life.

What were those slogans? They would make a huge, huge tax cut. Cut billions of dollars of taxes out of our revenue bases. Was that popular in 1980? You better believe it.

Also, they looked at those Iranians holding our people hostages in Tehran, and they said, "We are going to beef up our Pentagon spending so that cannot happen again. We should build every single weapons system that could be designed, and we are going to be second to none." Was that popular in 1980? Mr. President, you better believe it was popular.

And then the popularity of those two positions, cutting the taxes and increasing the Pentagon budget, if that was not popular enough to get somebody elected, you had the trump card. What was that? "We will balance the budget." My, God, you could hear the cheers from Vermont to West Virginia, from West Virginia to California, from California to Texas, from Texas up to Alaska, down to Iowa, Indiana, and everywhere else.

What could be more popular? A huge tax cut. Hurrah. Stand up America, double that Pentagon budget; hurrah again, balance the budget. Thank God, somebody is paying attention to the fiscal security of this country. Hurrah again.

Now maybe the problem was that we cut too much out of the education budget, Mr. President. Simple addition and substraction. The tables I learned and you learned when we were in grade school would have taught us that you cannot do that. Somehow the Congress thought you could, the President thought you could, and the President's people thought you could. We had people who overwhelmingly wanted to balance the budget, cut taxes and increase defense spending. It was the most popular position taken—so popular that in this body, alone, 89 Senators voted for it. Republican and Democratic alike. I happened to be one of the 11 who voted against it.

Just as I said during my campaign, I could not support that part of the plan. Ninety percent of the poeple in my State agreed with all three parts of it. I was one of the 10 percent who said I do not agree. You cannot do all three. Like the war in Vietnam, we cannot find the people who wanted it back then. Now those same people are calling—and phones ring off the hook—saying, my God, how could we have this kind of budget agreement, because look at what is going to happen. They seem to forget—a lot of people do—what happened back in 1981. Everybody went along with it.

In fact, I said in a speech on the floor at that time that "the budget before us today proposes huge budget deficits for the next several years, deficits which the Congressional Budget Office estimates may exceed $200 billion by 1984."

I was not the only person saying that, Mr. President. David Stockman—remember him?—President Reagan's Director of the Office of Management and Budget. He knew what was coming. He said, "The massive deficit inherent in the true supply side fiscal equation was substantially covered up. Eventually, it would become the belly slap that was heard around the world."

I should point out that Mr. Stockman did not admit this until he was in another line of work. President Reagan got his tax cuts. He got his defense buildup.

But he did not get his balanced budget. Instead he got the record-breaking deficits. It was like the sorcerer's apprentice: here they come, out they would come, march, one after another, bigger, and bigger, and bigger, until unfortunately the numbers became almost meaningless.

Certainly they became meaningless to the policymakers, hundreds of billion of dollars' worth. We went from the largest creditor Nation in the world to the largest debtor Nation on President Reagan's watch. You no longer had to point to some other countries in South America and talk about their huge national debt. Ours overwhelmed it.

As a nation, we began to put our expenses on a government credit card, running up debts that we could not pay and we could not afford. Our defense budget increased by 100 percent during President Reagan's two terms in office.

Now, are we 100 percent more secure today than we were then? Come, come, come. Look what our defense build up went into: Spending billions on expensive and ineffective systems like star

wars. We wanted to keep the Soviet Union on the other side of the Berlin Wall. Fortunately the Berlin Wall was only concrete and that came down. With that came the wave of democracy. But we keep on pouring money into star wars even though most people admit it is not going to work.

There was the MX missile. We built the B-2 Stealth bomber immediately after we spent $30 billion on the B-1B.

I remember one of my distinguished colleagues standing here on the floor arguing against a resolution on the farm bill that would have punished Saddam Hussein. We would have held back credit and subsidized shipments of food to Saddam Hussein because of the fact that he gassed his own people. He sponsored terrorism and was saying bellicose words about the independent country of Kuwait. One of our distinguished colleagues argued against the amendment. Two weeks later, that same Senator was on the floor saying we have to do something about that terrible Saddam Hussein.

Do we need the B-2 bomber. Well, for what? What would the B-2 bomber do for us right now, if we had it?

Another person suggested the other day that we could save ourselves $100 billion: Tell everybody we built 100 B-2 bombers. They cannot see them by radar. They do not know the difference. We can pocket the change. That is all it is worth. We are never going to risk a billion dollar airplane to fly to Baghdad or over the Middle East. Why not tell them we have the plane anyway? They will never know the difference and we would be $100 billion ahead of the game.

What finally do we need, however? We find exactly those things we cut out. We failed to treat operations and maintenance with the same high priority. We cut out planes like the A-10 because it is slow and ugly. Even though its very effective, its so simple so we do not need it. We failed to pay more attention to things we find we need. We need better maintenance, training and equipment that can work in the sands of Saudi Arabia.

Spending billions on sophisticated weaponry does not translate into more security. Our sealift capability is proving far less effective than advertised by the Pentagon. Instead of spending money on fast sealifts, we spend $1.5 billion to bring a World War II battleship out of mothballs. When we got it out there, by God, we had the best World War II battleship that we could have. If anybody asks for a rematch of World War II, we are ready to go.

Now the Pentagon has asked to spend millions to put it back in mothballs. Would it not be better if we spent a fraction of that on sealift capability? We are even towing some ships to the Persian Gulf. We need two ships, one to tow the other ship to go over to Saudi Arabia.

Let us be clear. Domestic spending did not cause this huge deficit. That is not what did it.

So now we have this situation today, Mr. President, results of the budget summit. People who had the party are not paying the tab. The people who do not party at all are being asked to pay. The people in the low- to middle-income bracket will be asked to pay a higher percentage of their taxes than any other group of citizens. Poor pregnant women, who cannot buy food are going to find that their eligibility for Women, Infant, and Children Program [WIC] is going to be cut off; 50 percent of eligible women in this country are already cut off from that program.

In this country we spend hundreds of millions of dollars to store food we cannot use. We have people stand on this floor of this Senate saying we have to stand up for the unborn child. I agree that is a noble thought. But these same people pause if it is going to cost us something, if we have to feed that pregnant woman, feed that child, or do something to help take care of the child once he or she is born. No, we cannot do that because that adds to the deficit and there will not be money for the B-2 bomber. But we are in favor of the unborn child?

Are we? Or is this the same kind of hypocritical sloganeering that got us here in the first place? I think Mr. President, each one of us better ask ourselves when we vote for this budget package, assuming it comes over from the other body, are we just perpetuating the arrogant myth and irresponsibility that got us here in the first place, ignoring the people who want to look to Government for some kind of help and some kind of direction? Ours is a country where we have fallen behind the rest of the industrialized nations in our education system, where the infant death rate is something like 19th. Iceland, Singapore, countries like that do a better job than we do. Canada certainly does. What do we do about them? Are we just going to cut further, drop from 19th to 20th or 22d, as though it is a sweepstakes to ruin this country.

We sit here with slide rules—actually, we do not use slide rules any more, we use computers which we buy from the Japanese of course because Lord knows we do not want to spend money in developing these products any further here, not when we can have leveraged buyouts and spend the money on debt. So we use the computer to figure out, look, listen. We can save ourselves $13 billion here if we just get rid of these 50,000 farmers. We can save so much more if we just take these pregnant women off anything that might give them nutrition for themselves and their unborn child.

Mr. President, as I said, if anybody is going to vote for this budget agreement they better start to thinking for a moment in making their decision that we are not talking about numbers on a piece of paper. We are talking about real people.

I know people worked hard in putting this agreement together. They have worked hard. I do not think there is a Senator here who does not appreciate the hard work that went into that. A lot of these Senators are out there until 2 and 3 o'clock in the morning getting answered no, no, no, to just about everything they came up.

After all the White House has some responsibility in this. They are the ones that proposed the budget every year. I think it was not until it probably got way down to the end or the cruch that they began to recognize the responsibility. I let the budget summiteers speak to that.

I think the package we have before us would be a heck of a lot worse than it is if it was not for people like JIM SASSER of Tennessee, GEORGE MITCHELL of Maine, TOM FOLEY, DICK GEPHARDT, senior Republicans, BOB DOLE and BOB MICHEL, and others who worked very, very hard on it.

But I cannot help but think if the kind of realization, or not just realization, but acknowledgment of what was going on had been made a year or so ago, or 2 or 3 years ago, we would not be in this fix today.

As one individual Senator, one of the 11 who voted against getting us in this mess in the first place, I wonder if I could even bring myself to vote now for the sort of ratification of the process that brought us here. It bothers me greatly.

As I said, I would be very happy if we could have had a package put together just by our distinguished majority leader or by our distinguished budget chairman. But that is not what we have. A package from the two of them presented to us, I think if they were left unrestrained, would be a package I could vote for; not that I could agree with every point any more than they could to one that I would put together.

I have to ask myself, with all the restrictions put into this package by the White House and all the restrictions put in by others, whether it is one I can vote for.

Mr. President, I yield the floor.

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

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

## MONEY LAUNDERING ENFORCEMENT AMENDMENTS—MOTION TO PROCEED

The Senate continued with the consideration of the motion.

Mr. KERRY. Mr. President, 3 days ago now, on Tuesday, a totally noncontroversial bill was brought to the floor of the U.S. Senate, a bill that has passed the House of Representatives unanimously, 406 to 0, a bill that passed the Banking Committee unanimously.

Here we are, the U.S. Senate, supposedly the world's greatest deliberative body, with people all over the face of this planet struggling to be like the United States of America, some of them taking life risks in order to do that. We watched Germany unite a couple of days ago, an extraordinary moment of celebration and a democracy breaking out. Here we are for 3 days, at a moment when people all over this country are saying, why can they not make a decision? Why can they not make a choice? Why can they not decide something in our interest, not in theirs, but in our interest, the people of this country? That is what they sent us here to do.

Three days, not an amendment proposed, not a vote taken, just a process, a little ducking there, a little bobbing and weaving. Nobody knowning where the ghosts and goblins are.

Mr. President, what we are talking about is drug kingpins. We are talking about money laundering. We are talking about $100 billion a year to get siphoned through the banks of this country. We are looking at a U.S. Senate that for 3 days has done nothing about it.

It is extraordinary. How do you go back to people and tell them that this is a serious place? How do you go back and tell them that you care about what is happending in this country to kids? How do you tell them you care about the communities where cops are going out and risking their lives on a daily basis, because some fat kingpin somewhere is sitting with a bank account, and we are unwilling to take the action in the U.S. Senate that puts a penalty on these people who engage in that kind of activity? I am asking why have we not done this? I am not going to suggest all the reasons that are possible. I do not want to do that. I have refrained from even this comment for 3 days in an effort to try to establish the comity that really belongs here, by which we do business.

It seems to me absolutely extraordinary that a bill so unanimously endorsed and so unanimously brought to the floor with the committee support and other people's support is just sitting here languishing. No wonder the people of the United States of America are asking about their Government. No wonder people are wondering whether they can rely on us to make fundamental choices. Here we are with this extraordinary budget collision that we face right now and they expect us to deal with billions and billions of dollars of choice and we cannot even deal with a piece of legislation that makes money for the Government.

I do not think this is a proud moment for the U.S. Senate. I must say so, Mr. President. I hope before we have to deal with the issues of why or what is happening here we can clear this process up and begin to move forward.

The distinguished ranking member of the U.S. Senate Banking Committee, Senator GARN, has spent his 3 days here in an effort to try to move this legislation. The distinguished Senator from New York [Mr. D'AMATO] has amendments here which are important he thinks to this bill and wants it passed.

My hope is that we can try to break whatever the stealth logjam is in an effort to try to deal with this. I have to tell you, Mr. President, as you know, there is not a person here who has not expressed the seriousness of the drug problem. There is not a person here who probably has not campaigned on the basis of the fact that they are going to try to improve our ability to fight narcotics trafficking. I think we are going to have a hard time or some people are going to have a hard time—I am not going to have a hard time, but some people are going to have a hard time explaining how seriously they really are when a bill that is so broadly supported sits for 3 days on the floor of the Senate without people seriously addressing it.

I have a strong suspicion that I have a sense of what may be happening here, Mr. President, and I hope that it is not what I believe it might be. But I really believe that in the interest of the enforcement efforts of our Justice Department, of our DEA, of our Customs, in the interest of those who are on the front lines of waging this effort that the Senate will finally deliberate in the very frankly brief manner that needs to be addressed in terms of real deliberation for this particular legislation.

Let me say for the record that on our side of the aisle there is no pending problem. We are ready to vote. We are ready to vote the entire passage of the bill. There is not a Democrat in the U.S. Senate who has an objection to or an amendment for this particular piece of legislation.

So, it is my hope that maybe over the course of the next few hours we will break this free from the current bondage in which it is held and be able to pass an important piece of legislation without having to resort to cloture and to a lot of needless votes and a lot of wasted time of people who have an awful lot of important things to pay attention to and some very, very big issues on the table.

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

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

## MORNING BUSINESS

Mr. KERRY. Mr. President, I ask unanimous consent that there be a period for morning business with Senators permitted to speak therein.

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

## GODSPEED TO WARREN KANE

Mr. HOLLINGS. Mr. President, the U.S. Government may be on the skids this week, but I am pleased to report that Warren Kane, my top aide on the Commerce, State, Justice Appropriations Subcommittee, has entered the prime of his life. Last night his beloved Red Sox won the American League East, this morning he became a grandfather for the third time, and last week he began a youthful and well-deserved retirement. I personally think that retirement at age 55 is ridiculous. But, then again, I must admit that I have aged Warren at an accelerated rate over the last 16 years.

Mr. President, I will miss Warren Kane's services more than I can say. His knowledge of the Commerce, State, Justice jurisdiction is nothing short of encyclopedic. But Warren's value goes way beyond knowledge and expertise. I can tell you that few staffers can match the long hours he puts in, the high standards, the professionalism, the simple decency and courtesy that are his trademarks. The fact is, he has spoiled Senator RUDMAN and me. We have had the peace of mind of knowing that our bill is in the best of hands. I will genuinely miss his day-to-day counsel, though I take consolation in knowing that our friendship will continue.

Mr. President, Warren Kane is well known to most of us in this body. His service in the Senate goes back to 1971, when he signed on as legislative assistant to Senator Norris Cotton. Certainly, Warren can take pride in many accomplishments down through the years. The Senate Red Cross will remember his incredibly generous donations to their blood drives, giving a total of nearly 9 gallons down through the years. What's more, I know that Warren takes a special, well-deserved pride in the role he played in the 1970's in heading off misguided efforts

to massively alter the west front of the Capitol Building.

Mr. President, Warren Kane is looking forward to becoming even more active in service to his church, Arlington Forest United Methodist, and to his alma mater, Hope College. I've also heard rumors that, after years on the links, he intends to learn how to play golf. I certainly wish Warren and Dale the very best of luck. He has done a superb job for me, and a superb job for the U.S. Senate. We will miss him.

## MINORITY BUSINESS MONTH

Mr. RIEGLE. Mr. President, October is "Minority Business Month" in Michigan, and I would like to speak briefly about the importance of encouraging the development of businesses owned and operated by minority citizens.

International competition becomes tougher every day. One of our greatest strengths as a nation is our diversity; no other nation in the world has such a rich marketplace of ideas and perspectives as the United States. We need to better convert this strength to the world economic marketplace.

The playing field on which minority businesses compete is tough. About half of all enterprises fail within 5 years. A recent Supreme Court decision in the City of Richmond versus Crosin has made it more difficult for minority businesses to obtain government contracts. In addition, Federal support for programs that assist minority business has declined. Yet, despite these forces, many minority-owned businesses are succeeding.

Over the past decade, minority-owned business has grown as a percentage of the economy, creating much needed jobs in communities all over the country. There are over 13,000 minority-owned enterprises in my State of Michigan, generating over $700 million of revenue a year. Most of these enterprises are small family-owned businesses, led by hardworking and innovative entrepreneurs. These firms have enormous potential for growth. In fact, from 1976 to 1986, small business contributed to over 80 percent of all jobs created in Michigan. In a time of limited job opportunity for minorities, particularly in inner cities, it is particularly critical that we do all we can to promote the growth of minority-owned businesses.

The past decade has also seen unprecedented growth in the number of minorities who are obtaining business degrees and rising in major corporations. While progress has been slow, a number of individuals from minority backgrounds have broken through the glass ceiling that has prevented many talented individuals from taking leadership positions in major corporations.

A recent survey among black entrepreneurs indicated that over 70 percent cited inadequate funding as the No. 1 problem confronting minority-owned business. Too often in our society, black and other minorities do not have sufficient access to capital that is needed to build a business. For this reason, the government plays a vital role in promoting minority economic development. The Michigan Department of Commerce set up a Minority Business Enterprise Office to help the minority business community obtain funding and technical expertise that is necessary to build a solid enterprise. The Federal Government assists minority business through the Minority Business Development Agency and through a number of other programs designed to enhance the ability of minority businesses to succeed. I strongly believe that we need to support these important programs and I will fight for adequate funding for them.

Minority Business Month provides us with the opportunity to call attention to the need to promote the development of minority-owned businesses. I urge my colleagues in the Senate to help in advancing minority-owned business so we can build a prosperous future for all Americans.

## WHEN MEDICINE GREW UP

Mr. METZENBAUM. Mr. President, earlier this year, Dr. Harold Klein of my home city of Cleveland addressed the 50th reunion of his Georgetown University medical school class. Dr. Klein is a member of the staff of the Mount Sinai Medical Center in Cleveland, a fine physician, and a dear friend of many years. During his 50 years of dedicated service in the medical profession, Dr. Klein has witnessed staggering changes in the practice of medicine. In his talk at Georgetown, Dr. Klein spoke movingly to his classmates about his deep love of his profession and his exhiliration at being part of this exciting period of medical history—a period which included the triumph over so many diseases through the development of new medicines, surgical techniques, and technologies. Yet, as Dr. Klein pointed out, there is a catch. Along with these important new technologies have come soaring hospital costs and the practice of medicine as big business.

Mr. President, Dr. Klein offers a valuable perspective and insight into the fundamental conflict facing our health care system today. I ask unanimous consent that an article from the Cleveland Plain Dealer excerpting his reunion address be printed in the RECORD.

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

[From the Cleveland Plains Dealer, June 29, 1990]

### 50 ASTOUNDING YEARS WHEN MEDICINE GREW UP

(By Harold Klein, M.D.)

Unlike Winston Churchill, who said his life had been an exciting voyage but one he would not care to repeat. I would love to relive mine, because for me the practice of medicine has always been an exhilarating, challenging and statisfying pursuit.

My generation had the extreme good fortune of living through the truly halcyon days of medicine. In our 50 years, we were both audience and players in the greatest and most exciting drama in the entire history of our calling—the explosive development of a solid science out of a tattered group of hand-me-down facts and fancies.

When we started in medical school, we were subjected to a brutal memory process of diagnosis, disease and drugs, and became versed in the jargon of the profession. By the end of four years, we had acquired a rather crude overview of the differences between sick and well, but the treatments we were offered were woefully lacking. We had learned the names of dosages of many palliative drugs, but in essence, there were only a few worthy staples on the shelf: digitalis, morphine, quinine, belladonna and aspirin.

Surgery was potentially curative, but we medical people were so limited that even a serious infection like pneumonia was treated by swabbing down the fever and providing lots of fresh air.

Oh yes, we were taught about the noble heritage of the healing arts, the dignity of the body and the sanctity of the human mind and spirit. We were instructed in ethics and pride and morality. We were taught to be kind and caring and, above all, to do no harm. Yes, there was honor and striving in our group, but what we really started with were some vague projections: the laying on of hands, the patient ear, some kind, reassuring words, and a dignified professional air.

Shortly after our graduation, our world began to change. Antibiotics and antisera were discovered and started to proliferate in dizzying procession, saddling and taming the ravaging infections diseases so that an illness-free millennium seemed to be just around the corner.

Nature, however, can be a tricky adversary. Germs soon developed resistance and new forms appeared. Even now, although the new and mysterious miasma that is AIDS has come over the horizon and threatens to envelop us in its deadly embrace, and a new and potent global flu could suddenly explode to scourge and plague us, we have made dramatic progress in treating infectious diseases.

You and I have lived through many wonderous changes in medicine. We have seen Kolff's dialysis machines made small enough and practical enough to be used universally to rescue end-stage renal disease patients from what formerly was a death sentence.

We have marveled as the heart became an open book—on the angiography table and in the operating room. New vessels and new valves can now turn back the human odometers on many a deadend road.

The development of fiber optics has taken the word "rigid" out of endoscopy, and made it possible for us to navigate the curls and convolutions of the lung and the gastrointestinal tract—plucking their polyps on the way.

The nitrogen mustards, conceived as satanic dealers of death during wartime, have been tempered, harnessed and converted into angels of mercy for the treatment of lymphomas, leukemia and cancer.

We have learned how to replace steamy, worn-out lenses almost as easily as changing batteries in a toy, and we can toy with the batteries of our cardiac pacemakers.

With the development of computers and scanners, we now can find the proverbial needle in the diagnostic haystack, and with guided needle biopsy, the guesswork has been taken out of many previously puzzling disorders, making pinpoint therapy a possibility.

The crutches and braces that used to hang in rows in the storerooms of the orthopedic departments have been replaced by a wide assortment of gleaming new hips, new knees, new elbows and new shoulders.

We are living in a new and wonderful world of medicine, replete with magical machines and miraculous therapeutic tools and techniques to relieve pain and prolong life.

But there is a catch. All the paraphernalia in this exotic arsenal are just as costly to store and to operate as they are to buy. Only highly trained technicians can run them, and only very specialized physicians can interpret them. In addition, these megabuck machines become obsolete within months and need to be replaced with improved versions for more millions.

The $2 and $3 medical visits of the 1940s have skied to hundreds of dollars, and hospital costs have soared to multiple thousands, The practice of medicine has become big business and in many of our specialties, disproportionately lucrative. The pot of medical honey has gotten so full and so sweet that it has enticed all the big-time predators. Business advisers, soothsayers, machinery makers drug peddlers and the media have jumped in to keep the pot boiling. By a kind of natural accretion, we have acquired a vast overlay of non-medical people who are blanketing the entire kaleidoscope of the life and function of medical practice.

In addition, with the tremendous input of third-party payment, there is a countless cast of non-practicing physicians, nurses, attorneys, insurance brokers and executives, business consultants and many others—reviewing, censoring, controlling—all feeding at the trough of the medical dollar.

All this ancillary intrusion on the physician adds immeasurably to the overall "cost of medical care" but in no way contributes to the actual care of a single patient. So it is the patient who is penalized by the escalating costs, costs that never enhance the quality of his care. There must be a way to scrape these barnacles off our hull before their weight causes us to sink.

Just as all of America has changed in the last 50 years, the kindly old painstaking physician has had to become more worldly and business-wise to survive. The family "Doc" has been replaced by the medical corporation, busily harvesting and investing in accordance with the best corporate diligence and business know-how.

Although the majority of our fellows still hew to the ethical lines of the profession, there are too many who have detoured from Hippcrates to hype, from caring to coining—which unfortunately, besmirches the whole fraternity in the eyes of the public. We cannot go back to the horse and buggy or even to the Fords of the '40s, but we must try to rededicate ourselves to the concept that the patient and his needs belong higher up on the totem pole of our social structures than they are now.

We must not allow the proliferating enterpreneurial trappings in medicine today to compromise the noble heritage of the profession.

## GERMAN AMERICAN DAY

Mr. RIEGLE. Mr. President, October 6 marks the fourth annual German-American Day. Unanimously passed by both the House and the Senate, the joint resolution designating Saturdays as German-American Day acknowledges the special historical and cultural contributions that German-Americans have made to our society. I am proud to have introduced this joint resolution with Senator LUGAR each year since 1987. This year there is even more reason to celebrate. After more than 40 years of division, the two Germanies—East and West—have been united.

On October 18 of last year, East German Communist Party leader Erich Honecker was ousted from power. On December 1, 1989, the East German Parliament abolished the constitutional clause guaranteeing the leading governmental role of the Communist Party. And, on November 9, 1989, all restrictions on East German travel to the West were ended, effectively marking the beginning of the dismantling of the Berlin Wall which, for more than 28 years, symbolized the cold war and stood as a bulwark against peace and the reunification of Germany.

After 7 months of negotiations, East and West Germany, along with the United States, Great Britain, France, and the Soviet Union—the four legal occupying powers of WWII—finally reached agreement on the reunification of Germany. And as of Tuesday, the two Germans are once again a single nation.

German immigrants first reached America's shores more than 300 years ago. First settling in Germantown, PA, on October 6, 1683, Americans of German descent have since enriched American culture, scholarship, science, religion, and all other dimensions of life in this country. German-Americans have consistently distinguished themselves as a very industrious and prosperous community.

Among the most distinguished German-Americans have been two great leaders of our Armed Forces. America is forever grateful to the contributions of the brave Revolutionary War General Von Steuben and President Dwight David "Ike" Eisenhower who both fought valiantly on behalf of the democratic values for which America stands.

Today, 1 in 5 Americans—some 50 million of us—can now claim German ancestry. I am proud to be counted among the 2.5 million citizens in my own State of Michigan who are of German descent.

The unification of Germany marks not only the beginning of a new day in Germany, but represents the dawn of a new and more peaceful age for the European continent. Because of these recent events, the German-American friendship we have embraced and fostered over the past 45 years has even greater meaning and significance. So, this year, as we honor German-Americans on this special day, let America also celebrate the ending of the division of Germany.

## MESSAGES FROM THE PRESIDENT

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

## EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting a nomination which was referred to the Committee on Energy and Natural Resources.

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

## DEFERRAL OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT—PM 149

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Foreign Relations, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, the Committee on Finance, the Committee on the Judiciary, and the Committee on Commerce, Science, and Transportation:

*To the Congress of the United States:*

In accordance with the Impoundment Control Act of 1974, I herewith report seven deferrals of budget authority now totalling $1,120,243,863.

The deferrals affect the International Security Assistance Program, as well as programs of the Departments of Agriculture, Defense, Health and Human Services, State, and Transportation. The details of the deferrals are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, *October 4, 1990.*

## MESSAGES FROM THE HOUSE

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

At 12:32 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bills and joint resolution:

S. 647. An act to amend the Federal securities laws in order to provide additional enforcement remedies for violations of those laws and to eliminate abuses in transactions in pennystocks, and for other purposes;

S. 1128. An act for the relief of Richard Saunders;

S. 1229. An act for the relief of Maria Luisa Anderson;

S. 1511. An act to amend the Age Discrimination in Employment Act of 1967 to clarify the protections given to older individuals in regard to employee benefit plans, and for other purposes;

S. 1683. An act for the relief of Paula Grzyb;

S. 1814. An act for the relief of Wilson Johan Sherrouse;

H.R. 5641. An act to amend title 5, United States Code, with respect to the retirement of members of the Capitol Police;

H.R. 5643. An act to grant a temporary extension of the authority under which the Government may accept the voluntary services of private-sector executives; to clarify the status of Federal employees assigned to private-sector positions while participating in an executive exchange program; and for other purposes; and

H.J. Res. 482. Joint resolution designating March 1991 as "Irish-American Heritage Month."

The enrolled bills and joint resolution S. 647, S. 1511, H.R. 5643, H.R. 5643, and H.J. Res. 482 were subsequently signed by the President pro tempore [Mr. BYRD].

The enrolled bills S. 1128, S. 1229, S. 1683, and S. 1814 were subsequently signed by the Acting President pro tempore [Mr. AKAKA].

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At 12:40 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House insists upon its amendment to the amendment of the Senate to the bill (H.R. 1396) to amend the Federal securities laws in order to facilitate cooperation between the United States and foreign countries in securities law enforcement; it asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and appoints the following as managers of the conference on the part of the House:

From the Committee on Energy and Commerce for consideration of the House bill, the Sente amendment (except sections 103, 104, and 502), and the House amendment, and modifications committed to conference: Mr. DINGELL, Mr. MARKEY, Mr. MCMILLEN of Maryland, Mr. LENT, and Mr. RINALDO.

From the Committee on Post Office and Civil Service, for consideration of sections 103, 104, and 502 of the Senate amendment, and modifications committed to conference: Mr. FORD of Michigan, Mr. CLAY, Mr. ACKERMAN, Mr. GILMAN, and Mr. MYERS of Indiana.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 971) to require the Federal Communications Commission to prescribe rules to protect consumers from unfair practices in the provision of operator services, and for other purposes.

The message further announced that the House agrees to the amendment of the Senate to the bill (H.R. 2809) to provide for the transfer of certain lands to the State of California, and for other purposes.

The message also announced that the House agrees to the amendments of the Senate numbered 1, 3, and 5 to the bill (H.R. 1109) to amend the National Trails System Act to designate the California National Historic Trail and Pony Express National Historic Trail as components of the National Trails System; and that the House disagrees to the amendments of the Senate numbered 2 and 4 to the bill.

The message further announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 5732. An Act to promote and strengthen aviation security, and for other purposes.

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## MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 5732. An act to promote and strengthen aviation security, and for other purposes.

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## ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, October 4, 1990, he had presented to the President of the United States the following enrolled bills and joint resolution:

S. 647. An act to amend the Federal securities laws in order to provide additional enforcement remedies for violations of those laws and to eliminate abuses in transactions in penny stocks, and for other purposes;

S. 1230. An act to authorize the acquisition of additional lands for inclusion in the Knife River Indian villages National Historic Site, and for other purposes;

S. 1511. An act to amend the Age Discrimination in Employment Act of 1967 to clarify the protections given to older individuals in regard to employee benefit plans, and for other purposes;

S. 1974. An act to require new televisions to have built in decoder circuitry; and

S.J. Res. 181. Joint resolution to establish calendar year 1992 as the "Year of Clean Water".

## EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3652. A communication from the Secretary of Agriculture transmitting, pursuant to law, the annual Animal Welfare Enforcement Report for fiscal year 1989; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3653. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, notification of the intention to use certain funds to complete testing on a system for the B-1B bomber; to the Committee on Appropriations.

EC-3654. A communication from the Secretary of Defense, transmitting, pursuant to law, notice that the current five-year defense program fully funds the support costs associated with the Bradley Fighting Vehicle Program; to the Committee on Armed Services.

EC-3655. A communication from the Secretary of Defense, transmitting, pursuant to law, notice that the current five-year defense program fully funds the support costs associated with the family of Heavy Tactical Vehicles Program; to the Committee on Armed Services.

EC-3656. A communication from the Acting General Counsel of the Department of the Treasury, transmitting, a draft of proposed legislation to authorize the Federal Deposit Insurance Corporation to increase deposit insurance premiums and to borrow working capital funds, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EC-3657. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Thrift Resolutions: Estimated Costs of FSLIC's 1988 and 1989 Assistance Agreements Subject to Change"; to the Committee on Banking, Housing, and Urban Affairs.

EC-3658. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the annual report on the Rental Rehabilitation Program for fiscal year 1990; to the Committee on Banking, Housing, and Urban Development.

EC-3659. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on the options available to control the infestation of the waters of the United States, including the Great Lakes, by exotic species from the ballast water of vessels; to the Committee on Commerce, Science, and Transportation.

EC-3660. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, a draft of proposed legislation to extend the deadline by which foreign nations must meet the requirements of the Marine Mammal Protection Act, to limit the embargo of tuna and tuna products from intermediary nations, to provide limited imports of dolphin-safe tuna from embargoed nations, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-3661. A communication from the Assistant General Counsel of the Department of Energy, transmitting, pursuant to law, notice of a meeting related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-3662. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3663. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3664. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3665. A communication from the Assistant Secretary of the Interior (Policy, Management, and Budget), transmitting, pursuant to law, reports of the Bureau of Land Management and the Fish and Wildlife Servide on the implementation of section 318 of the 1990 Department of the Interior and Related Agencies Appropriations Act; to the Committee on Energy and Natural Resources.

EC-3666. A communication from the Chairman of the National Commission on Superconductivity, transmitting, pursuant to law, the final report of the Commission; to the Committee on Energy and Natural Resources.

EC-3667. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, notice that a report on the establishment of a relative value scale and fee schedules for Medicare payment for radiologist services will not be submitted; to the Committee on Finance.

EC-3668. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, notice that a report on payment adjustment for sole community hospitals that add new inpatient facilities or services will be included in a forthcoming comprehensive report; to the Committee on Finance.

EC-3669. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, notice that a study of the criteria used to classify hospitals as rural referral centers will be included in a forthcoming comprehensive report; to the Committee on Finance.

EC-3670. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty day period prior to September 27, 1990; to the Committee on Foreign Relations.

EC-3671. A communication from the Assistant Secretary of the Treasury (Legislative Affairs), transmitting, pursuant to law, a determination signed by the Secretary of the Treasury pursuant to Title I of the Foreign Operations, Export Financing, and Related Programs Appropriations Act; to the Committee on Foreign Relations.

EC-3672. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report and recommendation on a claim of an individual to be reimbursed for relocation expenses; to the Committee on Governmental Affairs.

EC-3673. A communication from the Acting General Counsel of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the annual Status Report on Credit Management and Debt Collected dated June 1990; to the Committee on Governmental Affairs.

EC-3674. A communication from the Director of the Administrative Office of the United States Courts, transmitting, pursuant to law, a brief statement on the activities of the Office under the Equal Access to Justice Act for the period ended June 30, 1990; to the Committee on the Judiciary.

EC-3675. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the fifteenth annual report on the state of handicapped children in Head Start programs; to the Committee on Labor and Human Resources.

## PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-587. A joint resolution adopted by the Legislature of the State of California; to the Committee on Governmental Affairs.

"ASSEMBLY JOINT RESOLUTION NO. 72

"Whereas, State laws enacted to assure responsibility and competency of contractors, as well as to protect employees of those contractors against injury, are of value to agencies of the United States; and

"Whereas, Application of these state requirements to federal contractors and subcontractors would not impede the ability of federal agencies to obtain timely performance; and

"Whereas, Many federal contracts are joint ventures with state public entities and many are performed on nonfederal lands where the states' interests in protecting their citizens are paramount; and

"Whereas, The application of state standards and employee protections to federal contractors and subcontractors is uncertain because of inadequate and conflicting judicial precedent; and

"Whereas, It is appropriate that the Congress clarify the status of these contractors and subcontractors under state laws in order to promote the interests of the United States and its individual states; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly,* That the Legislature of the State of California respectfully memorializes the President and the Congress to enact legislation specifically making federal contractors and subcontractors subject to state licensing laws and state laws for the protection of employees; and be it further

"*Resolved,* That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-588. A resolution adopted by the City Council of Slidell, Louisiana favoring a constitutional amendment to protect the American flag; to the Committee on the Judiciary.

POM-589. A resolution adopted by the Catholic War Veterans of the United States of America, Inc. favoring the early consideration of an amendment to the Constitution to protect the American flag; to the Committee on the Judiciary.

POM-590. A resolution adopted by the Catholic War Veterans of the United States of America, Inc. opposing the funding of certain projects and exhibits by the National Endowment for the Arts; to the Committee on Labor and Human Resources.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BURDICK, from the Committee on Environment and Public Works, with amendments:

H.R. 2015. A bill to amend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965.

By Mr. BIDEN, from the Committee on the Judiciary, without amendment:

H.R. 3791. A bill for the relief of Beulah C. Shifflett.

S. Res. 332. Resolution to refer S. 1301, entitled "For the relief of Hoar Construction, Inc., of Birmingham, Alabama, to settle certain claims filed against the Small Business Administration" to the Chief Judge of the United States Claims Court for a report thereon.

S. 293. A bill to amend the Judicial Survivors' Annuity Act to eliminate the requirement that a Federal justice or judge, who is assassinated, must serve a specific period of time before his or her survivors become eligible for benefits under this Act.

## EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. BIDEN, from the Committee on the Judiciary:

Benjamin F. Marsh, of Ohio, to be a Member of the Foreign Claims Settlement Commission of the United States for the term expiring September 30, 1992;

Stephen B. Higgins, of Missouri, to be U.S. attorney for the Eastern District of Missouri for the term of 4 years;

Doris Swords Poppler, of Montana, to be U.S. attorney for the District of Montana for the term of 4 years; and

Arthur D. Borinsky, of New Jersey, to be U.S. Marshal for the District of New Jersey for the term of 4 years.

## 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. LUGAR:

S. 3157. A bill to confirm Federal recognition of the Miami Tribe of Indiana; to the Select Committee on Indian Affairs.

Mr. COATS:

S. 3158. A bill to improve the provision of health services in rural areas, and for other purposes; to the Committee on Finance.

By Mr. HEINZ:

S. 3159. A bill to amend the Internal Revenue Code of 1986 to more fairly apportion between foreign and domestic sources interest attributable to environmental control assets; to the Committee on Finance.

By Mr. BOSCHWITZ (for himself, Mr. DURENBERGER, Mr. DOLE, Mr. MOYNIHAN, Mr. LUGAR, Mr. HATFIELD, Mr. SIMPSON, Mr. SIMON, Mr. KERRY, Mr. WILSON, Mr. D'AMATO, and Mr. HATCH):

S.J. Res. 375. Joint resolution to designate October 30, 1990, as "Refugee Day"; to the Committee on the Judiciary.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LUGAR:

S. 3157. A bill to confirm Federal recognition of the Miami Tribe of Indiana; to the Select Committee on Indian Affairs.

### FEDERAL RECOGNITION OF MIAMI TRIBE OF INDIANA

● Mr. LUGAR. Mr. President, today I have introduced legislation to rectify an injustice imposed upon thousands of my constituents for over 90 years. I speak of the Miami Indians of Indiana who have resided in the north-central region of my State for centuries.

In 1897, officials of the U.S. Department of the Interior administratively terminated the Indiana Miamis. In this case, would no longer formally recognize the tribe. In following decades this has meant that the Miamis have been unable to take advantage of the many Federal programs created by Congress to benefit native Americans.

Mr. President, there is no such thing as administrative termination. Congress has never granted the Department of the Interior the authority to terminate the formal relationship between an Indian tribe and the Federal Government. Only Congress has such authority.

Consequently, in a purely legal sense, the Miami Indians of Indiana are today a formally recognized Indian tribe. In fact, the Bureau of Indian Affairs [BIA] later admitted that their 1897 decision was inappropriate. Nevertheless, the Department of the Interior continues to prevent the Miamis from enjoying the benefits of many Federal programs.

The legislation I have introduced today, seeks to correct this injustice by reaffirming the Miamis' legitimate status and directing the Department of the Interior to make available to the tribe all rights and privaleges enjoyed by other federally recognized Indian tribes.

For decades, the Miamis sought to take action to correct this injustice. The tribe considered both legislative and legal avenues to reaffirm their status. Fearing that these approaches would be too time consuming, in 1980 the tribe decided to pursue the administrative recognition process established by the BIA in 1979.

The tribe made a mistake. Their foray into the Federal recognition process and the BIA bureau has taken an entire decade of effort. After years of costly research, the tribe first submitted a petition for Federal recognition to the Department of the Interior—Bureau of Indian Affairs on July 10, 1984. I have followed the petition's slow and difficult progress over the past 6 years and in doing so have become familiar with the serious flaws and problems of the Federal recognition process. These problems have not gone unnoticed. Both Senators INOUYE, chairman of the Select Committee on Indian Affairs, and Senator MCCAIN, ranking member of that committee, have introduced legislation to fine tune this program.

On July 12, 1990, the Miami's petition for Federal recognition received a preliminary denial. After a decade of effort and 6 years of processing, this was an incredible blow to both the tribe and myself.

Many native American experts were certain that the Miami's petition would be approved. The denial has surprised and concerned the many other tribes awaiting decision on their petitions. Questions are now being raised as to the future of the administrative recognition process. Clearly, these are questions for the Select Committee on Indian Affairs to address.

Regardless of the Miami's decision to participate in the administrative recognition process and regardless of the outcome of that process, the reality of the Miami's status has not changed. The U.S. Congress entered into treaties with this tribe, and in doing so, formally recognized them. Since that time, Congress has not terminated its relationship with this tribe. I urge my colleagues to join me in taking action to reaffirm the Miamis legitimate status.

Mr. President, with only weeks remaining prior to the end of the 101st Congress, it is unlikely that the Select Committee on Indian Affairs will be able to consider this legislation prior to adjournment. Let me clearly state my intent to immediately reintroduce this measure at the beginning of the 102d Congress and continue my efforts to rectify this injustice.

Mr. President, I ask that the full text of my legislation be included in the RECORD.

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

S. 3157

*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 "Miami Nation of Indiana Tribal Status Confirmation Act".

SEC. 2. CONGRESSIONAL FINDINGS AND DECLARATIONS.

The Congress finds that—

(1) at the time of removal of the Miami Nation from Indiana, approximately 300 Miamis under the leadership of Meshingomesia remained in or returned to Indiana pursuant to Federal treaty stipulations;

(2) after removal, the Indiana Miamis were known as the Eastern Band of Miamis, and were recognized as a self-governing Indian tribe by the Department of the Interior;

(3) on June 5, 1854, the Eastern Band of Miamis signed a treaty with the United States, which treaty was ratified by the Senate on August 4, 1854;

(4) since the Treaty of 1854, the United States Congress has not by statute or otherwise terminated the Federal relationship with the Eastern Band of Miamis;

(5) until 1897, the Department of the Interior acknowledged the Federal relationship with the Eastern Band of Miamis and, in that year, administratively terminated the tribe based on an erroneous interpretation of Acts of Congress that partitioned the Indiana reservation and granted citizenship to the members of the Eastern Band of Miamis;

(6) the Department's action in 1897 was unauthorized by Act of Congress and, thus, ultra vires and without force and effect; and

(7) the Eastern Band of Miamis, now known as the Miami Nation of Indiana, has not abandoned tribal relations since the Treaty of 1854.

SEC. 3. CONFIRMATION OF FEDERAL RECOGNITION, RIGHTS, AND PRIVILEGES.

(a) IN GENERAL.—Notwithstanding any provision of law or determination of the Department of the Interior, Federal recognition of the Miami Nation of Indian and all enrolled members of the tribe is hereby confirmed. All laws and regulations of the United States of general application to Indians and Indian tribes shall apply to the Miami Nation of Indiana.

(b) ELIGIBILITY OF TRIBE FOR FEDERAL BENEFITS.—Notwithstanding any provision of law or determination of the Department of the Interior, the Miami Nation of Indiana and its members shall be eligible immediately upon the enactment of this Act for all Federal services and benefits furnished to Indiana and Indian tribes because of their status as Indians and without regard to the existence of a reservation for the tribe.

(c) DEEMED STATUS.—For the purposes of the delivery of Federal services, all enrolled members of the Miami Nation of Indiana residing in Allen, Huntington, Wabash, Miami, Howard, Grant, Elkhart, and St. Joseph counties in the State of Indiana shall be deemend to be residing on or near a reservation. Enrolled members residing in such counties shall continue to be eligible to receive such Federal services notwithstanding the establishment of a reservation for the tribe in the future.

SEC. 4. FEDERAL RECOGNITION OF STATE JURISDICTION.

(a) IN GENERAL.—The Government of the United States grants jurisdiction to the State of Indiana over all criminal offenses that are committed on, and all civil actions that arise on lands located within the State of Indiana that are owned by, or in the futre held in trust by the United States for, the Miami Nation of Indiana, any member of the Miami Nation of Indiana, or any dependent Indian community of the Miami Nation of Indiana.

(b) TRANSFER OF AUTHORITY.—The Secretary of the Interior is authorized to accept on behalf of the United States, after consulting with the Attorney General of the United States, any transfer by the State of Indiana to the United States of any portion

or all of the jurisdiction of the State of Indiana described in subsection (9a).

(c) NONAPPLICATION OF PROVISIONS TO CERTAIN LAW.—Th provisions of this Act shall not affect the application of section 109 of the Indiana Child Welfare Act of 1978 (25 U.S.C. 1919).

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.●

By Mr. COATS:

S. 3158. A bill to improve the provisions of health services in rural areas, and for other purposes; to the Committee on Finance.

IMPROVEMENT OF RURAL HEALTH SERVICES

● Mr. COATS. Mr. President, there are few needs more basic than the security and confidence of a hospital just a short ride away. It plays a part in the concern of every parent for their child, of every adult for an aging parent.

But for many rural communities, particularly in my own State, that source of security and help is being replaced by concern, worry, and grief. Our rural health system is deteriorating with alarming speed and those who depend on it have found little help.

In the 1988 Indiana Hospital Association survey, rural hospital officials projected that, in the next 5 years, 13 percent of our State's rural hospitals would close.

Rural Hospitals in Indiana have voiced concerns over financial viability. This is a need that cannot, in good conscience, be ignored.

The Indiana State Board of Health indicates rural hospitals already serve counties with a greater proportion of older Hoosiers than the State average and jobs common to a rural economy—mining, lumbering, and farming—are more prone to injury, increasing the importance of accessible health care in rural areas.

Most rural hospitals say that a root cause of their difficulties in providing accessible health care is the rural/urban Medicare reimbursement differential. This unequal treatment is making it difficult for rural hospitals to provide quality care. It put an unfair burden on strained resources and handicaps rural medicine.

Mr. President, the bill that I am offering today will directly address this problem. It will ensure that the urban/rural differential be abolished by 1992. This will aid rural hospitals in keeping pace with new technologies, and providing the best health care available.

I believe this measure is vital to maintaining and strengthening the quality of health care in rural America. It is addressed to the justified concerns of rural families. It is aimed at providing them with security and confidence. And I strongly urge my colleagues to support this bill.●

By Mr. HEINZ:

S. 3159. A bill to amend the Internal Revenue Code of 1986 to more fairly apportion between foreign and domestic sources interest attributable to environmental control assets; to the Committee on Finance.

ALLOCATION OF INTEREST TO ENVIRONMENTAL CONTROL ASSETS

Mr. HEINZ. Mr. President, today I am introducing legislation to eliminate an unintended tax penalty that has a detrimental effect on the international competitiveness of U.S. business and provides a disincentive to reducing pollution in the United States.

U.S. companies must compete in today's global markets if we are going to prosper. They must also help protect the environment at home. American companies will have to shoulder the burden of investing billions of dollars in new environmental control equipment while still producing the goods and services we need at home and in international trade. That is simply a fact. Within present budget constraints, there may not be much we can do right now to make that job easier.

On the other hand, we should not make the job more difficult than necessary and certainly should not impose an outright penalty that increases the more a U.S. company competes in international trade and, simultaneously, seeks to invest in needed environmental control assets. I am confident that my colleagues will agree.

When a company that is also engaged in international trade has to purchase new environmental control equipment for its U.S. plant, it will tend to incur additional debt and additional interest expense. Section 864(e) of the Internal Revenue Code will, however, allocate a portion of the company's additional interest expense to its assets that are located abroad in connection with its international operations. The result is in most cases to make nondeductible the portion of interest allocated to foreign assets. The Treasury regulations allocate to foreign assets far more interest expense than is justified based on a fair comparison of the relative amounts of the company's assets located in the United States and abroad. A severe overallocation to the foreign assets occurs because the Treasury regulations make the allocation by comparing the more rapidly declining tax basis of the company's environmental control and other U.S. assets to the less rapidly declining tax basis of the foreign assets.

If instead of making this apples and oranges comparison, the Treasury regulations compared the generally similar earnings and profits bases of assets, a more fair allocation would occur consistent with the intent of Congress in enacting section 864(e) to start with.

I doubt that Congress ever intended an overallocation penalty in any case and I am certain that we never intended to so severely penalize companies that seek to control pollution. This penalty is especially counterproductive at a time when we are asking U.S. companies to invest substantially in equipment designed to reduce pollution. American companies already spend many billions of dollars each year controlling pollution, and the Clean Air Act amendments are expected to add at least another $22 billion in additional pollution control costs. These compliance expenditures generally will not generate new income for American companies that pay them. Instead, they will increase borrowing and decrease profits. To magnify these costs by effectively denying interest deductions would be terribly unfair.

The interest penalty is also unfair because it applies only to U.S. companies that participate in foreign markets—and the greater the participation the greater the penalty. The penalty does not apply to U.S. companies that do not seek to compete in international markets. It does not apply to foreign-owned companies that compete in our markets.

My proposed legislation would eliminate this anticompetitive, counterproductive and unintentional penalty by reducing the overallocation of interest attributable to the acquisition or construction of assets needed to reduce pollution, increase recycling and otherwise improve our environment. It would directly allocate interest to new environmental assets and generally treat that interest as U.S. source. To ensure that the bill does nothing more than eliminate a penalty, the total interest apportioned to U.S. sources will be no greater than the amount that would be apportioned if the location of an asset did not affect how rapidly the asset is depreciated for tax purposes. I strongly urge my colleagues to support this legislation that is essential to our continuing efforts to improve the environment.

Mr. President, I ask unanimous consent that a technical explanation of the bill be printed in the RECORD.

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

TECHNICAL EXPLANATION OF PROPOSED LEGISLATION THAT FAIRLY APPORTIONS INTEREST ALLOCABLE TO ENVIRONMENTAL CONTROL ASSETS

SUMMARY

The provision would directly allocate a portion of a taxpayer's interest expense to environmental control assets ("ECAs"). The portion generally would be apportioned to U.S.-source income and, therefore, would not reduce the taxpayer's foreign source income. The remainder of the taxpayer's interest expense would be apportioned in accordance with the principles of present law. The total interest apportioned to domestic

sources would not exceed the total amount that would be so apportioned if E&P basis were used for apportionments based on assets.

ALLOCATION TO ENVIRONMENTAL CONTROL ASSETS

A taxpayer would determine for each taxable year its weighted average interest rate on its debt. The average would be based only on "fungible" interest and debt; the average would include only interest (and the related debt) that is subject to apportionment based on asset values (basis or fair market value) under current law. For example, interest on nonrecourse debt and other interest that is directly allocated to specific assets under Temp. Reg. § 1.861-10T would not be included in the average. The interest allocable to ECAs would be determined by multiplying the weighted average interest rate by the average adjusted basis (as determined for earnings and profits) of ECAs. As under current law (Temp. Reg. § 1.861-9T(g)(2)), the average adjusted basis for the year would be the average of adjusted bases at the beginning and end of the year.

The allocation rules described above would not apply to ECAs to the extent that the direct allocation rules of Temp. Reg. § 1.861-10T apply. Thus, the present direct allocation rules for nonrecourse debt and integrated financial transactions would prevail over the allocations under the proposed legislation.

APPORTIONMENT OF INTEREST

Interest expense that is allocated to ECAs would be apportioned in accordance with the source of the income generated by the ECAs or the assets to which they relate. All other interest expense would be apportioned in accordance with the applicable interest expense apportionment rules under Code section 864 and Treasury regulations under section 861. However, under the principles of present regulations (Temp. Reg. § 1.861-9T(g)(iii), which for general apportionment purposes reduces the value or basis of assets to which interest is directly allocable), the basis or fair market value of ECAs generally would not be taken into account when applying the rules for apportionment based on assets.

CAP ON REAPPORTIONMENT

The total amount of fungible interest that can be apportioned to domestic sources under these rules may not exceed the interest that would be apportioned to domestic sources if E&P basis, rather than tax basis or fair market value, were used for apportionments based on assets.

ENVIRONMENTAL CONTROL ASSETS

The term "environmental control assets" includes equipment and facilities that reduce or eliminate the emission of pollutants into the environment, reduce the generation of waste, convert or recycle waste into usable products, or allow taxpayers to comply with environmental law. Only assets used in the United States would qualify. The provision would apply in tax years beginning after December 31, 1989, with respect to assets placed in service after such date.

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By Mr. BOSCHWITZ (for himself, Mr. DURENBERGER, Mr. DOLE, Mr. MOYNIHAN, Mr. LUGAR, Mr. HATFIELD, Mr. SIMPSON, Mr. SIMON, Mr. KERRY, Mr. WILSON, Mr. D'AMATO, and Mr. HATCH):

S.J. Res. 375. Joint resolution to designate October 30, 1990, as "Refugee Day"; to the Committee on the Judiciary.

REFUGEE DAY

● Mr. BOSCHWITZ. Mr. President, it is with great pride that I introduce this joint resolution to designate October 30, 1990, as "Refugee Day."

I am pleased that Senators DURENBERGER, DOLE, MOYNIHAN, LUGAR, HATFIELD, SIMPSON, SIMON, KERRY, WILSON, D'AMATO, and HATCH have joined me in cosponsoring this important joint resolution.

As the only refugee serving in the U.S. Senate, I am particularly concerned about the plight of the world's 15 million refugees. During my time in the Senate, I have worked hard to give others the same chance I had—to find refuge and opportunity within the United States.

It's appropriate and necessary that we recognize the efforts of the United States as a world leader in refugee issues. One challenge that we continually face is maintaining an appropriate balance between assistance for resettling refugees within our country and assistance for refugees residing in other parts of the world. While the United States is committed to resettling refugees within our Nation, we are also a major contributor to international efforts to meet the basic needs of refugees.

Furthermore, we should also take time out to recognize the significant contributions made by refugees who've resettled in our country. Our country's heritage has been enriched by the flow of refugees and immigrants into our Nation. If there is one thing that distinguishes us from other countries, it is that virtually all of us are descendants of refugees and immigrants—refugees and immigrants who energize the U.S. culturally and intellectually and who help fuel the economy.

When refugees arrive in the United States they often have nothing but ambition. That's why our economy expanded fastest when immigration was highest. Refugees spur growth through their commitment to work and their driving desire to gain a better life for themselves and their families. They show us again and again what promise and opportunity are available to all Americans—if we are just willing to work at it.

With more than 15 million refugees throughout the world, those of us who are committed to resettling refugees recognize that we continue to face many challenges. Situations can change suddenly, and we must remember that there are still several trouble spots throughout the world for refugees.

I urge my colleagues to support this important resolution and 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. 375

Whereas in the past decade the world refugee population has more than doubled from 7,300,000 to 15,000,000;

Whereas the United States has always played a leading role in refugee matters worldwide;

Whereas the origins of the United States as a land of refuge for those escaping persecution and the development of the United States as a nation of immigrants gives the country a deep understanding of and sympathy for the plight of the 15,000,000 refugees in the world;

Whereas refugees who have come to the United States have made significant contributions to the country;

Whereas the United States consistenly encourages other countries to expand efforts to help the needy population of refugees;

Whereas the current world refugee situation requires that the United States continue to be a leader in refugee affairs: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That—

(1) October 30, 1990, is designated as "Refugee Day"; and

(2) the President is authorized and requested to issue a proclamation calling on the people of the United States to observe the day with appropriate ceremonies and activities.●

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## ADDITIONAL COSPONSORS

S. 273

At the request of Mr. HEINZ, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 273, a bill to amend title 39, United States Code, to designate as nonmailable matter solicitations of donations which could reasonably be misconstrued as a bill, invoice, or statement of account due, solicitations for the purchase of products or services which are provided either free of charge or at a lower price by the Federal Government connection or endorsement, unless such matter contains an appropriate, conspicuous disclaimer, and for other purposes.

S. 567

At the request of Mr. BOREN, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 567, a bill to amend the Internal Revenue Code of 1986 to allow income from the sale of certain used automobiles to be computed on the installment sales method, and for other purposes.

S. 1273

At the request of Mr. BOREN, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of S. 1273, a bill to amend the Internal Revenue Code of 1986 with respect to treatment by cooperatives of gains or losses from sale of certain assets.

S. 1815

At the request of Mr. BOSCHWITZ, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of S. 1815, a bill to amend the Internal Revenue Code of 1986 to exclude the imposition of employer Social Security taxes on cash tips.

S. 1890

At the request of Mr. THURMOND, the names of the Senator from Texas [Mr. BENTSEN] and the Senator from Maine [Mr. MITCHELL] were added as cosponsors of S. 1890, a bill to amend title 5, United States Code, to provide relief from certain inequities remaining in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes.

S. 2044

At the request of Mr. BIDEN, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 2044, a bill to require tuna products to be labeled respecting the method used to catch the tuna, and for other purposes.

S. 2319

At the request of Mr. GARN, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 2319, a bill to amend the Federal Deposit Insurance Act and the Federal Credit Union Act to protect the deposit insurance funds, to limit the depository institutions, credit unions, and other mortgage lenders acquiring real property through foreclosure or similar means, or in a fiduciary capacity, and for other purposes.

S. 2410

At the request of Mr. LEVIN, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 2410, a bill to amend the Internal Revenue Code of 1986 to prevent avoidance of tax by certain foreign-owned corporations and to impose a tax on dispositions of stock in domestic corporations by 10-percent foreign shareholders.

S. 2637

At the request of Mr. REID, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 2637, a bill to amend the Toxic Substances Act to reduce the levels of lead in the environment, and for other purposes.

S. 2807

At the request of Mr. MCCAIN, the name of the Senator from California [Mr. WILSON] was added as a cosponsor of S. 2807, a bill to direct the Secretary of the Interior to establish and implement power operating criteria at Glen Canyon Dam, to protect the environmental and recreational resources of Grand Canyon National Park, and for other purposes.

S. 3004

At the request of Mr. LEVIN, the names of the Senator from Nevada [Mr. BRYAN], the Senator from Indiana [Mr. COATS], and the Senator from Wisconsin [Mr. KOHL] were added as cosponsors of S. 3004, a bill to amend the Public Health Service Act to extend the time for the filing of certain claims for compensation for vaccine-related injuries, and for other purposes.

S. 3047

At the request of Mr. DECONCINI, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 3047, a bill to amend the antitrust laws in order to preserve and promote wholesale and retail competition in the retail gasoline market.

S. 3116

At the request of Mr. BURNS, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 3136, a bill to amend the Balanced Budget and Emergency Deficit Control Act of 1985 to limit increases in outlays to 4 percent per year, to provide for midyear sequesters in order to assure that deficit and outlay targets are achieved, and to amend the Congressional Budget Act of 1974 to extend the deficit targets.

SENATE RESOLUTION 314

At the request of Mr. HEINZ, the names of the Senator from Missouri [Mr. BOND], the Senator from Alaska [Mr. STEVENS], the Senator from New York [Mr. MOYNIHAN], the Senator from New York [Mr. D'AMATO], the Senator from Michigan [Mr. LEVIN], the Senator from Massachusetts [Mr. KERRY], the Senator from North Carolina [Mr. SANFORD], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Idaho [Mr. MCCLURE], the Senator from Iowa [Mr. GRASSLEY], the Senator from Iowa [Mr. HARKIN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Vermont [Mr. JEFFORDS], the Senator from South Dakota [Mr. DASCHLE], the Senator from Oregon [Mr. PACKWOOD], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Connecticut [Mr. DODD], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Nevada [Mr. REID], the Senator from Georgia [Mr. FOWLER], the Senator from Georgia [Mr. NUNN], the Senator from Wisconsin [Mr. KASTEN], and the Senator from Illinois [Mr. DIXON] were added as cosponsors of Senate Joint Resolution 314, a joint resolution to commemorate the 50th anniversary of the National Federation of the Blind.

SENATE JOINT RESOLUTION 350

At the request of Mr. BYRD, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of Senate Joint Resolution 350, a joint resolution to designate October 18, 1990, as "National Hardwood Day."

SENATE JOINT RESOLUTION 364

At the request of Mr. REID, the names of the Senator from Kansas [Mr. DOLE], the Senator from Texas [Mr. BENTSEN], the Senator from Washington [Mr. GORTON], and the Senator from Massachusetts [Mr. KENNEDY] were added as a cosponsor of Senate Joint Resolution 364, a joint resolution to designate the third week of February 1991 as "National Parents and Teachers Association Week."

## AMENDMENTS SUBMITTED

### DECEPTIVE MAILINGS PREVENTION ACT

### PRYOR (AND OTHERS) AMENDMENT NO. 2927

Mr. PRYOR (for himself, Mr. GLENN, Mr. LIEBERMAN, and Mr. KOHL) proposed an amendment to the bill (S. 273) to amend title 39, United States Code, to designate as nonmailable matter solicitations of donations which could reasonably be misconstrued as a bill, invoice, or statement of account due, solicitations for the purchase of products or services which are provided either free of charge or at a lower price by the Federal Government connection or endorsement, unless such matter contains an appropriate, conspicuous disclaimer, and for other purposes, as follows:

On page 8, line 15, insert "information or" before "the contribution".

On page 11, strike out lines 10 through 13 and insert in lieu thereof:

SEC. 5. STATE DEPARTMENT POST OFFICES ABROAD.

(a) POSTAL SERVICES AT DIPLOMATIC POSTS.—Chapter 4 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 413. Postal services at diplomatic posts

"(a) The Postal Service and the Department of State may enter into 1 or more agreements for field testing to ascertain the feasibility of providing postal services through personnel provided by the Department of State at branch post offices established by the Postal Service in United States diplomatic missions at locations abroad for which branch post offices are not established under section 406.

"(b) To the extent that the Postal Service and the Department of State conclude it to be feasible and in the public interest, the Postal Service may establish branch post offices at United States diplomatic missions in locations abroad for which branch post offices are not established under section 406, and the Department of State may enter into an agreement with the Postal Service to perform postal services at such branch post offices through personnel designated by the Department of State.

"(c) The Department of State shall reimburse the Postal Service for any amounts, determined by the Postal Service, equal to the additional costs incurred by the Postal Service, including transportation costs, incurred by the Postal Service in the perform-

ance of its obligations under any agreement entered into under this section.

"(d) Each agreement entered into under this section shall include—

"(1) provisions under which the Department of State shall make any reimbursements required under subsection (c);

"(2) provisions authorizing the Postal Service to terminate the agreement, and the services provided thereunder, in the event that the Department of State does not comply with the provisions under paragraph (1); and

"(3) any other provisions which may be necessary, including provisions relating to the closing of a post office under this section if necessary because a post office under section 406 is established in the same location.".

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 4 of title 39, United States Code, is amended by adding at the end thereof the following:

"413. Postal services at diplomatic posts.".

SEC. 6. EFFECTIVE DATE.

The provisions of this Act shall take effect on the date of the enactment of this Act, except the amendments made by section 2 shall apply to matter deposited for mailing and delivery on or after 180 days after the date of the enactment of this Act.

## DWIGHT D. EISENHOWER INTERSTATE HIGHWAY SYSTEM

### BURDICK AMENDMENT NO. 2928

Mr. KERRY (for Mr. BURDICK) proposed an amendment to the bill (S. 2806) to redesignate the Interstate Highway System as the Dwight D. Eisenhower Interstate Highway System, as follows:

After the enacting clause, insert "SEC. 1."

On page 1, line 5, strike "the Interstate Highway System" and insert "The National System of Interstate and Defense Highways".

On page 1, line 6, strike "the Dwight D. Eisenhower Interstate Highway" and insert "The Dwight D. Eisenhower System of Interstate and Defense Highways".

On page 1, line 7, strike "System".

On page 1, line 10, strike "the Interstate Highway System" and insert "The National System of Interstate and Defense Highways".

On page 2, line 2, strike "the" and insert "The".

On page 2, line 2, strike "Interstate Highway System" and insert "System of Interstate and Defense Highways".

## ZEBRA MUSSEL RESEARCH AND CONTROL PROGRAM

### MOYNIHAN AMENDMENT NO. 2929

Mr. KERRY (for Mr. MOYNIHAN) proposed an amendment to the resolution (S. Res. 312) to express the sense of the Senate regarding the need to develop a zebra mussel research and control program through the Great Lakes Fishery Commission, as follows:

On page 3, line 9, strike out "Clerk" and insert "Secretary".

## PROTECTION OF ANTARCTICA AS A GLOBAL ECOLOGICAL COMMONS

### GORE AMENDMENT NO. 2930

Mr. KERRY (for Mr. GORE) proposed an amendment to the joint resolution (S.J. Res. 206) calling for the United States to encourage immediate negotiations toward a new agreement among Antarctic Treaty Consultative Parties, for the full protection of Antarctica as a global ecological commons, as follows:

On page 2, line 4, strike "managed under" and insert "subject to".

On page 2, lines 4-7, strike "among the Antarctic Treaty Consultative Parties or a protocol to the Convention on the Regulation of Antarctic Mineral Resource Activities to the same effect, either of" and insert "or protocol to the Antarctic Treaty of 1959,".

On page 3, line 1, strike "agreement," and insert "agreement or protocol,".

On page 3, lines 8-9, strike "is not adequate in and of itself to provide the necessary level of protection for" and insert "does not guarantee protection of".

On page 3, line 13, strike "among Antarctic Treaty Consultative Parties" and insert "or protocol to the Antarctic Treaty of 1959,".

On page 3, lines 15-17, strike "or of a protocol to the Convention on the Regulation of Antarctic Mineral Resource Activities to the same effect,".

On page 3, lines 17-18, strike "the President should not present the Convention on the Regulation of Antarctic Mineral Resource Activities to" and insert "the Convention on the Regulation of Antarctic Mineral Resource activities should not be presented to".

## NEGOTIATED RULEMAKING ACT

### STEVENS AMENDMENT NO. 2931

Mr. KERRY (for Mr. STEVENS) proposed an amendment to the amendment of the House to the bill (S. 303) to establish a framework for the conduct of negotiated rulemaking by Federal agencies, as follows:

In section 583(b)(1)(A) of title 5, United States Code, as added by section 3(a) of the bill, insert ", including residents of rural areas" before the semicolon.

In section 583(b)(2) of title 5, United States Code, as added by section 3(a) of the bill, insert ", including residents of rural areas" before the period in the second sentence.

In section 585(a)(2) of title 5, United States Code, as added by section 3(a) of the bill, insert before the period "and, as appropriate, in trade or other specialized publications, a copy of which shall be sent to any person who applied for, or nominated another person for membership on the negotiating rulemaking committee to represent such interests with respect to the proposed rule".

### RUDMAN AMENDMENT NO. 2932

Mr. KERRY (for Mr. RUDMAN) proposed an amendment to the amendment of the House to the bill S. 303, supra, as follows:

Strike out subsection (d) of section 585 of title 5, United States Code, as added by section 3(a) of the bill.

## AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. KERRY. Mr. President, I ask unanimous consent that the full Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, October 4, at 10 a.m. to conduct hearing on proposed arms sales to Saudi Arabia.

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

COMMITTEE ON ARMED SERVICES

Mr. KERRY. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet in open session during the session of the Senate on Thursday, October 4, 1990, at 2 p.m. to receive testimony on implications of the Treaty on Final German Settlement for NATO Strategy and U.S. Military Presence in Europe.

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

## ADDITIONAL STATEMENTS

### KATHLEEN ADAMS: A PRINCIPAL WHO IS MAKING A DIFFERENCE

● Mr. PELL. Mr. President, I rise today to pay tribute to Ms. Kathleen Adams, principal of the Cranston-Johnston Catholic Regional School in Cranston, RI.

I applaud this very capable young educator for her enthusiastic leadership, and commitment to providing a quality education to those in her charge. Ms. Adams has proven to be the type of eductor who is very much needed in today's schools. She is willing to face challenges and to put forth the necessary effort to bring about change, and the result of her work has been the success of the Cranston-Johnston Catholic Regional School.

In July 1986, Ms. Adams was selected as the new principal at this Catholic grammar school. Upon acceptance of the position she found herself presented with two very significant challenges. First, only 82 children were registered, 1 month prior to the date when the school was scheduled to open. And second, of the nine teachers in the school who were given the option of staying or leaving, only two chose to stay.

Undeterred, Kathleen Adams optimistically moved forward and created a positive and exciting learning environment at the Cranston-Johnston school. She organized events at the school and invited prospective stu-

dents to attent. By opening day student enrollemnt had risen to 160. She hired new teachers to replace those who had departed, and took steps to involve parents in their children's education. In a short period of time Ms. Adams significantly changed both the composition and direction of the school.

The Cranston-Johnston Catholic Regional School opened for the 1990-91 school year with 330 students enrolled, a 25-percent increase over the previous year. The school has now earned a reputation as an enjoyable and exciting place to learn. In fact, many parents interested in registering their children at the school had to be turned away.

For her efforts Ms. Adams has been nominated as a Reader's Digest Hero in American Education. She has also been elected by her fellow principals as Northeastern representative to the National Catholic Education Association.

Kathleen Adams exemplifies the type of individual who, when provided with an opportunity, will make a significant difference. I commend her for her outstanding accomplishments.●

## HONORING BOB MAYBERRY OF LAKE ARTHUR, NM

● Mr. DOMENICI. Mr. President, it gives me great pleasure to speak to you today of a clearly outstanding young farmer and his accomplishments.

Bob Mayberry was born and raised on his family farm in southeastern New Mexico. Today he and his family are still farming the same crops of cotton, alfalfa, grains, and chili, on their farm in the Pecos Valley. Bob is also a member of the New Mexico Cotton Advisory Council, the New Mexico Crop Improvement Association, an alternate delegate to the National Cotton Council, and a member of the American Farm Bureau Vegetable and Potato Advisory Committee. He is clearly an active leader in his community.

From his early adulthood, Bob has shown leadership qualities. In 1978 he received his Future Farmers of America [FFA] State Farmer degree, in 1979 he graduated as the valedictorian of Artesia High and was a Star Chapter Farmer. From his high school years Bob started on a solid progression of achievement and success.

Bob attended New Mexico State University [NMSU] for both his bachelors and masters degree, where his hard work and expertise earned him one award after the other. In 1983 and 1984, he was awarded NMSU Dean's Award of Excellence for Service; in 1984 he was NMSU Agricultural Economics Outstanding Senior. Also in 1984, he was not only the Alpha Chi University Student of the Year, but was the Outstanding Senior, College of Agriculture and Home Economics and the recipient of the Roberts Memorial Award for Service to NMSU. During his college career Bob came to show what kind of metal he was made of and what he was going to take back to his home in the Pecos Valley.

Bob's leadership and enthusiasm has now been recognized on a national level. The National Cotton Council of America recognized Bob's potential and included him in the 1990 Cotton Leadership Class. The class is the National Cotton Council's program to groom the future leaders and innovators of the cotton industry.

Many people are not aware that cotton is grown in my home State. New Mexico is known more for its cattle, Chili, and pecans than of the high quality cotton it produces. In 1989, New Mexico produced more than 125,000 bales of Upland and Pima cotton. This year it is estimated that New Mexico will be the 14th largest cotton producer in the Nation. Determined and ambitious farmers, like Bob Mayberry, add to New Mexico's agricultural bounty.

Bob was 1 of 10 young cotton producers who were chosen from the cotton-producing States of America. Each student has been traveling across the country learning about every aspect of the industry. These future leaders spent 1990 in an accelerated program of four 1-week trips to various parts of America studying the expertise of their associates.

Bob is now on the last leg of his trip, and has come to Washington to see how the Congress affects his industry. When the class ends, Bob will be better prepared to meet the rigors of his industry, and we will have the benefit of a citizen who is well versed in all aspects of his livelihood. I am grateful to the Cotton Council of America for giving cotton's future farm leaders this opportunity to expand their horizons, and for choosing such a fine example of New Mexico's commitment to agriculture.●

## GULF CRISIS ENDANGERS POLISH RECOVERY

● Mr. BOSCHWITZ. How ironic it will be, Mr. President, if the emerging democracies of Eastern Europe collapse under the weight of their commitment to joining the worldwide opposition to the threats posed by Saddam Hussein.

Poland was one of the first countries to support United States and United Nations calls to isolate Iraq and impose sanctions. That decision was not a simply gesture but very costly commitment. Poland's decision came at great expense because Iraq was a major source of oil and an important trading partner. Thus the gulf crisis has had a very serious impact on Poland's economy recovery program.

Compounding the Polish economic crisis is the impact of German unification and the collapse of the Soviet economy—the loss of major markets and trading partners, a possible reduction in expected aid from Germany, and new demands for hard currency.

The costs to Poland are set forth clearly in a report in today's Washington Post from its correspondent in Warsaw, Blaine Harden. I commend this article to my colleagues to assist in understanding the courage of the new democratic government in Poland and the importance of our support for its transition to democracy and a free market.

I ask that the Post article be inserted in the RECORD at this point.

The article follows:

[From the Washington Post, Oct. 4, 1990]

GULF CRISIS, KREMLIN FUEL CUTBACKS CREATE ENERGY SHORTAGE IN POLAND

(By Blaine Harden)

WARSAW.—The Persian Gulf crisis and Soviet cutbacks in deliveries of oil and gas have combined to threaten Poland with crippling energy shortages this fall and winter.

Clouding the picture still further, Polish officials say that the continuing political confusion and economic disarray in the Soviet Union—Poland's largest trading partner and purchaser of one-fifth of Polish exports—is fostering a sharp decline in Soviet imports of Polish coal, steel and copper.

The waning of Soviet trade will be felt acutely throughout Polish industry but is likely to prove disastrous for manufacturers of heavy machinery and high-voltage electric equipment, Foreign Trade Minister Marcin Swiecicki said recently. Many of these producers make goods for which there is little demand outside the Soviet Union or its former East European client states, and they are already opeating at a loss.

The double dose of economic woe comes at a time when Poland, Eastern Europe's largest and most debt-encumbered nation, is struggling to climb out of a recession that in the first nine months of this year has put more than 800,000 Poles out of work and shrunken industrial production and incomes by a third.

In the past, Poland had obtained about 90 percent of its annual 98 million barrel oil needs from the Soviets, and before the Iraqi invasion of Kuwait had been counting on Baghdad to provide—at no hard-currency cost—the remaining 10 percent for this year.

Iraq had promised to supply 7 million barrels of crude oil as payment on a $500 million debt for tanks and other weapons bought from the Poles. Only about a quarter of that arrived before the Aug. 2 invasion.

Meanwhile, the Soviet Union is 21 percent behind on 1990 fuel deliveries to Poland. After the gulf crisis began, Poland—along with Hungary and Czechoslovakia—asked Moscow to catch up on late deliveries, but Polish officials say Moscow has refused. Worse still, government officials here say, the uncertain Soviet domestic situation and Kremlin demands that new foreign oil sales be paid for in hard currency will mean that inter-government oil transactions between Moscow and Warsaw "will amount to zero" in 1991.

As for natural gas—for which the Soviet Union is Poland's only foreign supplier—inter-government contract sales are scheduled to be cut by more than a third next year, forcing some Polish industries to shut down, according to Polish industry minister Tadeusz Syryjczyk. Polish officials say they may be able to make up part of the shortfall by buying from individual Soviet republics and from semi-autonomous Soviet oil and gas enterprises.

"The Soviet side has suggested that in order to get any oil supplies, Poland should establish direct contact and cooperation with the republics and distributors interested in this," said Jerzy Osiatynski, head of the Polish Government Planning Office. The additional cost to Poland of paying hard currency for its energy imports next year is estimated at $3 to $4 billion, the planning office said.

The new reluctance of the Soviet Union to supply oil and gas to Poland and its other former satellites stems in part from Moscow's announced intention to sell its resources only for hard currency and at world prices beginning next year.

In years past, member-nations in the Soviet-dominated Comecon trading bloc could count on Soviet oil and gas at bargain prices, and countries such as Poland bartered manufactured and farm goods for petroleum products. But with the collapse of communism in Eastern Europe and with Moscow's economic problems worsening as it tries to implement a free-market system, the Soviet Union is no longer willing to trade oil for Polish potatoes.

International oil market analysts also have been reporting serious problems in the Soviet Union's capacity to export oil—at any price. Industry specialists said last month that the Soviets had even begun importing gasoline—for the first time since World War II. Analysts said the cause of the production shortfall appears to include labor troubles and lack of hard currency to invest in production hardware.

Leszek Plodczyk, head of Poland's largest state-run fuel distributor, said a 33 percent increase in the price of gasoline that went into effect Sept. 1 has slowed consumption somewhat, but pump rates here—$1.40 a gallon—remain well below those in Western Europe. The price is expected to double by the end of the year.

Polish officials have asked the United States and other Western nations to help offset losses caused by Poland's support of the embargo against Iraq. Although these officials say they have been assured of some aid, no firm commitments have been announced.●

## TRIBUTE TO OFFICER WILLIAM T. LUCAS

● Mr. D'AMATO. Mr. President, I rise today to recognize Officer William T. Lucas on the occasion of his retirement from the Nassau County Police Department.

Officer Lucas joined the police force after returning from service in the U.S. Army during World War II. He was appointed to the Nassau County Police Department on March 3, 1947. His first assignment was car 56, which covered West Hempstead and Franklin Square. Later, as the communities developed and the need for police increased, Mr. Lucas' patrol post was limited to the northeast section of West Hempstead.

Officer Lucas reached the age of mandatory retirement 2 years ago, but was granted an extention by the commissioner of police, Samuel J. Rozzi. Now, at age 72, Officer Lucas retires with the distinction of being the oldest active police officer in the State of New York, and possible the country.

The commitment and dedication of law enforcement officers such as Officer Lucas establishes the thin line between social order and the chaos that today's ever more dangerous criminals would unleash against decent, law-abiding citizens. Our police community is engaged in nothing less than the maintenance of a civilian society, with each man and woman in uniform risking their lives on a daily basis on our behalf.

Officer Lucas has followed the proud tradition of our brave law enforcement officers for more than three decades. For this we salute him on the occasion of his retirement from the Nassau County Police Department.●

## ADULT TRAINING CENTER, ELKINS, WV

● Mr. ROCKEFELLER. Mr. President, I rise to speak about a center for the mentally and/or physically challenged in West Virginia. The Adult Training Center in Elkins has been providing a needed service in an exceptional way since it was founded 15 years ago.

The mentally and/or physically challenged have the opportunity to learn in the public school system while they are of school age, but as adults, their educational needs continue. The Elkins Adult Training Center serves as a resource that helps these adults to continue to learn and develop throughout their adult lives. Because they are mentally and/or physically challenged in varying degrees, the center evaluates clients one by one and fits each into a curriculum according to his or her particular needs. The curriculum includes basic skills such as reading, writing, arithmetic, social skills, and independent living skills, taught by four full-time certified instructors. Most clients also participate in recreation and physical education activities.

One of the most important accomplishments of the center is the extensive employment opportunities that it has created for its clients. Some work in the center in Elkins, side-by-side with nonhandicapped workers, either in the center's own woodshop or at computer data terminals, or in the local community of Elkins doing lawn work or landscaping. Others work away from Elkins at ski resorts or in restaurants where they are supervised occasionally, but not constantly. All of the workers are paid for their work. The wooden toys made in their woodshop are renowned for their craftsmanship and have often been on display at arts and crafts shows in different parts of West Virginia.

This impressive program reflects the enormous dedication and creativity of its director, Josie Cuda, and its supported employment coordinator, Lucille McGee, both of whom should be commended for all the work they have done to make the program at the center so ambitious. The center and its staff demonstrate a spirit of caring and concern that we can all admire. The clients of the center are deeply grateful to Josie and Lucille and to everyone else at the center who has helped to create opportunities to learn and work that might be difficult to find elsewhere. The Elkins Adult Training Center should be a model for all such services for the mentally and physically challenged in West Virginia and across the country, and I applaud the center for its continuing accomplishments.●

## HONORING FORMER CONGRESSMAN SAM STRATTON

● Mr. D'AMATO. Mr. President, the passing of former Congressman Sam Stratton occassioned many reflections on his lifelong service to New Yorkers and to the Nation. That is as expected and as deserved by his distinguished tenure.

We in Washington who knew him and worked with him rightly praised his labors and his memory. His friends and neighbors from Schenectady and the Capitol region continue to share their personal reminiscence and respect for Sam with the grief of his wife, Joan, and his family.

What we often forget when we are close to someone of national repute is that others in distant cities share our pride in his achievements even without our proximity. Such a sentiment was expressed on the editorial page of the Richmond News Leader on September 20. Such testament amplifies our own heartfelt regard and make the further honors to be paid to Sam Stratton all the more significant and notable.

Mr. President, I ask that the editorial be printed at this point in the RECORD so that its message may be broadly appreciated and echoed.

The editorial follows:

[From the Richmond News Leader, Sept. 20, 1990]

SAM STRATTON

For 30 years Sam Stratton represented an Upstate New York district in the House. Last week he died at 75. Although few outside Albany had heard of him, many benefitted from his commitment to defending America's founding principles.

He was a Democrat, but when his party became mired in the fever swamps of disar-

mament and appeasement, he remained true to the legacy of Franklin Roosevelt and Harry Truman. Stratton supported a military second to none—and a vigorous foreign policy.

He voted to aid anti-Communists in Angola, Nicaragua, and elsewhere. He opposed the nuclear freeze. And his convictions cost him politically. Although he had the seniority to serve as chairman of the Armed Services Committee, his Democratic colleagues passed him over for lesser men. Many Congressmen would have changed their positions to win the fleeting fame of a committee chairmanship. Not Sam Stratton.

He fought the good fight. And before he died, he had the satisfaction of seeing—in the crumbling of Communism—the vindication of his views.●

## CHILDREN'S MEDICAL CENTER OF ISRAEL

● Mr. BOSCHWITZ. Mr. President, In these volatile days in the Middle East, we have very few opportunities to take even the smallest concrete steps to promote a peaceful future. I rise today, Mr. President, to applaud one such step.

The Children's Medical Center of Israel [CMCI] has recently been topped off outside of Tel Aviv at Petah Tikvah. Construction on this $60 million, 224-bed facility is progressing on schedule and it is expected to open its doors to the region's children late next year. It will be one of the most modern, state-of-the-art, tertiary care pediatric centers in the world. Under one roof, there will be a tremendous array of physicians from all specialties, of medical equipment ranging from the high technology to the surgical implement, of children with illnesses from the horrible to the typical.

The special part of this hospital will be its open-door policy. Children from all nations will be welcome under its vast wings. The founders and sponsors of this expansive project have stipulated from the outset that no child shall ever be barred from its doors.

This will be the most advanced children's hospital in the entire Middle East, and indeed in Africa and Western Asia as well. Here research will take place on ailments specific to children. This will be the first teaching children's facility in that part of the world. Surgery, ambulatory care, diagnostic treatment, psychiatry and every other available service a pediatric hospital could provide will be available at the CMCI. It is inspired by the success of the many children's hospitals in the United States.

The importance of this American-sponsored project cannot be underestimated. It has often been said that our children are our future. By treating all children with the utmost care, regardless of nationality, race, creed, sex or religion, this medical center will set an example for all people in the Middle East. Showing these children that they can be friends and that they feel the same pain and share the same hopes can only contribute to relieving tensions among the next generation.

The children of the Middle East are ultimately our best chance for change, our best hope for a peaceful future. With the completion of construction of the Children's Medical Center of Israel the healing process in that wartorn part of the world can begin.

I wish to congratulate the CMCI on the milestone of its topping off, and commend its American sponsors, Medical Development for Israel, and I look forward to the opening of the medical center approximately 1 year from now.●

## TRIBUTE TO ST. MARY'S HOSPITAL OF BROOKLYN

● Mr. D'AMATO. Mr. President, I rise today to pay recognition to the Franciscan Sisters of St. Joseph's who have been caring for the patients of St. Mary's Hospital of Brooklyn, NY, for 50 years.

In 1882, St. Mary's opened as a 270-bed acute care facility in Bedford-Stuyvesant. The Franciscan Sisters of St. Joseph's have been caring for the citizens of Brooklyn since the 1940's. It is through dedication and courage of the Franciscan Sisters that St. Mary's remains a respected institution in the Brooklyn community.

Over the last 50 years the Franciscan Sisters of St. Joseph's have played a key role in the success of St. Mary's Hospital. Between 1940 and 1950, under the administration of the Franciscan Sisters, St. Mary's Hospital received approvals for residency programs in medicine, surgery, pediatrics, OB/GYN, and Pathology. In 1947 the Council of Medical Education of the American Medical Association approved the School of Medical Technology, the School of Medical Record Librarians. St. Mary's Hospital was accredited by the Joint Commission on Accreditation of Hospitals in 1951 and became a division of the Catholic Medical Center in 1967.

I would like to thank the Franciscan Sisters of St. Joseph's for their hard work and commitment to the St. Mary's Hospital. I wish to send these dedicated individuals my best on this happy occasion and hope their future is filled with many more successes.●

## INTERNATIONAL SECURITIES ENFORCEMENT COOPERATION ACT

Mr. KERRY. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 1396.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

*Resolved*, That the House insist upon its amendment to the amendment of the Senate to the bill (H.R. 1396) entitled "An Act to amend the Federal securities laws in order to facilitate cooperation between the United States and foreign countries in securities law enforcement", and ask a conference with the Senate on the disagreeing votes of the two Houses thereon.

*Ordered*, That the following Members be the managers of the conference on the part of the House:

From the Committee on Energy and Commerce, for consideration of the House bill, the Senate amendment (except sections 103, 104, and 502), and the House amendment, and modifications committed to conference: Mr. Dingell, Mr. Markey, Mr. McMillen of Maryland, Mr. Lent, and Mr. Rinaldo.

From the Committee on Post Office and Civil Service, for consideration of sections 103, 104, and 502 of the Senate amendment, and modifications committed to conference: Mr. Ford of Michigan, Mr. Clay, Mr. Ackerman, Mr. Gilman, and Mr. Myers of Indiana.

Mr. KERRY. Mr. President, I move that the Senate disagree with the House amendment, agree to the request for a conference with the House, and that the Chair be authorized to appoint conferees.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Massachusetts.

The motion was agreed to.

The PRESIDING OFFICER. The Chair is authorized to appoint conferees.

## STATE ENERGY EFFICIENCY PROGRAMS IMPROVEMENT ACT

Mr. KERRY. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 247.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

*Resolved*, That the bill from the Senate (S. 247) entitled "An Act to amend the Energy Policy and Conservation Act to increase the efficiency and effectiveness of State energy conservation programs carried out pursuant to such Act, and for other purposes", do pass with the following amendment:

Strike out all after the enacting clause and insert:

*SECTION 1. SHORT TITLE.*

*This Act may be cited as the "State Energy Efficiency Programs Improvement Act of 1990".*

*SEC. 2. STATE ENERGY EFFICIENCY GOALS AND DEFINITIONS.*

*(a) GOALS.—(1) Section 364 of the Energy Policy and Conservation Act (42 U.S.C. 6324) is amended to read as follows:*

*"STATE ENERGY EFFICIENCY GOALS*

*"SEC. 364. Each State energy conservation plan with respect to which assistance is made available under this part on or after October 1, 1991, shall contain a goal, consisting of an improvement of 10 percent or more in the efficiency of use of energy in the State concerned in the calendar year 2000 as*

*compared to the calendar year 1990, and may contain interim goals.".*

*(2) The table of contents of such Act is amended by striking out the item for section 364 and inserting in lieu thereof the following:*

*"Sec. 364. State energy efficiency goals.".*

*(b) DEFINITIONS.—Section 366(4) of such Act (42 U.S.C. 6326(4)) is amended—*

*(1) by striking out "building or industrial" and inserting in lieu thereof "building, building system, energy consuming device associated with the building, or industrial";*

*(2) by striking out "the date of enactment of the Energy Conservation and Production Act" and inserting in lieu thereof "May 1, 1989"; and*

*(3) by inserting "maintain or " before "improve the efficiency" in the first sentence.*

*SEC. 3. REQUIRED ELEMENTS OF STATE ENERGY CONSERVATION PLAN.*

*(a) PLAN REQUIREMENTS.—Section 362(c) of the Energy Policy and Conservation Act (42 U.S.C. 6322(c)) is amended—*

*(1) by striking out "and" at the end of paragraph (4);*

*(2) by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; and";*

*(3) by adding at the end thereof the following new paragraph:*

*"(6) procedures for ensuring effective coordination among various local, State, and Federal energy conservation programs within the State, including any program administered within the Office of Technical and Financial Assistance of the Department of Energy and the Low Income Home Energy Assistance Program administered by the Department of Health and Human Services.".*

*(b) ADDITIONAL CONDITIONS.—Section 363 of Act (42 U.S.C. 6323) is amended by adding at the end thereof the following new subsections:*

*"(d) Each State receiving Federal financial assistance pursuant to this section shall provide reasonable assurance to the Secretary that it has established policies and procedures designed to assure that Federal financial assistance under this part and under part G of this title will be used to supplement, and not to supplant, State and local funds, and to the extent practicable, to increase the amount of such funds that otherwise would be available, in the absence of such Federal financial assistance, for those programs set forth in the State energy conservation plan approved pursuant to subsection (b).*

*"(e)(1) Effective October 1, 1991, to be eligible for Federal financial assistance pursuant to this section, a State shall submit to the Secretary, as a supplement to its energy conservation plan, an energy emergency planning program for an energy supply disruption, as designed by the State consistent with applicable Federal and State law. The contingency plan provided for by the program shall include an implementation strategy or strategies (including regional coordination) for dealing with energy emergencies. The submission of such plan shall be for informational purposes only and without any requirement of approval by the Secretary.*

*"(2) Federal financial assistance made available under this part to a State may be used to develop and conduct the energy emergency planning program requirement referred to in paragraph (1).".*

*SEC. 4. OPTIONAL ELEMENTS OF STATE ENERGY CONSERVATION PLAN AND CONSOLIDATION OF SUPPLEMENTAL STATE ENERGY CONSERVATION PLAN.*

*(a) IN GENERAL.—Section 362(d) of the Energy Policy and Conservation Act (42 U.S.C. 6322(d)) is amended—*

*(1) by striking out paragraph (3) and inserting in lieu thereof the following:*

*"(3) programs to increase transportation energy efficiency, including programs to accelerate the use of alternative transportation fuels for State government vehicles, fleet vehicles, taxies, mass transit, and privately owned vehicles;";*

*(2) by striking out "and" at the end of paragraph (4);*

*(3) by striking out paragraph (5) and inserting in lieu thereof the following:*

*"(5) programs for financing energy efficiency and renewable energy capital investments, projects, and programs—*

*"(A) which may include loan programs and performance contracting programs for leveraging of additional public and private sector funds, and programs which allow rebates, grants, or other incentives for the purchase and installation of energy efficiency and renewable energy measures; or*

*"(B) in addition to or in lieu of programs described in subparagraph (A), which may be used in connection with public or nonprofit buildings owned and operated by a State, a political subdivision of a State or an agency or instrumentality of a State, or an organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986;*

*"(6) programs for encouraging and for carrying out energy audits with respect to buildings and industrial facilities (including industrial processes) within the State;*

*"(7) programs to promote the adoption of integrated energy plans which provide for—*

*"(A) periodic evaluation of a State's energy needs, available energy resources (including greater energy efficiency), and energy costs; and*

*"(B) utilization of adequate and reliable energy supplies, including greater energy efficiency, that meet applicable safety, environmental, and policy requirements at the lowest cost;*

*"(8) programs to promote energy efficiency in residential housing, such as—*

*"(A) programs for development and promotion of energy efficiency rating systems for newly constructed housing and existing housing so that consumers can compare the energy efficiency of different housing; and*

*"(B) programs for the adoption of incentives for builders, utilities, and mortgage lenders to build, service, or finance energy efficient housing;*

*"(9) programs to identify unfair or deceptive acts or practices which relate to the implementation of energy efficiency measures and renewable resource energy measures and to educate consumers concerning such acts or practices;*

*"(10) programs to modify patterns of energy consumption so as to reduce peak demands for energy and improve the efficiency of energy supply systems, including electricity supply systems;*

*"(11) programs to promote energy efficiency as an integral component of economic development planning conducted by State, local, or other governmental entities or by energy utilities;*

*"(12) in accordance with subsection (g), programs to implement the Energy Technology Commercialization Services Program; and*

*"(13) any other appropriate method or programs to conserve and to promote efficiency in the use of energy.".*

*(b) ENERGY TECHNOLOGY COMMERCIALIZATION SERVICES PROGRAM.—Section 362 of the Energy Policy and Conservation Act (42 U.S.C. 6322) is amended by adding at the end thereof the following new subsection:*

*"(f)(1) The purposes of this subsection are to—*

*"(A) strengthen State outreach programs to aid small and start-up businesses;*

*"(B) foster a broader application of engineering principles and techniques to energy technology products, manufacturing, and commercial production by small and start-up businesses; and*

*"(C) foster greater assistance to small and start-up businesses in dealing with the Federal Government on energy technology related matters.*

*"(2) The programs to implement the functions of the Energy Technology Commercialization Services Program, as provided for by subsection (d)(12), shall—*

*"(A) aid small and start-up businesses in discovering useful and practical information relating to manufacturing and commercial production techniques and costs associated with new energy technologies;*

*"(B) encourage the application of such information in order to solve energy technology product development and manufacturing problems;*

*"(C) establish an Energy Technology Commercialization Services Program affiliated with an existing entity in each State;*

*"(D) coordinate engineers and manufacturers to aid small and start-up businesses in solving specific technical problems and improving the cost effectiveness of methods for manufacturing new energy technologies;*

*"(E) assist small and start-up businesses in preparing the technical portions of proposals seeking financial assistance for new energy technology commercialization; and*

*"(F) facilitate contract research between university faculty and students and small start-up businesses, in order to improve energy technology product development and independent quality control testing.*

*"(3) Each State energy technology commercialization services program shall develop and maintain a data base of engineering and scientific experts in energy technologies and product commercialization interested in participating in the service. Such data base shall, at a minimum, include faculty of institutions of higher education, retired manufacturing experts, and national laboratory personnel.*

*"(4) The services provided by the energy technology commercialization services programs established under this subsection shall be available to any small or start-up business. Such service programs shall charge fees which are affordable to a party eligible for assistance, which shall be determined by examining factors, including the following: (A) the costs of the services received; (B) the need of the recipient for the services; and (C) the ability of the recipient to pay for the services.*

*"(5) For the purposes of this subsection, the term—*

*"(A) 'institution of higher education' has the same meaning as such term is defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a));*

*"(B) 'small business' means a private firm that does not exceed the numerical size standard promulgated by the Small Business Administration under section 3(a) of the Small Business Act (15 U.S.C. 632) for the*

*Standard Industrial Classification (SIC) codes designated by the Secretary of Energy; and*

*"(C) 'start-up business' means a small business which has been in existence for 5 years or less.".*

*(c) ELIMINATION OF SSECP.—(1) Section 367 of such Act (42 U.S.C. 6327) is repealed.*

*(2) The table of contents of such Act is amended by striking out the item for section 367.*

*SEC. 5. STATE ENERGY ADVISORY BOARD.*

*Section 365 of the Energy Policy and Conservation Act (42 U.S.C. 6325) is amended by adding at the end the following:*

*"(g)(1)(A) There is hereby established within the Department of Energy a State Energy Advisory Board (hereafter in this subsection referred to as the 'Board') which shall consist of at least 18 and not more than 21 members appointed by the Secretary as soon as practicable but no later than September 30, 1991. At least eight of the members of the Board shall be persons who serve as directors of the State agency, or a division of such agency, responsible for developing State energy conservation plans pursuant to section 362. At least four members shall be directors of State or local low income weatherization assistance programs. Other members shall be appointed from persons who have experience in energy efficiency or renewable energy programs from the private sector, consumer interest groups, utilities, public utility commissions, educational institutions, financial institutions, local government energy programs, or research institutions. A majority of the members of the Board shall be State employees.*

*"(B)(i) Except as provided in clause (ii), the members of the Board shall serve a term of three years.*

*"(ii) Of the members first appointed to the Board, one-third shall serve a term of one year, one-third shall serve a term of two years, and the remainder shall serve a term of three years, as specified by the Secretary.*

*"(2) The Board shall—*

*"(A) make recommendations to the Assistant Secretary for Conservation and Renewable Energy within the Department of Energy with respect to—*

*"(i) the energy efficiency goals and objectives of the programs carried out under this part, part G of this title, and under part A of title IV of the Energy Conservation and Production Act; and*

*"(ii) programmatic and administrative policies designed to strengthen and improve the programs referred to in clause (i), including actions that should be considered to encourage non-Federal resources (including private resources) to supplement Federal financial assistance;*

*"(B) serve as a liaison between the States and such Department on energy efficiency and renewable energy resource programs; and*

*"(C) encourage transfer of the results of research and development activities carried out by the Federal Government with respect to energy efficiency and renewable energy resource technologies.*

*"(3) The Secretary shall designate one of the members of the Board to serve as its chairman and one to serve as its vice-chairman. The chairman and vice-chairman shall serve in those offices no longer than two years.*

*"(4) The Secretary shall provide the Board with such reasonable services and facilities as may be necessary for the performance of its functions.*

*"(5) The Board shall be nonpartisan.*

*"(6) The Board may adopt administrative rules and procedures and may elect one of its members secretary of the Board.*

*"(7) Consistent with Federal regulations, the Secretary shall reimburse members of the Board for expenses (including travel expenses) necessarily incurred by them in the performance of their duties.*

*"(8) The Board shall meet at least twice a year and shall submit an annual report to the Secretary and the Congress on the activities carried out by the Board in the previous fiscal year, including an accounting of the expenses reimbursed under paragraph (7) with respect to the year for which the report is made and any recommendations it may have for administrative or legislative changes concerning the matters referred to in subparagraphs (A), (B), and (C) of paragraph (2).*

*"(9) The Board shall continue until terminated by law.".*

*SEC. 6. ENERGY CONSERVATION PROGRAM FOR SCHOOLS AND HOSPITALS.*

*(a) NON-FEDERAL SHARE OF A PROJECT.—Section 396(b)(1) of the Energy Policy and Conservation Act (42 U.S.C. 6371e(b)(1)) is amended by adding at the end thereof the following: "The non-Federal share of the costs of any such energy conservation project may be provided by using programs of innovative financing for energy conservation projects (including, but not limited to, loan programs and performance contracting), even if, pursuant to such financing, clear title to the equipment does not pass to the school or hospital until after the grant is completed.".*

*(b) DEFINITIONS.—Section 391 of such Act (42 U.S.C. 6371) is amended—*

*(1) in paragraph (1), by striking out "April 20, 1977" and inserting in lieu thereof "May 1, 1989";*

*(2) in paragraph (2), by striking out "reduce energy consumption" and inserting in lieu thereof "maintain or reduce energy consumption and reduce energy costs" in the material preceding subparagraph (A);*

*(3) in paragraph (2)(C), by inserting "and load management systems" before the semicolon;*

*(4) in paragraph (8), by inserting "administrative facilities," after "dormitories,"; and*

*(5) in paragraph (17)(A), by striking out "and related cost savings" and inserting in lieu thereof "or energy cost savings".*

*(c) REPEAL OF EDUCATIONAL AGENCY EXCLUSION.—Section 396(e) of such Act (42 U.S.C. 6371e(e)) is repealed.*

*(d) USE OF FUNDS.—Section 396(d) of such Act (42 U.S.C. 6371e(d)) is amended—*

*(1) by striking out "The" and inserting in lieu thereof "(1) The"; and*

*(2) by adding at the end the following new paragraphs:*

*"(2) A State may utilize up to 100 percent of the funds provided by the Secretary under this part for any fiscal year for program and technical assistance and up to 50 percent of such funds for marketing and other costs associated with leveraging of non-Federal funds for carrying out this part and may administer a continuous and consecutive application and award procedure for providing program and technical assistance under this part in accordance with regulations that the Secretary shall establish, if the State—*

*"(A) has adopted a State plan in accordance with section 394, the administration of which is in accordance with applicable regulations; and*

*"(B) certifies to the Secretary that not more than 15 percent of the aggregate amount of Federal and non-Federal funds used by the State to provide program and technical assistance, implement energy conservation measures, and otherwise carry out a program pursuant to this part for the fiscal year concerned will be expended for program and technical assistance and for marketing and other costs associated with leveraging of non-Federal funds for such program.".*

*SEC. 7. WEATHERIZATION ASSISTANCE FOR LOW-INCOME PERSONS.*

*(a) COOLING MATERIALS.—Section 412(9) of the Energy Conservation and Production Act (42 U.S.C. 6862(9)) is amended—*

*(1) by striking out "and" at the end of subparagraph (F);*

*(2) by redesignating subparagraph (G) as subparagraph (H); and*

*(3) by adding after subparagraph (F) the following:*

*"(G) cooling efficiency modifications, including, but not limited to, replacement air-conditioners, ventilation equipment, screening, window films, and shading devices; and".*

*(b) RENTAL HOUSING.—(1) Section 413(b)(2) of such Act (42 U.S.C. 6863(b)(2)) is amended—*

*(A) by striking out "and" at the end of subparagraph (A); and*

*(B) by striking out subparagraph (B) and inserting in lieu thereof the following:*

*"(B) that provide guidance to the States in the implementation of this part, including guidance designed to ensure that a State establishes (i) procedures that provide protection under paragraph (5) to tenants paying for energy as a portion of their rent, and (ii) a process for monitoring compliance with its obligations pursuant to this part; and*

*"(C) that secure the Federal investment made under this part and address the issues of eviction from and sale of property receiving weatherization materials under this part.".*

*(2) Section 413(b) of such Act (42 U.S.C. 6863(b)) is amended by adding at the end the following:*

*"(5) In any case in which a dwelling consists of a rental unit or rental units, the State, in the implementation of this part, shall ensure that—*

*"(A) the benefits of weatherization assistance in connection with such rental units, including units where the tenants pay for their energy through their rent, will accrue primarily to the low-income tenants residing in such units;*

*"(B) for a reasonable period of time after weatherization work has been completed on a dwelling containing a unit occupied by an eligible household, the tenants in that unit (including households paying for their energy through their rent) will not be subjected to rent increases unless those increases are demonstrably related to matters other than the weatherization work performed;*

*"(C) the enforcement of subparagraph (B) is provided through procedures established by the State by which tenants may file complaints and owners, in response to such complaints, shall demonstrate that the rent increase concerned is related to matters other than the weatherization work performed; and*

*"(D) no undue or excessive enhancement will occur to the value of such dwelling units.*

*"(6) As a condition of having assistance provided under this part with respect to multifamily buildings, a State may require*

*financial participation from the owners of such buildings.".*

*(c) ALLOCATION FORMULA.—Section 414 of such Act (42 U.S.C. 6864) is amended—*

*(1) in subsection (a)(D), by inserting ", such as the cost of heating and cooling," after "necessary"; and*

*(2) by adding at the end the following:*

*"(c) Effective with fiscal year 1991, and annually thereafter, the Secretary shall update the population, eligible households, climatic, residential energy use, and all other data used in allocating the funds under this part among the States pursuant to subsection (a).".*

*(d) WAIVER OF 40-PERCENT REQUIREMENT.—Section 415(a) of such Act (42 U.S.C. 6865(a)) is amended—*

*(1) in the first sentence, by striking out "An average" and inserting in lieu thereof "(1) Except as provided in paragraph (2), an average";*

*(2) by inserting the following before the period at the end of the second sentence: ", and a State may provide in the plan adopted pursuant to subsection (b) for recipients of grants of less than $350,000 to use up to an additional 5 percent of such grant for administration if the State has determined that such recipient requires such additional amount to implement effectively the administrative requirements established by the Secretary pursuant to this part"; and*

*(3) by adding at the end the following:*

*"(2)(A) The Secretary shall approve a State's application to waive the 40-percent requirement established in paragraph (1) if the State includes in its plan energy audit procedures and techniques which (i) meet standards established by the Secretary after consultation with the State Energy Advisory Board established under section 365(g) of the Energy Policy and Conservation Act, (ii) establish priorities for selection of weatherization measures based on their cost and contribution to energy efficiency, (iii) measure the energy requirement of individual dwellings and the rate of return of the total conservation investment in a dwelling, and (iv) account for interaction among energy efficiency measures.*

*"(B) The Secretary shall make information on energy audit procedures and techniques available to States applying for a waiver under subparagraph (A) and shall provide training for State and local agencies in the implementation of such procedures and techniques.".*

*(e) DWELLING UNIT LIMITATION.—Section 415(c) of such Act (42 U.S.C. 6865(c)) is amended—*

*(1) in paragraph (1), by striking out "The expenditure" and inserting in lieu thereof "Except as provided in paragraphs (3) and (4), the expenditure"; and*

*(2) by adding at the end the following:*

*"(3) Beginning with fiscal year 1991, the $1,600 per dwelling unit limitation provided in paragraph (1) shall be adjusted annually by increasing the limitation amount by an amount equal to—*

*"(A) the limitation amount for the previous fiscal year, multiplied by*

*"(B) the lesser of (i) the percentage increase in the Consumer Price Index (all items, United States city average) for the most recent calendar year completed before the beginning of fiscal year for which the determination is being made, or (ii) three percent.*

*"(4)(A) In addition to the average per dwelling unit limitation applicable in a State under paragraphs (1) and (3), the Secretary shall, upon application by a State, establish a separate average per dwelling unit limitation for dwelling units in such State—*

*"(i) which conform to program requirements; and*

*"(ii) which, in addition to any other weatherization modifications, have furnace efficiency modifications made under this part.*

*"(B) The average per dwelling unit limitation applicable in a State to units described in subparagraph (A) shall not exceed an amount equal to—*

*"(i) the amount permitted for the expenditure of financial assistance for labor, weatherization materials, and related matters for dwelling units in such State under paragraphs (1) and (3), plus*

*"(ii) an amount determined by the State to be the average amount that is appropriate for furnace efficiency modifications of dwelling units of the type assisted under this part in such State.".*

*(f) REPEAL OF PERFORMANCE FUND.—Section 415(d) of such Act (42 U.S.C. 6865(d)) is repealed.*

*(g) NON-FEDERAL FUNDING REQUIREMENT.—Section 414(b)(3) of such Act (42 U.S.C. 6864(b)(3)) is amended by striking out "and (B)" and inserting in lieu thereof the following: "(B) for using Federal financial assistance under this part to increase the portion of low-income weatherization assistance that the State obtains from non-Federal sources, including private sources, and (C)".*

*(h) ADDITIONAL REPORTING REQUIREMENT.—Section 421 of such Act (42 U.S.C. 6871) is amended—*

*(1) by striking out "through 1979"; and*

*(2) by adding at the end the following: "Such report shall include information and data furnished by each State on the average costs incurred in weatherization of individual dwelling units, the average size of the dwellings being weatherized, and the average income of households receiving assistance under this part.".*

*(i) INCENTIVE PROGRAM.—Section 415 of such Act (42 U.S.C. 6865) is amended by adding at the end the following:*

*"(d) Beginning with fiscal year 1992, the Secretary may allocate funds appropriated pursuant to section 422(b) to provide supplementary financial assistance to those States which the Secretary determines have achieved the best performance during the previous fiscal year in achieving the purposes of this part. In making this determination, the Secretary shall—*

*"(1) consult with the State Energy Advisory Board established under section 365(g) of the Energy Policy and Conservation Act; and*

*"(2) give priority to those States which, during such previous fiscal year, obtained a significant portion of income from non-Federal sources for their weatherization programs or increased significantly the portion of low-income weatherization assistance that the State obtained from non-Federal sources.*

*"(e)(1)(A) Beginning with fiscal year 1992, the Secretary may allocate, from funds appropriated pursuant to section 422(b), among the States an equal amount for each State not to exceed $100,000 per State. Each State shall make available amounts received under this subsection to provide supplementary financial assistance to recipients of grants under this part that have achieved the best performance during the previous fiscal year in advancing the purposes of this part.*

*"(B) None of the funds made available under this subsection may be used by any State for administrative purposes.*

*"(2) The Secretary shall, after consulting with the State Energy Advisory Board referred to in subsection (d)(1), prescribe guidelines to be used by each State in making available supplementary financial assistance under this subsection, with a priority being given to subgrantees that, by law or through administrative or other executive action, provided non-Federal resources (including private resources) to supplement Federal financial assistance under this part during the previous fiscal year.".*

*(j) CONFORMING AMENDMENT.—Section 411 of such Act (42 U.S.C. 6861) is amended to read as follows:*

*"FINDINGS AND PURPOSE*

*"SEC. 411. (a) The Congress finds that—*

*"(1) a fast, cost-effective, and environmentally sound way to prevent future energy shortages in the United States while reducing the Nation's dependence on imported energy supplies, is to encourage and facilitate, through major programs, the implementation of energy conservation and renewable-resource energy measures with respect to dwelling units;*

*"(2) existing efforts to encourage and facilitate such measures are inadequate because—*

*"(A) many dwellings owned or occupied by low-income persons are energy inefficient;*

*"(B) low-income persons can least afford to make the modifications necessary to provide for efficient energy equipment in such dwellings and otherwise to improve the energy efficiency of such dwellings;*

*"(3) weatherization of such dwellings would lower shelter costs in dwellings owned or occupied by low-income persons as well as save energy and reduce future energy capacity requirements; and*

*"(4) States, through Community Action Agencies established under the Economic Opportunity Act of 1964 and units of general purpose local government, should be encouraged, with Federal financial and technical assistance, to develop and support coordinated weatherization programs designed to alleviate the adverse effects of energy costs on such low-income persons, to supplement other Federal programs serving such low-income persons, and to increase energy efficiency.*

*"(b) It is, therefore, the purpose of this part to develop and implement a weatherization assistance program to increase the energy efficiency of dwellings owned or occupied by low-income persons, reduce their total residential energy expenditures, and improve their health and safety, especially low-income persons who are particularly vulnerable such as the elderly, the handicapped, and children.".*

*SEC. 8. AUTHORIZATION OF APPROPRIATIONS.*

*(a) STATE PLAN PROGRAM.—Section 365(f) of the Energy Policy and Conservation Act (42 U.S.C. 6325(f)) is amended to read as follows:*

*"(f) For the purpose of carrying out this part, there are authorized to be appropriated not to exceed $25,000,000 for fiscal year 1991, $35,000,000 for fiscal year 1992, and $45,000,000 for fiscal year 1993.".*

*(b) ENERGY CONSERVATION PROGRAM FOR SCHOOLS AND HOSPITALS.—Section 397 of the Energy Policy and Conservation Act (42 U.S.C. 6371f) is amended to read as follows:*

*"AUTHORIZATION OF APPROPRIATIONS*

*"SEC. 397. For the purpose of carrying out this part, there are authorized to be appropriated not to exceed $40,000,000 for fiscal year 1991, $50,000,000 for fiscal year 1992, and $60,000,000 for fiscal year 1993.".*

*(c) WEATHERIZATION ASSISTANCE PROGRAM.—Section 422 of the Energy Conservation and Production Act (42 U.S.C. 6872) is amended to read as follows:*

*"AUTHORIZATION OF APPROPRIATIONS*

*"SEC. 422. (a) There are authorized to be appropriated for purposes of carrying out the weatherization program under this part, other than under subsections (d) and (e) of section 415, not to exceed $200,000,000 for fiscal year 1991 and such sums as may be necessary for fiscal years 1992, 1993, and 1994.*

*"(b) There are authorized to be appropriated for purposes of carrying out the weatherization program under subsections (d) and (e) of section 415, not to exceed $20,000,000 for fiscal year 1992 and such sums as may be necessary for fiscal years 1993 and 1994.".*

Mr. DOMENICI. Mr. President, I am pleased to support passage of S. 247, the State Energy Efficiency Programs Improvement Act of 1990. This bill includes provisions providing for an Energy Technology Commercialization Services Program. These provisions will strengthen State efforts to aid small and startup businesses that pursue applications of energy technologies involving engineering principles and techniques.

I first proposed this program in May of last year in the bill S. 1031, then calling it the Engineering Extension Service. I am very pleased it is included in the final version of the bill. It will do much to aid the economic development of energy-related technologies, and will help greatly many new and small businesses to develop exciting new applications of engineering advances.

I want to thank Dr. Larry Lattman of the New Mexico Institute of Mining and Technology, who helped develop this proposal. I also want to thank House and Senate committee members for their efforts on these provisions, and, in particular, I would like to thank Richard Grundy, staff of the Senate Energy and Natural Resources Committee, for his trremendous work on this.

Mr. KERRY. Mr. President, I move to concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Massachusetts.

The motion was agreed to.

Mr. KERRY. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

## THE CALENDAR

Mr. KERRY. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration, en bloc, of calendar numbers 843, 845, 846, 847, 848, 849, 851, and 853; that the bills be read a third time and passed; that the motion to reconsider the passage of these bills be laid upon the table.

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

## BOB SIKES VISITOR CENTER

The bill (S. 427) to designate the Federal building located at 1801 Gulf Breeze Parkway, Gulf Breeze, FL, as the "Bob Sikes Visitor Center," was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 427

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. DESIGNATION OF BUILDING.

The Federal Building located at 1801 Gulf Breeze Parkway, Gulf Breeze, Florida, shall hereafter be known and designated as the "Bob Sikes Visitor Center".

SEC. 2. REFERENCES TO BUILDING.

Any reference in any law, regulation, document, record, map, or other paper of the United States to the building referred to in section 1 is deemed to be a reference to the "Bob Sikes Visitor Center".

## MAINTENANCE, REPAIR, ALTERATION, AND SERVICES FOR THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

The bill (S. 2879) to amend the John F. Kennedy Center Act to authorize appropriations for maintenance, repair, alteration, and other services necessary for the John F. Kennedy Center for the Performing Arts, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 2879

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. MAINTENANCE, REPAIRS, AND OTHER BUILDING SERVICES.

Section 6(e) of the John F. Kennedy Center Act (20 U.S.C. 761(e)) is amended to read as follows:

"(e) MAINTENANCE, REPAIR, ALTERATION, SECURITY, INFORMATION AND OTHER SERVICES.—

"(1) PROVISION OF SERVICES.—The Secretary of the Interior, acting through the National Park Service, and the Board shall provide for maintenance, repair, and alteration of the building and security, information, interpretation, janitorial, and all other services necessary for operating the building.

"(2) AGREEMENT.—The Secretary and the Board shall enter into a cooperative agreement setting forth their respective responsibilities under paragraph (1) of this subsection.

"(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary of the Interior to carry out this subsection—

"(A) for fiscal year 1991, not more than—

"(i) $6,750,000 for annual maintenance, repairs, alterations, and operating services; and

"(ii) $15,000,000 for deferred maintenance, repairs, and alterations; and

"(B) for fiscal year 1992, not more than—

"(i) $9,850,000 for annual maintenance, repairs, alterations, and operating services; and

"(ii) $15,512,000 for deferred maintenance, repairs, and alterations.".

SEC. 2. REPEAL OF OUTDATED PROVISIONS.

Sections 6(d), 7, and 8 of the John F. Kennedy Center Act (20 U.S.C. 761(d), 76m, and 76n) are repealed.

SEC. 3. TECHNICAL AMENDMENT.

Section 9(d) of the John F. Kennedy Center Act (20 U.S.C. 60(a)) is amended by striking "the Second Liberty Bond Act, as amended," each place it appears and inserting "chapter 31 of title 31, United States Code,".

## CLAUDE PEPPER FEDERAL BUILDING

The bill (S. 2965) to designate the Federal building located at 51 Southwest 1st Avenue in Miami, FL, as the "Claude Pepper Federal Building," was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 2965

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. DESIGNATION.

The Federal building located at 51 Southwest 1st Avenue in Miami, Florida, shall be known and designated as the "Claude Pepper Federal Building".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building referred to in section 1 shall be deemed to be a reference to the "Claude Pepper Federal Building".

## ALEXANDER HAMILTON UNITED STATES CUSTOM HOUSE

The bill (S. 3046) to redesignate the Federal building located at 1 Bowling Green in New York, NY, as the "Alexander Hamilton United States Custom House," was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 3046

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. REDESIGNATION.

The Federal building located at 1 Bowling Green in New York, New York, and known as the United States Custom House, shall be known and designated as the "Alexander Hamilton United States Custom House".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building referred to in section 1 shall be deemed to be a reference to the "Alexander Hamilton United States Custom House".

## TRANSFER OF AUTHORITY FOR OPERATION AND MAINTENANCE OF HIGHWAY 82 BRIDGE

The bill (S. 3062) to transfer the responsibility for operation and maintenance of the Highway 82 Bridge at Greenville, MS, to the States of Mississippi and Arkansas, was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 3062

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) all the authorities conferred upon the city of Greenville, Mississippi, and Washington County, Mississippi, by the Act of June 14, 1938 (52 Stat. 681) to operate and maintain a bridge across the Mississippi River (known as the Greenville/Lake Village Bridge or the "Highway 82 Bridge") are transferred, upon the certification required by subsection (b), to the State Highway Commissions of Mississippi and Arkansas, acting jointly.

(b) Whenever the Secretary of Transportation determines that the States of Mississippi and Arkansas have entered into a suitable agreement for the continued operation and maintenance of the Highway 82 Bridge at Greenville, Mississippi, the Secretary shall so certify to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives.

## TAKE PRIDE IN AMERICA ACT

The bill (S. 3068) to establish the Office of Take Pride in America, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 3068

*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 "Take Pride in America Act".

SEC. 2. ESTABLISHMENT OF TAKE PRIDE IN AMERICA OFFICE.

(a) IN GENERAL.—There is hereby established the Take Pride in America Office within the Department of the Interior (hereinafter referred to as the "TPIA Office").

(b) PURPOSES OF OFFICE.—The purposes of the TPIA Office shall include the following:

(1) To establish and maintain a public awareness campaign in cooperation with public and private organizations and individuals—

(A) to instill in the public the importance of the wise use of Federal, State, and local lands, facilities, and natural and cultural resources;

(B) to encourage an attitude of stewardship and responsibility toward these lands, facilities, and resources; and

(C) to promote participation by individuals, organizations, and communities in caring for these lands, facilities, and resources.

(2) To conduct a national awards program to honor those individuals and entities which, in the opinion of the TPIA Office, have distinguished themselves in the activities described in paragraph (1) of this subsection.

SEC. 3. GIFTS, BEQUESTS, AND DEVISES OF PROPERTY.

(a) AUTHORITY.—The TPIA Office may solicit, accept, hold, administer, invest, and use gifts, bequests, and devises of property, both real and personal, to aid or facilitate its purposes.

(b) USE OF PROPERTY.—Any property and the proceeds thereof shall be used as nearly as possible in accordance with the terms of the gift, bequest, or devise of such property.

(c) STATUS OF PROPERTY.—Property donated to and accepted by the TPIA Office pursuant to this section shall not be regarded as appropriated funds and shall not be subject to any requirements or restrictions applicable to appropriated funds.

(d) TREATMENT OF DONATIONS, ETC.—For purposes of Federal law, property accepted pursuant to this section shall be considered as a gift, bequest, or devise to the United States.

SEC. 4. ADMINISTRATIVE SERVICES.

The Secretary of the Interior shall provide such facilities, administrative services, personnel, and support to the TPIA Office as the Secretary determines is appropriate.

SEC. 5. VOLUNTEERS.

(a) AUTHORITY TO USE VOLUNTEERS.—The TPIA Office is authorized to recruit, train, and accept the services of individuals or entities, without compensation, as volunteers for or in aid of the purposes of the TPIA Office, without regard to the provisions of title 5, United States Code, that govern appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, that relate to classification and General Schedule pay rates.

(b) INCIDENTAL EXPENSES.—The TPIA Office is authorized to provide for the incidental expenses of volunteers, such as transportation, uniforms, lodging, or subsistence.

(c) VOLUNTEERS' STATUS AS FEDERAL EMPLOYEES.—(1) Except as otherwise provided in this subsection, a volunteer shall not be deemed a Federal employee and shall not be subject to the provisions of law relating to Federal employment, including those provisions relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(2) For purposes of the Federal Tort Claims Act, a volunteer under this subsection shall be considered an employee of the government (as defined in section 2671 of title 28, United States Code).

(3) For purposes of subchapter I of chapter 81 of title 5, United States Code, relating to compensation to Federal employees for work injuries, a volunteer under this subsection shall be considered an employee (as defined in section 8101 of title 5, United States Code).

SEC. 6. AUTHORITY TO EXECUTE CONTRACTS.

The TPIA Office is authorized to enter into contracts or cooperative agreements, to execute instruments, and generally to do any and all lawful acts necessary or appropriate to further its purposes.

SEC. 7. DISTRIBUTION OF NOVELTIES.

The TPIA Office is authorized to distribute pamphlets or other novelties in order to promote its purposes.

SEC. 8. SLOGAN AND LOGO.

The "Take Pride in America" slogan and logo, which are registered by the Department of the Interior, and the goodwill associated with such slogan and logo, are hereby transferred to the TPIA Office.

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

(a) DEPARTMENT OF THE INTERIOR.—There are authorized to be appropriated to the Department of the Interior such sums as may be necessary to carry out the purposes of this Act.

(b) OTHER FEDERAL AGENCIES.—There are authorized to be appropriated to other Federal agencies such sums as may be necessary to carry out the provisions of any Take Pride in America programs established by such agencies.

## EXTENSION OF THE AMERICAN CANAL AT EL PASO, TX

The bill (H.R. 4758) to provide for the construction, operation, and maintenance of an extension of the American Canal at El Paso, TX, was considered.

EXTENSION OF THE AMERICAN CANAL IN EL PASO, TX

Mr. BENTSEN. Mr. President, I am pleased the Senate takes this action today to authorize the State Department, through the International Boundary and Water Commission, to construct, operate, and maintain a 13-mile extension of the American Canal in El Paso, TX. For the last several years, I have been trying to get this legislation passed. We got it passed in the Senate in early August on the water resources bill, but that legislation now seems bogged down. With today's action, the Senate is again expressing its will on this matter. It is much-needed legislation, and I congratulate my good friend and colleague, Representative RON COLEMAN, for introducing it in the House.

Some of my colleagues may not be familiar with this issue and why I have pressed so hard for it to be resolved. Let me explain it briefly. Since 1935, Mr. President, the American Canal has provided a mechanism to control waters from the Rio Grande belonging to the United States. It has enhanced water quality in the international delivery system. More than 50 years later, it is time for these water quality and control features to be extended. Growth and urbanization in El Paso around the Rio Grande have increased the need for water in that area of my State. Furthermore, garbage and contamination in the river—something about which I have urged aggressive measures to correct—have created serious health and safety hazards. Water conservation goals are being defeated. The amount of annual water loss amounts to many thousand acre feet per year. The proposed extension would capture some 12,000 to 22,000 acre feet of water loss due to seepage and piracy—losses the water users in the El Paso area can no longer afford to lose.

The construction of the canal extension provides many other benefits to El Paso and its water users. In addi-

tion to the jobs it would create in the area, it has several environmental and health benefits. The canal extension would lie wholly in the United States, and it would be 13 miles long. It could serve as a conveyance channel for water to the city of El Paso. For maximum efficiency and effectiveness, it enlarges 1¼ miles of the existing channel, and it replaces portions of the old Franklin Canal in downtown El Paso. The canal extension has received favorable comment from the State Department and the Bureau of Reclamation. It is supported by the community of El Paso as well. The International Boundary and Water Commission will be pleased to see it can now move forward with plans to extend the canal.

The canal extension would also provide optimal control over water belonging to the United States under a 1906 treaty with Mexico. Hopefully, it would, once and for all, remove the potential for disagreements with our good neighbor, Mexico, about the commingling or diversion of water. As many of our colleagues from the southwestern and western part of our great land know, water is a life line, and it is particularly so in the arid Southwest.

For the people of El Paso, the extension of the American Canal is essential to the conservation of this life-giving resource that is tragically lost not only through seepage and piracy, but also through the aging canal system in the area and natural erosion from the Rio Grande itself. The farmers and citizens in this region of my State have long known, as have I, that water loss must be stopped. By making the canal permanent, we solve several problems at once.

Mr. President, this bill contains many of the features suggested in the State Department's comments. It includes a cost sharing formula which requires local sponsors both to share in the cost of construction and to contribute to the canal's operation and maintenance on an annual basis. This agreement was worked out between the local sponsors and the International Boundary and Water Commission.

I am very pleased that Congress has taken this step. I hope the President will sign this bill into law so that we can leap forward in building this canal.

The bill (H.R. 4758) was ordered to a third reading, read the third time, and passed.

## INCLUSION OF COLUMBIANA COUNTY, OH, IN THE APPALACHIAN REGION

The bill (H.R. 435) to amend the Appalachian Regional Development Act of 1965 to include Columbiana County, OH, as part of the Appalachian region, was considered, ordered to a third reading, read the third time, and passed.

## DWIGHT D. EISENHOWER INTERSTATE HIGHWAY SYSTEM

Mr. KERRY. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 844, S. 2806, to redesignate the Interstate Highway System.

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 2806) to redesignate the Interstate Highway System as the Dwight D. Eisenhower Interstate Highway System.

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

The Senate proceeded to consider the bill.

AMENDMENT NO. 2928

Mr. KERRY. Mr. President, I send a technical amendment to the desk on behalf of Senator BURDICK and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KERRY], for Mr. BURDICK, proposes an amendment numbered 2928.

Mr. KERRY. 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 reads as follows:

After the enacting clause, insert "SEC. 1."

On page 1, line 5, strike "the Interstate Highway System" and insert "The National System of Interstate and Defense Highways".

On page 1, line 6, strike "the Dwight D. Eisenhower Interstate Highway" and insert "The Dwight D. Eisenhower System of Interstate and Defense Highways".

On page 1, line 7, strike "System".

On page 1, line 10, strike "the Interstate Highway System" and insert "The National System of Interstate and Defense Highways".

On page 2, line 2, strike "the" and insert "The".

On page 2, line 2, strike "Interstate Highway System" and insert "System of Interstate and Defense Highways".

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

The amendment (No. 2928) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. HEINZ. Mr. President, October 14 of this year marks President Dwight D. Eisenhower's centennial birthday. This year also marks the completion of the National System of Interstate and Defense Highways—as it is officially known—a project envisioned, authored, and realized by our Nation's 34th President.

In his February 22, 1955, special message to the Congress regarding a National Highway Program President Eisenhower said:

> Our unity as a nation is sustained by free communication of thought and by easy transportation of people and goods. The ceaseless flow of information through the Republic is matched by individual and commercial movement over a vast system of interconnected highways criss-crossing the country and joining at our national borders with friendly neighbors to the north and south. * * * A sound Federal highway program, I believe, can and should stand on its own two feet, with highway users providing the total dollars necessary for improvement and new construction.

Mr. President, these words are no less true today than they were over 35 years ago.

In recognition of President Eisenhower's foresight, S. 2806 would redesignate the National System of Interstate and Defense Highways the Dwight D. Eisenhower National System of Interstate and Defense Highways. The late President demonstrated tremendous conviction to a visioin of safe and expansive highways. From the moment he assumed the Presidency, Eisenhower's aspirations for an efficiently mobile America translated into concrete and significant advances, paving the way toward a modern highway system.

Dwight D. Eisenhower proposed creating more than 41,000 miles of interstate roadway; joining 42 State capitals and 90 percent of all cities with populations exceeding 50,000. The Federal Highway Acts of 1954, 1956, and 1958 had as their impetus Eisenhower's insistence that Congress and the administration act swiftly to address the Nation's severe infrastructure needs.

This legislation is intended as a symbolic act; it would not change any existing interstate signage or markings.

Now is a fitting time to pay tribute and remember this great President by giving his name to the Interstate Highway System he conceived. Among Ike's many, many lasting contributions to our Nation, none has more profoundly changed the shape of American life than the legacy of a modern system of highways. Let us honor the late President's efforts for a modernized Interstate System through this symbolic and appropriate gesture.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

39-059 O-91-26 (Pt. 19)

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows.

S. 2806

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That—

(a) notwithstanding any other provision of law, the National System of Interstate and Defense Highways shall be redesignated as The Dwight D. Eisenhower System of Interstate and Defense Highways; and

(b) any reference before the date of enactment of this Act in any provision of law, regulation, map, sign, or otherwise to The National System of Interstate and Defense Highways shall be deemed to refer, on and after such date, to The Dwight D. Eisenhower System of Interstate and Defense Highways.

The title was amended so as to read: "A bill to redesignate the National System of Interstate and Defense Highways as The Dwight D. Eisenhower System of Interstate and Defense Highways."

Mr. KERRY. Mr. President, I move to reconsider the vote by which the bill as amended, was passed.

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

The motion to lay on the table was agreed to.

## DEVELOPMENT OF ZEBRA MUSSEL RESEARCH AND CONTROL PROGRAM

Mr. KERRY. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 850, Senate Resolution 312.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 312) to express the sense of the Senate regarding the need to develop a zebra mussel research and control program through the Great Lakes Fishery Commission.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

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

AMENDMENT NO. 2929

Mr. KERRY. Mr. President, I send an amendment to the desk on behalf of Senator MOYNIHAN and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KERRY], for Mr. MOYNIHAN, proposes an amendment numbered 2929.

On page 3, line 9, strike out "Clerk" and insert "Secretary".

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

The amendment (No. 2929) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. SPECTER. Mr. President, as an original cosponsor of Senate Resolution 312, I wish to express my support for its adoption as an important step in controlling the spread of the zebra mussel in the Great Lakes. This legislation would encourage the President to work with the Government of Canada to develop a coordinated, bilateral research and control effort to deal with the zebra mussel.

This year we have had the misfortune to become all too familiar with the aquatic nuisance. This creature was first discovered in 1988 in Lake Saint Clair, located between Lakes Huron and Erie. Reports indicate that in only 2 years, the mussel spread over a 10,000 square mile area, infesting the Lake Erie shoreline from Detroit to Buffalo. I am advised that the zebra mussel is able to produce 30,000 offspring in a single season. Experts anticipate that this creature will spread to the Mississippi, Ohio, and Hudson River basins, and within 10 years is likely to be found in two-thirds of the United States.

The rapidly reproducing zebra mussel, though only the size of a quarter, is already causing problems which far exceed its size. Because the mussels are able to grow on nearly any surface, including each other, they are able to block water intake pipes that are several meters in diameter. The resulting blockages pose a serious threat to industry and municipal water supplies. In Ontario, expansion of a housing development came to a halt because zebra mussels in the water had cut the water supply in half. The city of Buffalo has proposed a 15-percent increase in water rates to provide funds to deal with the mussel. Company officials at a Detroit Edison plant in Munroe, MI, estimate the cost of removing the creatures from their water intake system at $100,000 per treatment. Not only do zebra mussels threaten water supplies by blocking water pipes, but they also often die in the pipes in large numbers, giving the water a putrid odor and taste and rendering it undrinkable.

The zebra mussel pose further economic problems for the tourism and fishing industries. Given the concentrations in which the mussel is found (up to 700,000 per square meter in Lake Erie), officials at the Presque Isle State Park in Erie, PA, fear the possible negative impact of sharp shells littering the beach, as well as obnoxious smells from decomposing mussels.

Experts fear that the prolific zebra mussel could endanger fish populations by competing with newly spawned fish for nutrients essential to their development. The fishing industry in Lake Erie generates $600 million annually, and according to the U.S. Fish and Wildlife Service, the zebra mussel may cost the industry a third of that each year, or $2 billion over the next decade.

Projections of the economic damage caused by the zebra mussel are $500 million each year in Lake Erie alone and $3 to $4 billion for all areas impacted by the mussel in the next 10 years.

The United States has begun to grapple with the threat posed by the zebra mussel. This resolution will pave the way for a cooperative attack on this problem by this Nation and our neighbor to the north, Canada. A pooling of knowledge and a coordination of programs will only enhance the effectiveness of our efforts to deal with this menace. Accordingly, Mr. President, I urge my colleagues to join me in supporting Senate Resolution 312.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

The resolution (S. Res. 312), as amended, was agreed to

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 312

Whereas the zebra mussel (Dreissena polymorpha) is a filter feeding mollusk able to filter approximately a quart of water a day, and in doing so substantially reduce the quantity of phytoplankton essential to a health fishery;

Whereas the zebra mussel is native to temperate freshwater habitats of the Black, Caspian, and Azov Seas in Southern Asia, and canals built during the late 18th century allowed the species to expand into Western Europe by the 1830's;

Whereas the zebra mussel is believed to have arrived in North America in the ballast water of a ship arriving from Europe in the summer of 1986, and discharged into the Great Lakes system at Lake St. Clair and the St. Clair River;

Whereas by the year 1990 this infestation has spread eastward through Lakes Erie and Ontario into the St. Lawrence River, and westward into Green Bay, Lake Michigan, and Duluth Harbor, Lake Superior;

Whereas it is likely that within the coming two decades, if left unchecked, the zebra mussel will have infested the majority of the surface water system of the United States and Canada; and that this migration is irreversible and cannot be quarantined;

Whereas the United Fish and Wildlife Service has estimated that the zebra mussel in the Great Lakes will cost $5,000,000,000 over the next ten years in environmental and economic losses; and

Whereas the Great Lakes Fishery Commission was established in 1955 by Convention between the United States and Canada to develop and coordinate fishery research and management, and to advise the governments on measures to improve the fisheries: Now, therefore, be it

*Resolved,* That it is the sense of the Senate that—

(1) the zebra mussel, if left unchecked, may devastate the fisheries of the Great Lakes; and

(2) the President of the United States should direct the Secretary of State to negotiate with the Government of Canada to establish a program of zebra mussel research and control, through the auspices of the Great Lakes Fishery Commission. This program shall be coordinated with other research and control activities taking place within and outside the Great Lakes Basin.

SEC. 2. The Secretary of the United States Senate shall transmit a copy of this resolution to the President of the United States with the request that the President further transmit a copy to the Secretary of State.

Mr. KERRY. Mr. President, I move to reconsider the vote by which the resolution, as amended, was agreed to.

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

The motion to lay on the table was agreed to.

## PROTECTION OF THE ANTARCTIC SYSTEM

Mr. KERRY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 829, Senate Resolution 186, a resolution relating to the protection of the Antarctic System.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 186) relating to the protection of the Antarctic System.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

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

Mr. HELMS. Mr. President, I am delighted that the Senate is about to approve Senate Resolution 186, expressing the sense of the Senate that the protection of the Antarctic system, including dependent and associated ecosystems, must be a basic consideration in decisions relating to all activities conducted in the Antarctic.

The University of North Carolina at Wilmington has a renowned department of marine sciences. Professors there have conducted important undersea research in the Antarctic region, and last year, when our friend Jacques Cousteau visited Washington, I asked staff to work with him to develop a resolution on this subject.

The resolution before the Senate today is the product of these efforts. It was submitted by this Senator on September 26, 1990, and ordered reported by the Committee on Foreign Relations on September 14 of this year.

Specifically, the resolution declares that the Antarctic system is of fundamental importance to the global environment. It calls attention to the special legal and political status of Antarctica and to the special responsibility of the Antarctic Treaty Consultative Parties to ensure that all activities in Antarctica are consistent with the purposes and principles of the Antarctic Treaty.

It also reiterates that the Antarctic system has unique ecological, scientific, and wilderness value—something about which most Senators are already aware.

Mr. President, in order to continue scientific advancement in relation to the Antarctica, as well as to promote the general well-being of the global environment, it is fundamental that the Antarctic system be protected. This resolution is a constructive step forward to this objective, and I am pleased that it will be approved by the Senate.

Mr. KERRY. Mr. President, we are ready to agree to the resolution.

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

The resolution (S. Res. 186) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 186

Whereas the Antarctic System is of fundamental importance to the global environment;

Whereas the special legal and political status of Antarctica and the special responsibility of the Antarctic Treaty Consultative Parties to ensure that all activities in Antarctica are consistent with the purposes and principles of the Antarctic Treaty; and

Whereas the Antarctic System has unique ecological, scientific, and wilderness value: Now, thereofore, be it

*Resolved,* That it is the sense of the Senate that the protection of the Anarctic System, including dependent and associated ecosystems, must be a basic consideration in decisions relating to all activities conducted in the Antarctic.

Mr. KERRY. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

## PROTECTION OF ANTARCTIC AS A GLOABL ECOLOGICAL COMMONS

Mr. KERRY. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 828, Senate Joint Resolution 206, a joint resolution to encourage negotiations toward a new agreement among Antarctic Treaty Consultative Parties.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution which had been reported from the Committee on Foreign Relations, with amendments, as follows:

S.J. RES. 206

Whereas Antarctica, like the great oceans and the atmosphere, is a part of the global commons;

Whereas the Antarctic region, including the continent and the Southern Ocean, is a fragile ecosystem that supports an amazing abundance of life, and is, in turn, crucial to other life on Earth;

Whereas Antarctica is a critical area in the study and documentation of global change;

Whereas negotiations of the Antarctic Treaty Consultative Parties have resulted in the Convention on the Regulation of Antarctic Mineral Resource Activities;

Whereas the Convention on the Regulation of Antarctic Mineral Resouces Activities, while requiring consideration of environmental impacts prior to allowing minerals development in Antarctica, does not guarantee preservation of the Antarctic environment; and

Whereas the challenge to humankind is to ensure that Antarctica is stewarded in a manner that conserves its unique environment and preserves its value for scientific research: Now therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That Antarctica is a global ecological commons, and should therefore be managed under a new agreement among the Antarctic Treaty Consultative Parties or a protocol to the Convention on the Regulation of Antarctic Mineral Resource Activities to the same effect, either of which shall be subject to periodic review, and should for an indefinite period establish Antarctica as a region closed to commerical mineral development and related activities;

That under such new agreement, information about mineral or other resources in Antarctica should be obtained under strictly controlled arrangements, and that such information should be openly shared in the international scientific community;

That the Convention on the Regulation of Antarctic Mineral Resource Activities, though a considerable step forward, is not adequate in and of itself to provide the necessary level of protection for the fragile environment of Antarctica and could actually stimulate movement toward commerical exploitation;

That pending the negotiation and entry into force of a new agreement among Antarctic Treaty Consultative Parties ensuring the full protection of Antarctica as a global ecological commons, or of a protocol to the Convention on the Regulation of Antarctic Mineral Resource Activities to the same effect, the President should not present the Convention on the Regulation of Antarctic Mineral Resource Activities to the Senate for advice and consent to ratification;

That, for the duration, the United States should support the interim restraint measures presently in force among the Consultative Parties to the Antarctic Treaty; and

That the negotiation of a new agreement to provide compensive environmental protection for Antarctica should be fully supported by the United States at the November 1990 meeting of the Antarctic Treaty Consultative Parties in Santiago, Chile.

Mr. GORE. Mr. President, I am glad to rise today, on the occasion of Senate passage of Senate Joint Resolution 206. This joint resolution, which I first introduced almost 1 year ago, calls on the United States to enter into

immediate negotiations aimed at securing an agreement providing for comprehensive protection of the Antarctic environment.

At the time that I introduced this joint resolution, the country and the world was in a state of uncertainty regarding Antarctica's future. Pending was the fate of the Convention on the Regulation of Antarctic Mineral Resource Activities, also known as the Wellington Convention. The question for the Senate, was whether the Wellington Convention would be ratified when it was forwarded by the President.

Today, we know the answer to that question. Senate Joint Resolution 206, as passed by the Senate on this day, calls for the President to set aside the pending Wellington Convention, and instead to enter into negotiations with the other Antarctic Treaty Consultative Parties, to forge a new agreement for comprehensive protection of the Antarctic environment. As a first step toward this end, the resolution calls on the United States to fully support a new round of negotiations, beginning this fall in Santiago, to craft a new agreement that will provide comprehensive protection of Antarctica's environment, including a permanent prohibition on minerals activities.

Mr. President, I first became involved in this issue after discussions last year with Comdr. Jacques Cousteau, with Prime Minister Hawke of Australia, and with other leaders involved in the issue from this Nation and around the world. I became deeply concerned that the proposed Wellington Convention, though it marked an important step forward in the history of international efforts to protect the environment, did not go far enough to protect the Antarctic environment. Even though the convention represents a solid accomplishment, it has been overtaken by the swiftly changing global political context in which the struggle to preserve the environment is taking place.

Now that the Senate has spoken on this issue, I hope that the President wil not submit the convention to the Senate for ratification. I do not believe it is good enough, and I believe dramatic changes have taken place in the world's attitude regarding protection for Antarctica's environment since its negotiation. These changes should lead our Nation to speak out in the world community for the far more comprehensive measure needed to protect one of the most fragile parts of our Earth against commercial exploration.

Anyone who has visited the Antarctic faces a humbling experience. It is a place that dwarfs all human scale and reduces an individual to insignificance. You cannot help but be awed by the place itself. But the Antarctic is, in fact, a fragile environment, vulnerable to the destructive effects of organized human activity.

Next to the Sun and the rotation of the Earth, the Antarctic continent is the most powerful engine driving the world's climate, a rich storehouse of historical climate data, and the place where ozone destruction and global warming are likely to occur most dramatically. Yet it remains the most pristine continent on Earth—a place that has so far withstood, for the most part, the impact of the global ecological crisis.

Ninety percent of all the ice in the world is there; its ice and snow contain 70 percent of all the fresh water on Earth, but Antarctica gets so little precipitation, it is classified as the world's largest desert. The continent goes dark for 6 months in winter, yet still receives more sunlight during its 6-month summer than the equatorial regions receive in an entire year—light that, for the most part, is reflected right back into space. The cold waters surrounding the continent absorb more carbon dioxide from the atmosphere than all the rain forests, and create the nutrient-rich bottom water for most of the world ocean, of which Antarctica is the epicenter.

To this point, of course, the only kind of activity in the Antarctic has been scientific. But that could change quickly, if exploration uncovered large-scale mineral deposits or offshore oil. From that point on, the Antarctic could well be subjected to industrial abuse that could cause irreparable damage not merely to the region, but to ourselves.

Last year, the *Exxon Valdez* disaster in Prince William Sound provided vivid, heartbreaking illustrations of the devastating consequences of an environmental disaster in a pristine wilderness. Also last year, an Argentinian ship, the *Bahia Paraiso,* ran aground in the waters of Antarctica. This incident did not attract the widespread public attention of the Valdez spill; it was not a drama played out nightly on the evening news. It was a smaller spill, but it was disastrous nonetheless, destroying years of research, and leaving behind an indelible stain.

In Alaska, the argument was that careful protection can do the job. Now, the same argument is being applied to possible commercial exploitation of Antarctica.

It was 9 years ago when the Antarctica Treaty Consultative Parties began work on the Wellington Convention, struggling to balance political forces involving national sovereignty, economic interests, and the environment. It was a time when the environmental consensus was not nearly as strong as it has become.

The convention's rules to control commercial exploitation of Antarctica—crafted in that 9 years—are all to the good, but in the meantime, we have been overtaken by the realization that the Antarctic may well be worth far more to humanity intact than it could ever be worth as a source of minerals or oil.

Not everyone sees it that way. But for those who do, the convention has its dark side, because it may encourage a process of commercial exploration and development, which, once begun, will outrace efforts to devise, impose, and to police restraints. For that reason, I believe that the convention, in and of itself, is inadequate for the task of providing the kind of complete protection needed in the Antarctic.

I believe that we can do better. Senate Joint Resolution 206 urges the United States to help lead the way to a new agreement that emphasizes environmental protection and recognizes the Antarctic region as a protected ecological commons. In order to accomplish this goal, the United States should support a new round of negotiations, beginning this fall in Santiago, to craft a new convention that will provide comprehensive protection of Antarctica's environment, including a permanant prohibition on minerals activities.

It will be argued by many whose opinions I deeply respect that we should ratify the Wellington Convention first, and then move on to negotiating further protection for Antarctica. Failure to ratify, they will say, and a decision to press for an optimum agreement, risks complete failure: failure to reach a new agreement, and in the meantime, the collapse of the agreement now in our grasp; in its place, no international law at all.

Worse, others have argued, failure to ratify the convention risks unraveling the whole network of agreements known collectively as the Antarctic Treaty System, all built since the Antarctic Treaty went into effect in 1961. With that would come the risk that national sovereign claims to the Antarctic, held in abeyance under the terms of the Antarctic Treaty, will be reasserted—to be followed by the end of the era of peaceful scientific exploration, and the beginning of a new era of rivalries whose potential for mischief among nations should not be underestimated: we saw what it could do in the Falklands.

I am extremely sensitive to those arguments. They are arguments I have supported on other occasions, when the Law of the Sea Treaty was denounced by the Reagan administration; and when SALT II was denounced. It is not a casual thing to recommend that the product of 9 years of negotiations—the Wellington Convention—be replaced by a new agreement. Certainly, the burden is on those of us who believe this is the right course, to explain why, and to persuade others that this is a prudent,

rather than a reckless course of action.

The original 1961 Antarctic Treaty is unique. At the time, the dominant concern was that military rivalry would take hold in that area. The treaty dealt with this threat in a highly imaginative fashion. Just as militarism was seen as the dominant issue in the 1950's, however, the global environment is now emerging as the dominant issue of the 1990's. A convention designed to protect the Antarctic environment ought to be no less imaginative: no less of a leap forward.

In 1961, the Antarctic Treaty was possible in part because Antarctica had not yet been used as a theater for military rivalry: All concerns dealt with by the treaty were prospective, rather than actual; the treaty created a positive precedent, without having to contend with the influence of negative ones. We are at a comparable stage in terms of Antarctica's development as a theater for economic competition. Pending the discovery of a major mineral or oil deposit, there is no focused pressure to get on with the exploitation of Antarctica's resources. We have the same opportunity to solve the problem of commercial development in Antarctica by optimum means, as we earlier had for dealing with the problem of military and nationalistic rivalry.

Even so, I would be very hesitant to propose this course of action to the Senate, were it not for the fact that the future of the Wellington Convention is already in doubt. Under the terms of the convention, it may not enter into force if just one of the key consultative parties refuses to ratify it. Prime Minister Hawke of Australia has declared that his government will not ratify the Wellington Convention, because he believes Antarctica ought to be protected by a new convention calling for comprehensive protection of Antarctica's environment. The Governments of France and New Zealand have joined Australia in this initiative. All of these nations are considered to be key consultative parties under the terms of the Wellington Convention.

Until and unless these governments reserve their positions, and assuming that no other government expresses opposition in the meantime, the convention cannot go into force. Instead, under customary international law, an interim regime of respect for the terms of the convention has come into existence. It cannot last indefinitely, because sooner or later it would have to be accepted that the convention is not merely dormant, but dead. Until that time, however, Antarctica is effectively governed by a prohibition on development.

Under these conditions, we can afford to look at the potential for gaining consensus on an international agreement offering comprehensive protection for Antarctica's environment. We should not be held back by a conventional calculation of how national governments will behave in this situation. Certainly, there is a risk that agreement on comprehensive protection for the Antarctic will not be forthcoming. But that risk is substantially mitigated by the political seachange now taking place in every part of the world.

Around the world, in my opinion, public opinion is ready to support the treatment of Antarctica as a global ecological commons, where exploration should be for the purpose of generating openly shared scientific knowledge, rather than for staking out the corporate claims of the future. The transforming effects on public policy of this change of perspective are evident in a willingness of governments to recognize the environmental challenge, and to begin to concert efforts in order to deal with it. Antarctica provides a major opportunity to put this emerging concensus to work creatively.

Times have changed since our negotiators backed the Wellington Convention. We know a great deal more about Antartcita's role in the world environment, and we feel a new urgency about the global environmental crisis. The emerging political consensus for environmental protection is making possible solutions we once considered impossible.

Today, we face an issue and an opportunity. The issue: Whether Antartctica should be opened at all for commercial exploitation. The opportunity: Environmental concerns are finally on the world's agenda—in part because leaders see their urgency, but also because they know that many of the world's people are alert to the threat and demand action.

Antarctica represents not only a valuable wilderness, but also a point to which our global perspective ought to be pulled, because it is from the Antarctic that the future of the Earth can be seen. In the words of the World Commission on Environment and Development—the Brudtland Commission—the challenge is to ensure that Antarctica is managed in the interests of all humankind, in a manner that conserves its unique environment, preserves its value for scientific research, and retains its character as a demilitarized, nonnuclear zone of peace.

We can measure the future of the Earth in the frozen breezes of Antartica. As we confront the global ecological crisis, it is time to change our understanding of what is possible. We can not afford to settle for less.

AMENDMENT NO. 2930

Mr. KERRY. Mr. President, on behalf of Senator GORE, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KERRY], for Mr. GORE, proposes an amendment numbered 2930.

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

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

The amendment is as follows:

On page 2, line 4, strike "managed under" and insert "subject to".

On page 2, lines 4-7, strike "among the Antarctic Treaty Consultative Parties or a protocol to the Convention on the Regulation of Antarctic Mineral Resource Activities to the same effect, either of" and insert "or protocol to the Antarctic Treaty of 1959,".

On page 3, line 1, strike "agreement," and insert "agreement or protocol,".

On page 3, lines 8-9, strike "is not adequate in and of itself to provide the necessary level of protection for" and insert "does not guarantee protection of".

On page 3, line 13, strike "among Antarctic Treaty Consultative Parties" and insert "or protocol to the Antarctic Treaty of 1959,".

On page 3, lines 15-17, strike "or of a protocol to the Convention on the Regulation of Antarctic Mineral Resource Activities to the same effect,".

On page 3, lines 17-18, strike "the President should not present the Convention on the Regulation of Antarctic Mineral Resource Activities to" and insert "the Convention on the Regulation of Antarctic Mineral Resource Activities should not be presented to".

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

The amendment (No. 2930) was agreed to.

Mr. KERRY. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Are there further amendments to be considered?

The question is on agreeing to the committee amendments, as amended.

The committee amendments, as amended, were agreed to.

The joint resolution, as amended, was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, as amended, with its preamble, is as follows:

S.J. RES. 206

Calling for the United States to encourage immediate negotiations toward a new agreement among Antarctic Treaty Consultative Parties, for the full protection of Antarctica as a global ecological commons.

Whereas Antarctica, like the great oceans and the atmosphere, is a part of the global commons;

Whereas the Antarctic region, including the continent and the Southern Ocean, is a fragile ecosystem that supports an amazing abundance of life, and is, in turn, crucial to other life on Earth;

Whereas Antarctica is a critical area in the study and documentation of global changes;

Whereas negotiations of the Antarctic Treaty Consultative Parties have resulted in the Convention on the Regulation of Antarctic Mineral Resource Activities;

Whereas the Convention on the Regulation of Antarctic Mineral Resource Activities, while requiring consideration of environmental impacts prior to allowing minerals development in Antarctica, does not guarantee preservation of the Antarctic environment; and

Whereas the challenge to humankind is to ensure that Antarctica is stewarded in a manner that conserves its unique environment and preserves its value for scientific research: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That Antarctica is a global ecological commons, and should therefore be subject to a new agreement or protocol to the Antarctic Treaty of 1959, which shall be subject to periodic review, and should for an indefinite period establish Antarctica as a region closed to commercial minerals development and related activities.

SEC. 2 Under such new agreement information about mineral or other resources in Antarctica should be obtained under strictly controlled arrangements, and that such information should be openly shared in the international scientific community.

SEC. 3. The Convention on the Regulation of Antarctic Mineral Resource Activities, though a considerable step forward, does not guarantee protection of the fragile environment of Antarctica and could actually stimulate movement toward commercial exploitation.

SEC. 4. Pending the negotiation and entry into force of a new agreement or protocol to the Antarctic Treaty of 1959, ensuring the full protection of Antarctica as a global ecological commons, the convention on the regulation of antarctic mineral resource activities should not be presented to the Senate for advice and consent to ratification.

SEC. 5. For the duration, the United States should support the interim restraint measure presently in force among the Consultative Parties to the Antarctic Treaty; and

The negotiation of a new agreement to provide comprehensive environmental protection for Antarctica should be fully supported by the United States at the November 1990 meeting of the Antarctic Treaty Consultative Practices in Santiago, Chile.

Mr. KERRY. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

## NEGOTIATED RULEMAKING ACT

Mr. KERRY. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 303.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

*Resolved,* That the bill from the Senate (S. 303) entitled "An Act to establish a framework for the conduct of negotiated rulemaking by Federal agencies," do pass with the following amendment:

Strike out all after the enacting clause, and insert:

*SECTION 1. SHORT TITLE.*

*This Act may be cited as the "Negotiated Rulemaking Act of 1990".*

*SEC. 2. FINDINGS.*

*The Congress makes the following findings:*

*(1) Government regulation has increased substantially since the enactment of the Administrative Procedure Act.*

*(2) Agencies currently use rulemaking procedures that may discourage the affected parties from meeting and communicating with each other, and may cause parties with different interests to assume conflicting and antagonistic positions and to engage in expensive and time-consuming litigation over agency rules.*

*(3) Adversarial rulemaking deprives the affected parties and the public of the benefits of face-to-face negotiations and cooperation in developing and reaching agreement on a rule. It also deprives them of the benefits of shared information, knowledge, expertise, and technical abilities possessed by the affected parties.*

*(4) Negotiated rulemaking, in which the parties who will be significantly affected by a rule participate in the development of the rule, can provide significant advantages over adversarial rulemaking.*

*(5) Negotiated rulemaking can increase the acceptability and improve the substance of rules, making it less likely that the affected parties will resist enforcement or challenge such rules in court. It may also shorten the amount of time needed to issue final rules.*

*(6) Agencies have the authority to establish negotiated rulemaking committees under the laws establishing such agencies and their activities and under the Federal Advisory Committee Act (5 U.S.C. App.). Several agencies have successfully used negotiated rulemaking. The process has not been widely used by other agencies, however, in part because such agencies are unfamiliar with the process or uncertain as to the authority for such rulemaking.*

*SEC. 3. NEGOTIATED RULEMAKING PROCEDURE.*

*(a) IN GENERAL.—Chapter 5 of title 5, United States Code, is amended by adding at the end the following new subchapter:*

*"SUBCHAPTER IV—NEGOTIATED RULEMAKING PROCEDURE*

*"§ 581. Purpose*

*"The purpose of this subchapter is to establish a framework for the conduct of negotiated rulemaking, consistent with section 553 of this title, to encourage agencies to use the process when it enhances the informal rulemaking process. Nothing in this subchapter should be construed as an attempt to limit innovation and experimentation with the negotiated rulemaking process or with other innovative rulemaking procedures otherwise authorized by law.*

*"§ 582. Definitions*

*"For the purposes of this subchapter, the term—*

*"(1) 'agency' has the same meaning as in section 551(1) of this title;*

*"(2) 'consensus' means unanimous concurrence among the interests represented on a negotiated rulemaking committee established under this subchapter, unless such committee—*

*"(A) agrees to define such term to mean a general but not unanimous concurrence; or*

*"(B) agrees upon another specified definition;*

*"(3) 'convener' means a person who impartially assists an agency in determining whether establishment of a negotiated rulemaking committee is feasible and appropriate in a particular rulemaking;*

*"(4) 'facilitator' means a person who impartially aids in the discussions and negotiations among the members of a negotiated rulemaking committee to develop a proposed rule;*

*"(5) 'interest' means, with respect to an issue or matter, multiple parties which have a similar point of view or which are likely to be affected in a similar manner;*

*"(6) 'negotiated rulemaking' means rulemaking through the use of a negotiated rulemaking committee;*

*"(7) 'negotiated rulemaking committee' or 'committee' means an advisory committee established by an agency in accordance with this subchapter and the Federal Advisory Committee Act to consider and discuss issues for the purpose of reaching a consensus in the development of a proposed rule;*

*"(8) 'party' has the same meaning as in section 551(3) of this title;*

*"(9) 'person' has the same meaning as in section 551(2) of this title;*

*"(10) 'rule' has the same meaning as in section 551(4) of this title; and*

*"(11) 'rulemaking' means 'rule making' as that term is defined in section 551(5) of this title.*

*"§ 583. Determination of need for negotiated rulemaking committee*

*"(a) DETERMINATION OF NEED BY THE AGENCY.—An agency may establish a negotiated rulemaking committee to negotiate and develop a proposed rule, if the head of the agency determines that the use of the negotiated rulemaking procedure is in the public interest. In making such a determination, the head of the agency shall consider whether—*

*"(1) there is a need for a rule;*

*"(2) there are a limited number of identifiable interests that will be significantly affected by the rule;*

*"(3) there is a reasonable likelihood that a committee can be convened with a balanced representation of persons who—*

*"(A) can adequately represent the interests identified under paragraph (2); and*

*"(B) are willing to negotiate in good faith to reach a consensus on the proposed rule;*

*"(4) there is a reasonable likelihood that a committee will reach a consensus on the proposed rule within a fixed period of time;*

*"(5) the negotiated rulemaking procedure will not unreasonably delay the notice of proposed rulemaking and the issuance of the final rule;*

*"(6) the agency has adequate resources and is willing to commit such resources, including technical assistance, to the committee; and*

*"(7) the agency, to the maximum extent possible consistent with the legal obligations of the agency, will use the consensus of the committee with respect to the proposed rule as the basis for the rule proposed by the agency for notice and comment.*

*"(b) USE OF CONVENERS.—*

*"(1) PURPOSES OF CONVENERS.—An agency may use the services of a convener to assist the agency in—*

*"(A) identifying persons who will be significantly affected by a proposed rule; and*

"(B) conducting discussions with such persons to identify the issues of concern to such persons, and to ascertain whether the establishment of a negotiated rulemaking committee is feasible and appropriate in the particular rulemaking.

"(2) DUTIES OF CONVENERS.—The convener shall report findings and may make recommendations to the agency. Upon request of the agency, the convener shall ascertain the names of persons who are willing and qualified to represent interests that will be significantly affected by the proposed rule. The report and any recommendations of the convener shall be made available to the public upon request.

**"§ 584. Publication of notice; applications for membership on committees**

"(a) PUBLICATION OF NOTICE.—If, after considering the report of a convener or conducting its own assessment, an agency decides to establish a negotiated rulemaking committee, the agency shall publish in the Federal Register and, as appropriate, in trade or other specialized publications, a notice which shall include—

"(1) an announcement that the agency intends to establish a negotiated rulemaking committee to negotiate and develop a proposed rule;

"(2) a description of the subject and scope of the rule to be developed, and the issues to be considered;

"(3) a list of the interests which are likely to be significantly affected by the rule;

"(4) a list of the persons proposed to represent such interests and the person or persons proposed to represent the agency;

"(5) a proposed agenda and schedule for completing the work of the committee, including a target date for publication by the agency of a proposed rule for notice and comment;

"(6) a description of administrative support for the committee to be provided by the agency, including technical assistance;

"(7) a solicitation for comments on the proposal to establish the committee, and the proposed membership of the negotiated rulemaking committee; and

"(8) an explanation of how a person may apply or nominate another person for membership on the committee, as provided under subsection (b).

"(b) APPLICATIONS FOR MEMBERSHIP ON COMMITTEE.—Persons who will be significantly affected by a proposed rule and who believe that their interests will not be adequately represented by any person specified in a notice under subsection (a)(4) may apply for, or nominate another person for, membership on the negotiated rulemaking committee to represent such interests with respect to the proposed rule. Each application or nomination shall include—

"(1) the name of the applicant or nominee and a description of the interests such person shall represent;

"(2) evidence that the applicant or nominee is authorized to represent parties related to the interests the person proposes to represent;

"(3) a written commitment that the applicant or nominee shall actively participate in good faith in the development of the rule under consideration; and

"(4) the reasons that the persons specified in the notice under subsection (a)(4) do not adequately represent the interests of the person submitting the application or nomination.

"(c) PERIOD FOR SUBMISSION OF COMMENTS AND APPLICATIONS.—The agency shall provide for a period of at least 30 calendar days for the submission of comments and applications under this section.

**"§ 585. Establishment of committee**

"(a) ESTABLISHMENT.—

"(1) DETERMINATION TO ESTABLISH COMMITTEE.—If after considering comments and applications submitted under section 584, the agency determines that a negotiated rulemaking committee can adequately represent the interests that will be significantly affected by a proposed rule and that it is feasible and appropriate in the particular rulemaking, the agency may establish a negotiated rulemaking committee. In establishing and administering such a committee, the agency shall comply with the Federal Advisory Committee Act with respect to such committee, except as otherwise provided in this subchapter.

"(2) DETERMINATION NOT TO ESTABLISH COMMITTEE.—If after considering such comments and applications, the agency decides not to establish a negotiated rulemaking committee, the agency shall promptly publish notice of such decision and the reasons therefor in the Federal Register.

"(b) MEMBERSHIP.—The agency shall limit membership on a negotiated rulemaking committee to 25 members, unless the agency head determines that a greater number of members is necessary for the functioning of the committee or to achieve balanced membership. Each committee shall include at least one person representing the agency.

"(c) ADMINISTRATIVE SUPPORT.—The agency shall provide appropriate administrative support to the negotiated rulemaking committee, including technical assistance.

"(d) PARTICIPATION IN PROCEEDINGS.—A recipient of funds under the Legal Services Corporation Act may participate in a negotiated rulemaking proceeding only on behalf of an eligible client under that Act.

**"§ 586. Conduct of committee activity**

"(a) DUTIES OF COMMITTEE.—Each negotiated rulemaking committee established under this subchapter shall consider the matter proposed by the agency for consideration and shall attempt to reach a consensus concerning a proposed rule with respect to such matter and any other matter the committee determines is relevant to the proposed rule.

"(b) REPRESENTATIVES OF AGENCY ON COMMITTEE.—The person or persons representing the agency on a negotiated rulemaking committee shall participate in the deliberations and activities of the committee with the same rights and responsibilities as other members of the committee, and shall be authorized to fully represent the agency in the discussions and negotiations of the committee.

"(c) SELECTING FACILITATOR.—Notwithstanding section 10(e) of the Federal Advisory Committee Act, an agency may nominate either a person from the Federal Government or a person from outside the Federal Government to serve as a facilitator for the negotiations of the committee, subject to the approval of the committee by consensus. If the committee does not approve the nominee of the agency for facilitator, the agency shall submit a substitute nomination. If a committee does not approve any nominee of the agency for facilitator, the committee shall select by consensus a person to serve as facilitator. A person designated to represent the agency in substantive issues may not serve as facilitator or otherwise chair the committee.

"(d) DUTIES OF FACILITATOR.—A facilitator approved or selected by a negotiated rulemaking committee shall—

"(1) chair the meetings of the committee in an impartial manner;

"(2) impartially assist the members of the committee in conducting discussions and negotiations; and

"(3) manage the keeping of minutes and records as required under section 10 (b) and (c) of the Federal Advisory Committee Act, except that any personal notes and materials of the facilitator or of the members of a committee shall not be subject to section 552 of this title.

"(e) COMMITTEE PROCEDURES.—A negotiated rulemaking committee established under this subchapter may adopt procedures for the operation of the committee. No provision of section 553 of this title shall apply to the procedures of a negotiated rulemaking committee.

"(f) REPORT OF COMMITTEE.—If a committee reaches a consensus on a proposed rule, at the conclusion of negotiations the committee shall transmit to the agency that established the committee a report containing the proposed rule. If the committee does not reach a consensus on a proposed rule, the committee may transmit to the agency a report specifying any areas in which the committee reached a consensus. The committee may include in a report any other information, recommendations, or materials that the committee considers appropriate. Any committee member may include as an addendum to the report additional information, recommendations, or materials.

"(g) RECORDS OF COMMITTEE.—In addition to the report required by subsection (f), a committee shall submit to the agency the records required under section 10 (b) and (c) of the Federal Advisory Committee Act.

**"§ 587. Termination of committee**

"A negotiated rulemaking committee shall terminate upon promulgation of the final rule under consideration, unless the committee's charter contains an earlier termination date or the agency, after consulting the committee, or the committee itself specifies an earlier termination date.

**"§ 588. Services, facilities, and payment of committee member expenses**

"(a) SERVICES OF CONVENERS AND FACILITATORS.—

"(1) IN GENERAL.—An agency may employ or enter into contracts for the services of an individual or organization to serve as a convener or facilitator for a negotiated rulemaking committee under this subchapter, or may use the services of a Government employee to act as a convener or a facilitator for such a committee.

"(2) DETERMINATION OF CONFLICTING INTERESTS.—An agency shall determine whether a person under consideration to serve as convener or facilitator of a committee under paragraph (1) has any financial or other interest that would preclude such person from serving in an impartial and independent manner.

"(b) SERVICES AND FACILITIES OF OTHER ENTITIES.—For purposes of this subchapter, an agency may use the services and facilities of other Federal agencies and public and private agencies and instrumentalities with the consent of such agencies and instrumentalities, and with or without reimbursement to such agencies and instrumentalities, and may accept voluntary and uncompensated services without regard to the provisions of section 1342 of title 31. The Federal Mediation and Conciliation Service may provide services and facilities, with or without reimbursement, to assist agencies under this subchapter, including furnishing conveners, fa-

*cilitators, and training in negotiated rulemaking.*

*"(c) EXPENSES OF COMMITTEE MEMBERS.—Members of a negotiated rulemaking committee shall be responsible for their own expenses of participation in such committee, except that an agency may, in accordance with section 7(d) of the Federal Advisory Committee Act, pay for a member's reasonable travel and per diem expenses, expenses to obtain technical assistance, and a reasonable rate of compensation, if—*

*"(1) such member certifies a lack of adequate financial resources to participate in the committee; and*

*"(2) the agency determines that such member's participation in the committee is necessary to assure an adequate representation of the member's interest.*

*"(d) STATUS OF MEMBER AS FEDERAL EMPLOYEE.—A member's receipt of funds under this section or section 589 shall not conclusively determine for purposes of sections 202 through 209 of title 18 whether that member is an employee of the United States Government.*

***"§ 589. Role of the Administrative Conference of the United States and other entities***

*"(a) CONSULTATION BY AGENCIES.—An agency may consult with the Administrative Conference of the United States or other public or private individuals or organizations for information and assistance in forming a negotiated rulemaking committee and conducting negotiations on a proposed rule.*

*"(b) ROSTER OF POTENTIAL CONVENERS AND FACILITATORS.—The Administrative Conference of the United States, in consultation with the Federal Mediation and Conciliation Service, shall maintain a roster of individuals who have acted as or are interested in serving as conveners or facilitators in negotiated rulemaking proceedings. The roster shall include individuals from government agencies and private groups, and shall be made available upon request. Agencies may also use rosters maintained by other public or private individuals or organizations.*

*"(c) PROCEDURES TO OBTAIN CONVENERS AND FACILITATORS.—*

*"(1) PROCEDURES.—The Administrative Conference of the United States shall develop procedures which permit agencies to obtain the services of conveners and facilitators on an expedited basis.*

*"(2) PAYMENT FOR SERVICES.—Payment for the services of conveners or facilitators shall be made by the agency using the services, unless the Chairman of the Administrative Conference agrees to pay for such services under subsection (f).*

*"(d) COMPILATION OF DATA ON NEGOTIATED RULEMAKING; REPORT TO CONGRESS.—*

*"(1) COMPILATION OF DATA.—The Administrative Conference of the United States shall compile and maintain data related to negotiated rulemaking and shall act as a clearinghouse to assist agencies and parties participating in negotiated rulemaking proceedings.*

*"(2) SUBMISSION OF INFORMATION BY AGENCIES.—Each agency engaged in negotiated rulemaking shall provide to the Administrative Conference of the United States a copy of any reports submitted to the agency by negotiated rulemaking committees under section 586 and such additional information as necessary to enable the Administrative Conference of the United States to comply with this subsection.*

*"(3) REPORTS TO CONGRESS.—The Administrative Conference of the United States shall review and analyze the reports and information received under this subsection and shall transmit a biennial report to the Committee on Governmental Affairs of the Senate and the appropriate committees of the House of Representatives that—*

*"(A) provides recommendations for effective use by agencies of negotiated rulemaking; and*

*"(B) describes the nature and amounts of expenditures made by the Administrative Conference of the United States to accomplish the purposes of this subchapter.*

*"(e) TRAINING IN NEGOTIATED RULEMAKING.—The Administrative Conference of the United States is authorized to provide training in negotiated rulemaking techniques and procedures for personnel of the Federal Government either on a reimbursable or nonreimbursable basis. Such training may be extended to private individuals on a reimbursable basis.*

*"(f) PAYMENT OF EXPENSES OF AGENCIES.—The Chairman of the Administrative Conference of the United States is authorized to pay, upon request of an agency, all or part of the expenses of establishing a negotiated rulemaking committee and conducting a negotiated rulemaking. Such expenses may include, but are not limited to—*

*"(1) the costs of conveners and facilitators;*

*"(2) the expenses of committee members determined by the agency to be eligible for assistance under section 588(c); and*

*"(3) training costs.*

*Determinations with respect to payments under this section shall be at the discretion of such Chairman in furthering the use by Federal agencies of negotiated rulemaking.*

*"(g) USE OF FUNDS OF THE CONFERENCE.—The Administrative Conference of the United States may apply funds received under section 575(c)(12) of this title to carry out the purposes of this subchapter.*

***"§ 590. Judicial review***

*"Any agency action relating to establishing, assisting, or terminating a negotiated rulemaking committee under this subchapter shall not be subject to judicial review. Nothing in this section shall bar judicial review of a rule if such judicial review is otherwise provided by law. A rule which is the product of negotiated rulemaking and is subject to judicial review shall not be accorded any greater deference by a court than a rule which is the product of other rulemaking procedures.".*

*(b) The table of sections at the beginning of chapter 5 of title 5, United States Code, is amended by adding at the end the following:*

*"SUBCHAPTER IV—NEGOTIATED RULEMAKING PROCEDURE*

*"Sec. 581. Purpose.*
*"Sec. 582. Definitions.*
*"Sec. 583. Determination of need for negotiated rulemaking committee.*
*"Sec. 584. Publication of notice; applications for membership on committees.*
*"Sec. 585. Establishment of committee.*
*"Sec. 586. Conduct of committee activity.*
*"Sec. 587. Termination of committee.*
*"Sec. 588. Services, facilities, and payment of committee member expenses.*
*"Sec. 589. Role of the Administrative Conference of the United States and other entities.*
*"Sec. 590. Judicial review.".*

***SEC. 4. AUTHORIZATION OF APPROPRIATIONS.***

*In order to carry out this Act and the amendments made by this Act, there are authorized to be appropriated to the Administrative Conference of the United States, in addition to amounts authorized by section 576 of title 5, United States Code, not in excess of $500,000 for each of the fiscal years 1991, 1992, and 1993.*

***SEC. 5. SUNSET AND SAVINGS PROVISIONS.***

*Subchapter IV of title 5, United States Code, as added by section 3 of this Act, and that portion of the table of sections at the beginning of chapter 5 of title 5, United States Code, relating to subchapter IV, are repealed, effective 6 years after the date of the enactment of this Act, except that the provisions of such subchapter shall continue to apply after the date of the repeal with respect to then pending negotiated rulemaking proceedings initiated before the date of repeal which, in the judgment of the agencies which are convening or have convened such proceedings, require such continuation, until such negotiated rulemaking proceedings terminate pursuant to such subchapter.*

Mr. LEVIN. Mr. President, today I am pleased to speak in support of Senate passage of S. 303, the Negotiated Rulemaking Act of 1990.

Negotiated rulemaking is a regulatory reform based upon the concepts of fairness and common sense. In essence, it allows the people who will be required to live by Federal regulations to have a hand in drafting them.

In a negotiated rulemaking session, the people who will be significantly affected by a proposed rule sit down with the Government, and they jointly draft the regulation. The proposed rule is then published in the Federal Register under normal procedures for notice and comment. Past experience has shown that the benefits from this joint undertaking include regulations which are more effective, more workable, more acceptable to the community, and less costly to implement.

Some agencies have already tried negotiated rulemaking and—like the Environmental Protection Agency and the Transportation Department—have enjoyed significant successes. But many other agencies have not tried the process, at least in part due to confusion over their authority and how to proceed. S. 303 resolves both problems. It provides clear statutory authority for using negotiated rulemaking and, based upon expert advice, provides a step-by-step guide on how to proceed.

The act does not force any agency or any person into using the process. It preserves the voluntary nature of negotiated rulemaking, while providing a stautory framework to maximize the chances for success. The actual procedure laid out in the act does not preclude or curtail any other type of rulemaking procedure or interaction between regulators and the regulated community. Even within the realm of negotiated rulemaking, the act explicitly encourages experimentation and innovation. In sum, it provides a supplement—an additional voluntary option—rather than a replacement for existing rulemaking procedures.

S. 303 first passed the Senate, by unanimous consent, on August 3, 1989. The bill passed the House on May 1, 1990, with several changes. Today, we have a few more changes in amendments offered by my colleagues Senator STEVENS and Senator RUDMAN. These amendments have been cleared by both sides of the aisle, and I understand that they are also acceptable to the House. My hope is that my colleagues will join me in accepting the amendments and in voting for final passage and that the bill will then return to the House where it will be accepted without change and sent to the President.

I extend my thanks to Senators GLENN and ROTH and to Congressmen PEASE, BROOKS, and FRANK who have worked so hard on this bill. I thank them for their efforts and for their attention to this good government bill.

Finally, Mr. President, I want to commend Elise Bean, counsel for the Subcommittee on Oversight of Government Management, which I chair and which reported this bill. Her work on this bill has been superior and, as with every task she undertakes, she has handled this with great intelligence, common sense, and a commitment to good Government.

The way we write Federal regulations is far from perfect, and the regulatory reform instituted by this legislation does not resolve all the problems we face. But the bill does strike a blow for greater openness and participation by the citizens who have to dance to the tune that the Federal Government plays. For this reason, I urge my colleagues to join with me once more in supporting this legislation.

Mr. KERRY. Mr. President, I move that the Senate concur in the House amendments with further amendments which I now send to the desk, en bloc, on behalf of Senators STEVENS and RUDMAN.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KERRY], for Mr. STEVENS proposes an amendment numbered 2931, and for Mr. RUDMAN proposes an amendment numbered 2932, as follows:

AMENDMENT No. 2931

In section 583(b)(1)(A) of title 5, United States Code, as added by section 3(a) of the bill, insert ", including residents of rural areas" before the semicolon.

In section 583(b)(2) of title 5, United States Code, as added by section 3(a) of the bill, insert ", including residents of rural areas" before the period in the second sentence.

In section 583(a)(2) of title 5, United States Code, as added by section 3(a) of the bill, insert before the period "and, as appropriate, in trade or other specialized publications, a copy of which shall be sent to any person who applied for, or nominated another person for membership on the negotiating rulemaking committee to represent such interests with respect to the proposed rule".

AMENDMENT No. 2932

Strike out subsection (d) of section 585 of title 5, United States Code, as added by section 3(a) of the bill.

Mr. STEVENS. Mr. President, the Negotiated Rulemaking Act of 1990 is designed to improve the regulatory process by providing a framework for and encouraging Federal agencies to use negotiated rulemaking when it is appropriate. This bill was before the Senate last year and was recently returned to us from the House with amendments.

The intent of S. 303 is laudable. Those affected by Federal rules and regulations should have the opportunity to participate in the preparation of those rules and regulations. I support that goal. However, I believe that there is an important element missing from the legislation.

Those of us who represent rural States know that most of our citizens are not made aware of Federal regulations until they try to do something which is covered by a rule or regulation. Rural Americans do not have a lobby group looking out for their interests, nor do they have access to a communications network to keep them informed. Negotiated rulemaking could be a significant benefit to rural Americans, but only if they know about a proposed regulation negotiating committee.

My amendment makes three changes to S. 303. First, rural Americans should be specifically considered when agencies discuss the identification of persons who will be significantly affected by a proposed rule and who should be included in a regulation negotiating committee. The inclusion of this language will require that all agencies contemplating the use of a regulation negotiating committee review the effect of the proposed rule on residents in rural areas in particular.

One of the House additions to this bill requires agencies to publish notices of proposed regulation negotiating committees in trade and speciality journals in addition to the Federal Register. This is an excellent suggestion but it should be taken one step farther. My second modification of S. 303 would require agencies to also publish in trade and speciality journals subsequent decisions not to proceed with a regulation negotiating committee.

S. 303 provides that groups or individuals may apply for membership of a regulation negotiating committee, or nominate another person for membership. My third addition is to require that agencies also notify these people of their decision not to proceed with a regulation negotiating committee.

I am very pleased that the sponsors of this bill have agreed to my amendment. With the protections for rural Americans and the expanded communication requirements as outlined, the Negotiated Rulemaking Act of 1990 is a major step forward for all of our citizens.

Mr. RUDMAN. Mr. President, I rise to offer a simple amendment relating to the participation of legal services recipients in negotiated rulemaking proceedings. The House bill contained a provision that specifically permits recipients of Legal Services Corporation funds to participate in negotiated rulemaking proceedings on behalf of an eligible client. This amendment would delete this provision because it is unnecessary and the language could become a potential source of confusion. I urge the Senate to adopt this amendment.

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

The motion was agreed to.

Mr. KERRY. Mr. President, I move to reconsider the vote by which the motion was agreed to.

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

The motion to lay on the table was agreed to.

## EXECUTIVE SESSION

### EXECUTIVE CALENDAR

Mr. KERRY. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations: Calendar Nos. 1014, 1015, 1036, 1037, 1038, and 1039; I further ask unanimous consent that the nominees be considered and confirmed, en bloc; that any statements appear in the RECORD as if read; that the motions 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.

I further state for the record that the nominees from Calendar Nos. 1036 through 1039 have made a commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

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

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Steven B. Kelmar, of Pennsylvania, to be an Assistant Secretary of Health and Human Services.

DEPARTMENT OF THE TREASURY

Jerome H. Powell, of New York, to be an Assistant Secretary of the Treasury.

DEPARTMENT OF COMMERCE

Craig R. Helsing, of the District of Columbia, to be an Assistant Secretary of Commerce.

FEDERAL MARITIME COMMISSION

Christopher L. Koch, of Virginia, to be a Federal Maritime Commissioner for a term expiring June 30, 1995.

INTERSTATE COMMERCE COMMISSION

Gail C. McDonald, of Oklahoma, to be a member of the Interstate Commerce Commission for a term expiring December 31, 1994.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Rear Adm. (lower half) Sigmund R. Petersen for appointment to the grade of rear admiral, while serving in a position of importance and responsibility as Director, Office of NOAA Corps Operations, National Oceanic and Atmospheric Administration, under the provisions of title 33, United States Code, section 853u.

## LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

## CONGRATULATING CYPRUS ON THE 30TH ANNIVERSARY OF THEIR INDEPENDENCE

Mr. KERRY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 824, Senate resolution 324, a resolution congratulating the people of Cyprus on the 30th anniversary of independence.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 324) congratulating President 30th Vassiliou, the government and the people of Cyprus on the 30th anniverary of their independence.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

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

Mr. PELL. Mr. President, today, on the 30th anniversary of the establishment of the Republic of Cyprus, it is appropriate that the Senate congratulate President Vassiliou, the government, and the people of Cyprus.

The resolution we are considering today was reported unanimously from the Committee on Foreign Relations with the active support of Senators BIDEN, SARBANES, DODD, KERRY, SIMON, SANFORD, KENNEDY, HELMS, LUGAR, AND PRESSLER.

The civilization of Cyprus dates back to the seventh millenium B.C. Because of its strategic location among the civilization of classic antiquity, Cyprus has had many masters. In relatively recent times, the Ottoman Empire ruled Cyprus for three centuries, relinquishing control but not sovereignty to Great Britain in 1878. In 1914, the island was formally annexed by the British, who made it a crown colony in 1925. In the context of the post World War II trend toward decolonization, and in light of increasing opposition to British colonial administration, Britain prepared to relinquish control. At the United Nations, Greek Cypriot leaders, with the backing of Greece, argued the case for enosis, or union with Greece. Turkish Cypriots, with Turkish support, argued for partition of the island. In 1959, Greece, Turkey, and the United Kingdom worked out a compromise arrangement for an independent Cyprus which precluded either partition or enosis. A complex constitution provided intricate formulae for power sharing in all branches of the government, with a series of measures to protect Turkish Cypriot minority rights. In 1960, Cyprus become an independent republic.

The inherent difficulties of the early years of any new nation were exacerbated on Cyprus by continuing strife between the two communities on Cyprus. Then, in 1974, after just 14 years of independence, the Turkish invasion and military occupation, which continues to this day, left some 200,000 Cypriots homeless in their own land.

Mr. President, the people of Cyprus have endured many, many years of crippling ethnic and political turmoil. Despite the extraordinary efforts of President Vassiliou and United Nations Secretary General Javier Pérez de Cuéllar to bring democracy and justice to the people of Cyprus, a just solution to the Cyprus problem remains elusive. While it is important that we recognize this 30th anniversary of independence, it is far more important that we redouble our efforts to assure that the United States takes every opportunity to press for a unified, democratic Cyprus.

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

The resolution was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 324

Whereas on October 1, 1990, the Republic of Cyprus will mark the thirtieth anniversary of its independence; and

Whereas the United States strongly supports the resumption of meaningful United Nations-sponsored talks aimed at reaching a just and lasting solution to the Cyprus problem in accordance with relevant United Nations resolutions and decisions: Now, therefore, be it

*Resolved*, That—

the Senate hereby congratulates President Vassiliou, the government, and the people of Cyprus on the thirtieth anniversary of independence; and

it is the sense of the Senate that the United States continue its strong support of the U.N. Secretary General in his efforts to resolve the Cyprus problem.

Mr. KERRY. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

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

The motion to lay on the table was agreed to.

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

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

## PROGRAM

Mr. MITCHELL. Mr. President, the House just a short time ago began consideration of a rule relating to the pending budget resolution. If the House completes action favorably on that matter this evening, it is likely not to occur until around midnight. We do not know yet what the outcome will be and we will not know that for some time.

That being the case, I have decided, after consultation with the distinguished Republican leader, that there is no point in the Senate remaining in session to await that action because under the circumstances the earliest the Senate could begin consideration of that matter would be sometime well after midnight, into the early morning hours of tomorrow.

Since there are 10 hours of debate permitted on the measure, it is conceivable that we would have to proceed through the night, and I do not see any useful purpose to be served in asking Senators to return from their homes in the middle of the night to debate all night and vote tomorrow morning.

Accordingly, I am momentarily going to ask that the Senate stand in recess until 9 a.m. tomorrow. By that time we will know what action has occurred in the House and will be able to judge what our course of action will be at that time with respect to the budget, the continuing resolution, and the debt limit, all of which we hope to act on prior to their expiration at midnight tomorrow night.

In addition, I have discussed with the distinguished Republican leader the pending measure, the money laundering bill, and it is our hope that this matter can be resolved tomorrow morning. We will continue our efforts in that direction tomorrow morning. If we are not able to reach agreement on how to proceed, we will have an announcement as to what the next step and our course of action will be at that time.

Accordingly, Senators should be aware that we will come in at 9'clock in the morning. I am not yet able to say precisely what business will be before the Senate at that time because

we do not know what action will be taken.

The motion to proceed to the money laundering bill will be the pending business, and I hope to resolve that early tomorrow. Beyond that, with respect to the budget resolution, the continuing resolution, and the debt limit, until the House completes action on those matters this evening one way or the other, we will not know what we will do in that regard tomorrow in the Senate. We will obviously have an announcement early tomorrow morning.

Accordingly, Mr. President, there will be no further votes this evening. Senators are free to leave.

I have a brief statement that I wish to make on a matter of considerable importance to our Nation, following which I will seek consent to recess until tomorrow morning.

## STATUS OF THE NATION'S CHILDREN

Mr. MITCHELL. Mr. President, last weekend an historic event took place in New York City. Leaders from over 70 nations gathered at the first World Summit on Children. The leaders signed a declaration on children and pledged support for the Convention on the Rights of the Child.

While the United States participated in the summit, President Bush did not sign the declaration nor the convention. I think it is time that the Senate receives this treaty and determines the manner in which the United States may pledge its support for children—not only in America, but throughout the world.

Children are the future of this Nation. But the status of children in America today is lacking.

The Census Bureau reported last week that 12 million of the 31.5 million Americans living in poverty are children. This means that nearly 40 percent of those living in poverty are children.

For one of the richest nations in the world, it is a disgrace that one in five American children live in poverty.

We have some of the world's finest doctors and yet the United States ranks 19th among industrialized nations for infant mortality. And, more than 20 percent of all children have no health insurance.

Surveys have found child abuse and neglect increasing at an alarming rate. And, it seems as if every week there is an article in the New York Times describing children caught in gunfire near their homes.

Several weeks ago mothers met in my office to discuss children who had died or were severely and permanently injured in unregulated child care facilities. Yet the debate about whether or not there should be improvements in child care facilities and family day care homes still lingers before a conference committee.

Families with children are a fast growing group among the homeless. Yet the debate about the need for funds for low-income housing and homeless assistance continues.

Education is an issue with which all families are concerned. Studies have shown that young children who receive a preschool experience fare much better throughout their elementary and secondary school years.

For poor children, this has meant that they are more likely to perform at grade level, more likely to graduate from high school, more likely to aspire to a college education, and less likely to engage in drugs.

Yet Head Start, the Federal Government's major program for children younger than school age, reaches only 20 percent of eligible children.

Too many students are dropping out of high school today. And, the achievements of those who are preparing to graduate are too low. Studies have found that for 8th graders in 20 countries, Americans ranked 10th in arithmetic, 12th in algebra, 16th in geometry, and 18th in measurements.

The achievement of college-bound seniors is no better. For college-bound high school seniors in 13 countries, American students ranked 9th in physics, 11th in chemistry, and last in biology.

The National Commission on Children, chaired by my colleague Senator ROCKEFELLER of West Virginia, issued its interim report in April. While the final report is due to be released next year, the interim report found that "America is failing its children."

I look forward to reviewing the recommendations contained in the final report. Strengthening Federal efforts to address the needs of children will strengthen American families and the Nation as well.

While this year Congress will enact a number of pending measures to assist families with children, I intend to designate children's issues among the Senate's highest priorities of the 102d session of Congress.

Mr. LEAHY. Mr. President, I will be brief. I know, not only the Members but the hard-working staff want to break from what has been a very long day.

I wish to commend the distinguished Senator from Maine [Mr. MITCHELL], our majority leader, for his statement. It is a matter, I know, of great concern to the Senator from Maine, as it is to me, again, that in the wealthiest, most powerful nation on Earth, we have this type of poverty among our children. One out of five children go hungry. We do not have the adequate food and food programs to feed those children. We point to the rest of the world and say, "Here is what you should do." That is what we should do here. I can assure him that I will join with him, as I have before, on issues of this nature, because after all, our country ultimately will be judged on what we do with our children in the next generation. It is not a political issue, a partisan issue, or an economic issue. It is truly a moral issue.

I yield the floor.

Mr. MITCHELL. Mr. President, I thank the distinguished Senator from Vermont, the chairman of the Agriculture Committee, who has been a leader in the effort to provide for child nutrition in this country and to combat the scourge of hunger throughout the world. I am especially grateful for his comments, in light of his experience and record in this important area.

## RECESS UNTIL 9 A.M. TOMORROW

ORDERS FOR TOMORROW

Mr. MITCHELL. Mr. President, I now ask unanimous consent that the Senate stand in recess until 9 a.m. on Friday, October 5; that following the prayer, the Journal of the proceedings be approved to date; that following the time for the two leaders, there be a period for morning business not to extend beyond 9:30 a.m. with Senators permitted to speak therein for up to 5 minutes each.

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

There being no objection, the Senate, at 9:23 p.m. recessed until Friday, October 5, 1990, at 9 a.m.

## NOMINATIONS

Executive nominations received by the Senate October 4, 1990:

ALASKA NATURAL GAS TRANSPORTATION SYSTEM

MICHAEL JOSEPH BAYER, OF OHIO, TO BE FEDERAL INSPECTOR OF THE ALASKA NATURAL GAS TRANSPORTATION SYSTEM, VICE THEODORE J. GARRISH, RESIGNED.

## CONFIRMATIONS

Executive nominations confirmed by the Senate October 4, 1990:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

STEVEN B. KELMAR, OF PENNSYLVANIA, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES.

DEPARTMENT OF THE TREASURY

JEROME H. POWELL, OF NEW YORK, TO BE AN ASSISTANT SECRETARY OF THE TREASURY.

DEPARTMENT OF COMMERCE

CRAIG R. HELSING, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT SECRETARY OF COMMERCE.

FEDERAL MARITIME COMMISSION

CHRISTOPHER L. KOCH, OF VIRGINIA, TO BE A FEDERAL MARITIME COMMISSIONER FOR A TERM EXPIRING JUNE 30, 1995.

INTERSTATE COMMERCE COMMISSION

GAIL C. MCDONALD, OF OKLAHOMA, TO BE A MEMBER OF THE INTERSTATE COMMERCE COMMISSION FOR A TERM EXPIRING DECEMBER 31, 1994.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

REAR ADM. (LOWER HALF) SIGMUND R. PETERSEN FOR APPOINTMENT TO THE GRADE OF REAR ADMIRAL, WHILE SERVING IN A POSITION OF IMPORTANCE AND RESPONSIBILITY AS DIRECTOR, OFFICE OF NOAA CORPS OPERATIONS, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, UNDER THE PROVISIONS OF TITLE 33, UNITED STATES CODE, SECTION 853U.

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.