United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 101st CONGRESS, SECOND SESSION

SENATE—*October 9, 1990*

(Legislative day of Tuesday, October 2, 1990)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Honorable HERBERT KOHL, a Senator from the State of Wisconsin.

PRAYER

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

Let us pray:

As I begin this morning, let us remember Mr. Koutsoumpas, in the hospital with a serious problem in his lungs.

And we know that all things work together for good to them that love God, to them who are the called according to his purpose.—Romans 8:28.

Gracious God, our Father in Heaven, we thank Thee for the blessed assurance which the Bible constantly gives us, even when circumstances seem bad, and we are discouraged. We thank You, Father, for the progress that was made over the weekend, for the hard work and sleepless nights on the part of the Senators and staff who produced it. We know that even more difficult negotiations lie ahead, and we ask for Thy wisdom and strength for those who bear the burdens of this prospect. We commend especially to Thy grace the leadership of the Senate, and we pray that as the 101st Congress comes to a close, despite all the troubles, Your servants will enjoy the sense of a job well done.

Thank You, Lord, for Your grace and Your sufficiency. Deliver us from the kind of pride that denies it and grant us the sense of Your provision and peace.

We ask this in the name of the Prince of Peace. 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 9, 1990.

To the Senate:

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

ROBERT C. BYRD,
President pro tempore.

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

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

REMOVING SOCIAL SECURITY FROM THE BUDGET

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of S. 3167, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 3167) to cut Social Security contribution rates and return Social Security to pay-as-you-go financing, and for other purposes.

The Senate proceeded to consider the bill.

Mr. MOYNIHAN. Mr. President, I rise as chairman of the Subcommittee on Social Security to offer this free-standing bill which has been contemplated in the body for the whole of this second session of the 101st Congress and, indeed, prior to that in the setting of a series of studies and commissioned reports which have come to us on the State of the Social Security trust funds.

The essence of the question, Mr. President, is that we now have a situation where the Social Security trust funds—OASDI, for old-age survivors disability insurance—and HI, the health insurance trust fund, both come out of payroll taxes levied on employees and employers but they are kept separately in the Social Security Administration. The fact is that the OASDI funds are now running, and have for a number of years been running, a very large surplus, and they will continue to run such a surplus for the next 30 years.

The background for this can be explained, should be explained, and will be explained. But the fact in the foreground is that in an absolutely unprecedented pattern not known to any modern State of which I am aware and certainly never known to the Social Security System which is now in its second half century—we go back to 1935 for its enactment and back just exactly 50 years to the first check paid under the retirement system—the U.S. Government has begun to use a surplus in the fund as if it were general revenue.

This is not just a small stream of general revenue which could be thought of as incidental for maintenance of a large system. To the contrary, it is one of the primary sources of revenue of the Federal Government.

The trust funds are now rising at approximately $1.5 billion a week, and will shortly be rising at $2 billion, soon $3 billion, then $4 billion a week. They will, in sum, accumulate a surplus of some $3 trillion in the next 30 years.

Three trillion dollars is a sizable sum. The stocks of all the companies listed on the New York Stock Exchange would sell for about $3 trillion.

This money is coming in. It is the largest revenue stream in the history of public finance. One of the extraordinary facts is that it has come upon us almost unawares, and we have yet to make a decision about how to treat these moneys. Today we can begin that decision process. It is, I would like to suggest, Mr. President, a fateful decision, because the integrity of our revenue system is at stake.

About a year ago, the Rochester Democrat Chronicle used a rather striking term to describe what was

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

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going on. It said that the word for what has happened to these trust funds is "thievery." It happened that some months later—in early January of this year—I was on the "Today Show" on NBC, with my colleague and friend on the Finance Committee, Senator HEINZ and the moderator asked Senator HEINZ if he agreed with the characterization of what was going on as "thievery." With great candor he said, "Certainly not. It is not thievery. It is embezzlement." This is a distinction of some consequence, and it suggests the enormity of what is happening. The Social Security surplus was then $1 billion a week. It is now verging on $1.5 billion.

The point about these moneys, Mr. President, is that we refer to them as taxes, as payroll taxes, and yet they are not taxes. They are payments, payments into an insurance fund.

The Social Security System, which was enacted in 1935, is the most successful piece of domestic social legislation in the history of our country. We sometimes have difficulty visualizing the sweep of the legislation. And there are very few things that are accidental about the Social Security System.

The Social Security System covers unemployment compensation and retirement benefits. Aid to Families with Dependent Children [AFDC] which began as a program to pay West Virginia coal miners' widows benefits was added in 1940, so that mothers received benefits, too.

Today, almost one-quarter of American children will receive AFDC before they turn 18. So it starts in the cradle. Under President Eisenhower, Social Security expanded to include disability insurance so that persons who became disabled were no longer simply the lame and the halt and the blind. A number of bridge programs, including old age assistance, and aid to the permanent and totally disabled, operated until the Social Security insurance programs came into effect. Under President Johnson, we developed Medicare and Medicaid. Now there is an enormous panoply of public services financed by Social Security contributions.

We know a lot about the early days of Social Security because many of the people who founded this system stayed on to run it. I served in the subcabinet with Presidents Kennedy and Johnson, with a number of people who had actually been involved in the 1934-35 legislation, and worked on the staff of a great Professor Witte from Wisconsin, responsible for the details of Social Security. Frances Perkins, who handled the Social Security legislation, was alive and very much accessible in these matters. The people who were there at the beginning stayed with the program right almost into our time.

We know one thing in particular: President Roosevelt was absolutely determined that the payments made into this system would be credited to the individual who had paid them. Each individual would have an account recording every nickle he and his employer put in, and a passbook in the form of a Social Security card with his or her name on it.

In 1941, Luther Gulick, a very distinguished professor at Columbia University, and one of the founders of the profession of public administration in our country, was working temporarily in Washington.

He went in to see President Roosevelt, who was not then surrounded by staff. People could get to see him. A commission 2 years earlier had suggested that the President should have some assistants, up to five, but if a man like Luther wanted to see the old Governor of New York, he would be welcome. Indeed he was.

Professor Gulick suggested that perhaps the time had come to stop levying payroll taxes separately from income taxes.

Gulick said that it is all really one set of finances. Should we not just have one rate and collect it at one time? It would be efficient. Why have two sets of books, two sets of rates of contribution, when one would do?

Gulick went back and wrote a memorandum of the conversation. The President replied. He said:

> I guess you are right on the economics, but those taxes were never a problem of economics. We put those payroll contributions in so as to give the contributors a legal, moral, and political right to collect their pension and their unemployment benefits with those taxes in there. No damned politician can ever scrap my Social Security Program.

Roosevelt wanted that money to be identified with the individuals who had contributed it. And that system worked very well indeed.

It was just 50 years ago in January that the first Social Security payment was made. It was probably not entirely accidental that the lady involved was a Vermont widow named Ida Mae Fuller. She had contributed a total of $24.75 in her years, and lived until 1975, collecting $20,000 altogether in benefits.

There was almost an annual check presentation ceremony between the Social Security Administration and Ida Mae Fuller. There is no doubt that this was the largest return on contributions, but to this day persons retiring will get back more in an actuarial sense than they paid in. This is the normal process, a maturing of an insurance system. It takes a long time—about 75 years. We are still a quarter century away from that point.

I want to emphasize a point. For the person retiring today, about two-thirds of his or her benefits represent the actuarial value of the contribution of the employee and the employer. The rest is an intergenerational transfer. We keep the levels up and we see to it that we have a system in which retirement benefits are adequate to their purpose.

Next year, Mr. President, I will have been 30 years in Washington, on and off. I came here with President Kennedy's administration, and was much involved with the problems of the forming of the Office of Economic Opportunity and our so-called war on poverty.

In 1960, the largest single problem of poverty in our country was the elderly. They had very small pensions. And Social Security was just beginning to kick in with sizable benefit amounts. They had no medical insurance particularly the rural poor, the widowed poor, and the isolated poor. This was the conspicuous social problem of our country. It is all but gone, 30 years later. The system has matured. Health insurance has kicked in. There is poverty among the aged, but it is fractional. It is almost incidental.

The fact is, we have done something. Others have done it before us, but one of the great achievements of industrialization is that individuals live well throughout their lives. And this has all come about through the Social Security System.

In the meantime, we have other problems. Social Security benefits for children, an important group in our population, have not been maintained. Since 1970, we have seen children's benefits under AFDC cut by one-third.

We have moved far toward this goal of establishing a nationwide self-financing insurance system. Great administrators like Wilbur Cohen, Robert Ball, and Bob Myers, the chief actuary, have produced a system that is the envy of the private commercial world. Mind you, they do not advertise. But for a penny on the dollar, Social Security sends out about 34 million checks a month. Social Security takes contributions from 132 million people. In 50 years, never a day late or a dollar short.

But, as our system was maturing, we came upon a surprise—the baby boom. Suddenly, there was an enormous increase in the cohort. It has been the biggest single cause of social turbulance and political change in the last 40 years. To get a sense of the size of that cohort, Mr. President, consider the people between the ages of 14 and 24. From 1890 to 1960, the size of that cohort grew by 10.6 million. In one decade—the sixties—it grew by 11.5 million. Then in the seventies, it grew by an additional 1.1 million. In the 1980's the cohort declined. That is called the baby bust. The baby boom was followed by the baby bust. The cohort of the sixties disrupted every institution it came in contact with,

from maternity wards to the job market. Such was its size.

But the extraordinary fact about its size was that it was a one-time event. There was this one particular bulge. We had to start thinking about what to do with the baby boomers.

A very small group of greatly gifted public servants, who had been with the Social Security program from the first, understood it, and were known and trusted, in the Senate, the House, and the executive branch began in the 1970's to warn that given the baby boom, followed by the baby bust, we were going to be in trouble. We were going to have a ratio of active workers to retired persons, which is too low to handle easily.

If anybody had ever thought we would get down to a ratio of three workers to one retiree as exists today, we might have thought that old folks would have starved. But industrialization produces a lot more wealth than anybody thinks. And forward planning was always the idea of Social Security.

The idea of social insurance was coming of age when Franklin D. Roosevelt decided to start Social Security.

On the Senate floor, Huey Long was talking about social insurance; in California, Dr. Townsend was talking about it. Witte for years had been planning the American Association on Social Insurance. In Europe, Bismarck was establishing a system of retirement benefits, and the British were creating unemployment insurance. Winston Churchill, in 1911 introduced unemployment benefits to the world.

And these are not all dry as dust matters, Mr. President. Bismarck carefully picked the age of 65 for retirement, because he calculated that by then, everybody in Prussia was dead. It was something to live for anyway. That was a very late age, 65, when this began. Churchill was told in the House of Commons, "Why, if you give these people unemployment benefits, they will just spend it on drink." Without blinking, he stood up on the treasury benches, as they are called, and said, "If they do, it is their money; they are freeborn Englishmen, and they can spend it as they wish."

That system has been in place ever since. We copied that system, and we knew what we were doing. But then, suddenly, we came into a situation here that was different. We had never had a "baby boom" situation before. So we began to think, in the 1970's, what to do, how to anticipate the event. We decided to go from a pay-as-you-go basis to a partially funded system. When Social Security was enacted in the middle of the 1930's, it was agreed that lots of money should not be taken out of the economy for the purpose of setting it aside for future payment benefits. In a system as large as Social Security, a pay-as-you-go system is the most logical. If Social insurance operated in the way that, say, Metropolitan Life Insurance does, investing its premiums and paying out benefits from the return on its investments, then the U.S. Government would have to own everything. That is how big the Social Security System would be.

On the other hand, theoretically, the pay-as-you-go system could present problems in the second quarter of the 21st century. We have always planned Social Security on a 75-year basis. You get a sense, Mr. President, of how distinctive Social Security is, knowing that it plans for 75 years ahead. The Senate can barely plan for the day. We left here at 12:45 this morning, just having finally guaranteed that the doors would open on our Federal buildings at 8 o'clock this morning. We are 1 week ahead, 2 weeks ahead. Two years is the constitutional time limit of our perspective in this country, but Federal Social Security lives on a 75-year basis. Every year the actuaries must certify that the system is in close actuarial balance for 75 years.

So in the seventies, the idea of moving to a partially funded system began. It was apparent that the retirement of the baby boom, which would begin in the second decade of the 21st century but really kick in, in the third decade, would be followed by that dramatic lower birth rate, the baby bust, and would push the Social Security fund into serious actuarial imbalance over 75 years. And it seemed that some preparation should be made, that we should start collecting more money than we needed to pay out and save the surplus.

Saving is the crux of the matter.

We began planning for partial funding of the Social Security System in the early 1970's and, in the Social Security Amendments of 1977, put the system in place. I can say to you, Mr. President, that almost nobody noticed. Nothing was concealed, but nobody noticed. It was a new idea. We actually put in place tax increases that would start in 1977 and terminate in 1990, 14 years later.

That is a new pattern of time horizon perspective. But we did it. I was a member of the Finance Committee then. I was a member of the committee of conference and signed the conference reports. I would not want to be on oath as to just how fully it had sunk in on me that we had changed the whole basis of Social Security, but we had.

The fact that we had, further was obscured by a very short-term crisis that followed almost immediately, when the funds ran down before the new rates schedules kicked in and increased the trust fund reserve. The funds ran down because of specific events—which is not to say that these events might not reoccur.

You know earthquakes only happen once, but they may happen again.

The events occurred in the late 1970's, after the oil shock, when, for a period of time, prices ran ahead of wages. As far as we know, prices never ran ahead of wages before in our history, and certainly never in our statistical history.

So, in 1972 we indexed benefits. Benefits started rising faster than the contributions to pay for them under the pay-as-you-go financing, and we had not yet kicked into the long run partially funded financing.

So the funds went down. They got down to two digits, about 15 percent. They got down to where we had about 15 percent reserve, about 1-month reserve. It was not a crisis of the system.

David Stockman—ill-advised in my view—used to say that the world's largest bankruptcy was about to take place. It was not a bankruptcy. It was not a firm, which was unable to pay its bills and had to close down. The worst that could have happened, is that the checks may have come out a day or 2 late for a while. But the idea of crisis came. And on this floor, in response to that crisis, the administration suddenly sent to us in 1981 to cut benefits by 40 percent the following January. I came on the floor and said no, but lost by one vote.

The distinguished Republican chairman of the Finance Committee, now Republican leader, came on and put on somewhat less heated resolution together and it passed 99 to 0. And we said no, you cannot do that. What will you do?

In any event, a commission on Social Security reform was established in 1982 and in 1983, again Senator DOLE being very active. I was a member of the commission. We put together the Social Security amendments of that year. We proposed them; they were enacted almost without change, very brief.

I would say to our summiteers who are just back from how many weeks in Andrews Air Force Base, we did this in 6 days in the basement of Mr. James Baker's house out in northwest Washington, and then in Blair House that was closed for repairs. It was not that hard to do.

We did not change anything. We just accelerated a few of the rate increases already in place. We did some things that needed doing just for appearances' sake. For example, under the Social Security Act as first enacted, members of the armed services would have had their employee and employer Social Security contributions paid for by the Defense Department or the Navy. But none of those payments were ever made to the Social Security fund. So we wrote a check on behalf of the members of the armed services, for about $10 billion, as I

recall, to Social Security trust fund, so the trust fund would look a little better. But other than that, for all of the attention, all we did was accelerate rate increases already in place.

Then, Mr. President, we began to notice the surplus. When did we notice the surplus? Well, I do not know that I can say for certain. I think that by 1988 it was getting to be pretty clear, that not only was there a surplus, but also an opportunity.

On August 8, 1988, I asked the General Accounting Office for a study of the subject. I might say that prior to that, in the spring, in May 1988, so that some people will understand we are not coming here with some sudden proposition that nobody has heard about, we held hearings in the Subcommittee on Social Security and Family Policy.

Right from that first hearing, we got two opinions, reflecting the optimistic and the pessimistic views of human nature, which show up throughout literature and theology. You can find Presbyterians, and you can find Franciscans, as you like.

Barry Bosworth of the Brookings Institution, for example, said, "this is wonderful". "You have a surplus." Now save the money, then the savings rates will go up and contributions and investment and interest will go down and the stock market will rise.

The unstated premise of his proposal was that we would have an operating budget that was, in fact, balanced so that the surplus would buy down the privately held debt, there being plenty of it by this time. Dr. Bosworth said get rid of that operating deficit. Save this money, buy back your debt. Get free of the Japanese and the Germans and you will be better off.

On the other hand, sir, in that same hearing, Robert J. Myers, a man of great distinction, who was chief actuary of the Social Security system, and National Commission on Social Security Reform in 1982—came before us a sad, but truthful man. He said, "Gentlemen, go back to pay-as-you-go financing. Because, gentlemen, you are never going to save the surplus.

The old Presbyterian belief, you might say, that temptation is never overcome. The flesh is weak, the spirit notwithstanding. Give it back before it becomes a habit you cannot break.

Well, Mr. President, I have evolved from one who believed in the innate goodness of human nature or the political system, to one who believes in the fallibility of all things human. I began believing that we should keep the surplus and save it. I come to you on this floor and say we are not saving. Elemental justice requires us to give the money back.

We have talked about the extraordinary action we are going to take. We are going to save $500 billion over the next 5 years. The Social Security, surplus over the next 5 years is $496 billion. We are not saving anything, save for that surplus. And that is not general revenue. It is pension contributions.

Well, on August 8, 1988, I asked the General Accounting Office if they would look into this system for us. They produced a quite extraordinary study, as the GAO increasingly does under Comptroller General Mr. Bowsher. It was called Social Security the Trust Fund Reserve Accumulation, the Economy and the Federal Budget.

The report said everything in one sentence. It said:

If the Congress and the President are unable to agree upon and implement the strategy for restoring fiscal balance in the non-Social Security part of the budget, we believe that the Congress should reconsider the pattern of payroll tax increases that is producing the current and projected Social Security surpluses. To implement this option, it would be appropriate to return the Social Security program to a pay-as-you-go financing basis once the Social Security reserves have reached a desirable contingency level of about 100 to 150 percent annual outlays.

This was given to us in January of 1989 at the outset of this Congress. The report said, if a current operating balance cannot be maintained and reserves cannot be saved in a meaningful way, then go back to pay-as-you-go once reserve levels reach about 100 to 150 percent of annual outlays.

Under the legislation that is before us today, we would maintain those reserve levels. I can give you the exact numbers, Mr. President,

I ask unanimous consent, if I may do that, that it be printed in the RECORD at this point.

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

SIX-YEAR TRANSITION TO PAY-AS-YOU-GO

	1991	1992	1993	1994	1995	1996
Tax rate (percent)	6.06	5.9	5.7	5.5	5.3	5.1
Cost [1]	$3.9	$11.0	$20.4	$31.4	$43.9	$60.0
Fund ratio [2] (percent)	93	110	125	137	146	152
Taxable Max.						
Current	54,300	57,300	60,300	63,600	66,900	70,500
Proposed	55,500	60,000	65,400	71,400	78,000	85,500

[1] For fiscal years, in billions.
[2] Reserve at start of calendar year as percent of year's outlays.

Mr. MOYNIHAN. With the Social Security tax cut that we propose for fiscal 1991, we will end the year with a fund ratio of 93 percent. The following year it would be 110, then 125, 137, 146, and 152 at the end of fiscal year 1996.

So we will have done exactly what the GAO said to do almost 2 years ago. It said do one of two things: You can balance the current operating budget so that money is saved, or return to pay as you go. That is the advice to the Congress of the Comptroller General.

Mr. President, I do not want to speak if other Senators wish to speak. I know Senator REID is coming to the floor, so I will continue then for just another moment.

In the beginning of 1989, the National Economic Commission made its report to the newly inaugurated President George Bush. This was a bipartisan commission, established by statute. Two immensely experienced, able men, Drew Lewis and Robert Strauss, cochaired the bipartisan group. I was a member. Very able men were members: the Honorable William Gray, Lee Iacocca, Lane Kirkland, Dean Kleckner, Paul Laxalt, Felix Rohatyn, Donald Rumsfeld, and Caspar Weinberger; and David Mathiasen, from the Bureau of the Budget, was our executive director.

Mr. President, I do not want to make an issue of it, but we are told that the budget deficit for the fiscal year 1991 is $292 billion and next year it will be $294 billion. Well, on page 36 of the National Economic Commission Report, it estimated that for this year the deficit will be $289 billion, and for next year it will be $293 billion.

We told the President the deficit would be $300 billion as far as the eye could see. We were right. But then we said something else, Mr. President. With respect to the central issue, which was what we would do with the Social Security surplus, we said balance the operating budget, use the surplus to buy down the privately held Treasury debt.

If you do not balance the operating budget do not think you can use the money for general revenues. We said that with great clarity. I made it clear in the report. Shall I read it? I will take the liberty of reading it.

Let no one suppose Congress will much longer allow a payroll tax to be used to service a $2 to $3 trillion debt, owed in vastly disproportionate amounts by wealthy individuals and institutions. It already requires nearly one-half the revenues of the income tax to pay the interest. This surely is the largest transfer of wealth from labor to capital in the history of our political arithmetic.

That is a term of Alexander Hamilton, "political arithmetic."

But at least this is a graduated tax. By 1992 the trust fund reserves will have reached 100 percent of annual outlays. By 1994 the proportion will reach 150%.

If in the next 5 years no arrangements are made to save the future course of the funds, Congress, you may depend on it, will return to pay-as-you-go financing. This is not a threat.

This is addressed to the President of Congress:

This is not a threat. It is a political reality and, indeed, an ethical imperative. The Nation struggled for a generation to ratify the 15th amendment—

Which is the graduated income tax—

We are not about to see it effectively repealed by a reform in the financing of Social Security.

That is the reform, about which I began these remarks, that took place in 1977. Mr. President, it is all in there. Everybody has been on notice, from the hearings in May of 1988, the GAO report of January 1989, and the National Economic Commission report of March 1, 1989. Then last December, on the last day of December, I went into the Press Gallery. I did not come to the floor. We were out of session. I said, "Very well, a year has gone by. Nothing has happened. We have not shown any indication whatever that we would like to go to a balanced current operating budget. We are beginning to use these surpluses as if they were general revenues, which they are not. Therefore, I will introduce legislation at the beginning of the next session to return to pay-as-you-go."

I did just that. I have waited 9 months to bring it to the floor and here we are today. I think that is a fairly orderly sequence of events. There is no surprise. There is every reason to think we might have done better had we taken a different course, but we have not. Indeed, the budget summit agreement announced in the Rose Garden on Sunday, a week or so ago, just counted Social Security trust funds as part of the revenue structure of the Federal Government. That is why people do not trust us.

I have been with this subject now a long time. Employees and employers see what we are doing here with the surpluses. That is why the AFL-CIO supports going back to pay-as-you-go. But none say it with greater vigor than the U.S. Chamber of Commerce. Employers are involved in this as much as employees.

Out in the nongovernmental world, what we are doing is seen as what it would be were it taking place in the nongovernmental world. You cannot take pension funds and use them for other purposes. You would go to jail. Is it any wonder we are not trusted?

The General Accounting Office are our auditors. They are there to speak of matters of propriety, not just efficiency.

There is another reason why we must return to pay-as-you-go. It is an important reason that involves the whole experience of the American workingman and workingwoman in the last 30 years: We are the first generation in American history for which there has been no real growth in income. It is hard to believe.

When I put it this way, I wonder how many people really will believe it. Median family income in the United States today is now back to the level of 1973. But even more striking, average weekly earnings are lower today than they were in the last year Dwight D. Eisenhower was President of the United States.

If I can say just by way of explanation and perhaps even apology, I was Assistant Secretary of Labor under Presidents Kennedy and Johnson and my responsibility was policy planning. The Bureau of Labor Statistics was there to help. So I followed labor statistics. It is just something I have done.

Average weekly earnings is one of those basic figures that we developed to see how factory workers were doing at the end of the week. The other figure we used was average hourly earnings.

This is from a recent report, this chart here, by the General Accounting Office, of average hourly earnings. I said that average weekly earnings are now lower than they were in the last year of the Eisenhower administration. In 1959, gross earnings were $163.78 and the Social Security was $4.09, so you had a $159.69 average weekly earning.

Thirty years go by and the average weekly earning is $154.01, $4 and change less, the difference being that Social Security has tripled.

In 1985 I gave a series of lectures on this, which Mr. Kevin Phillips in his very well received book, "The Politics of the Rich and Poor," cites. I said:

As for the economy, the great divide that began to open in the early 1970's separating the postwar generation from its successor continued to widen. In 1985, median family income was about what it had been in 1970, down from 1973. This would be the longest stretch of flat income in the history of the European settlement of North America.

Here are average weekly earnings, Mr. President, from the GAO. If we go back, we find that average weekly earnings today are just what they were in the second year of President Kennedy's administration. At that time, wives went to work and people took extra jobs, so family income continued to rise for a few more years. Then in 1973, everything broke down. We still do not have the median family income of 1973. Mr. President, we would get back there if we would just vote for this bill today and start this process.

At least, do not withhold Social Security taxes from wages which have not increased in a generation, simply to pay interest to bond holders in Europe and Asia on the money we borrowed in the 1980's.

If we enact the Social Security tax cut proposal then one two-earner family can, by fiscal year 1996, add $1,500 to their income.

Starting January 1, 1991, just weeks away, we could add $150 annually to the income of the two-earner family. It is not a lot; but it is instant, recognizable, and available cash. That Mr. President, is what this issue is about. That is the decision we are going to make today.

I thank the Chair for his great courtesy and attention. My friend, the Senator from Nevada, is coming to the floor and will shortly be asking to speak.

What I wanted to continue with is this plight of Americans whose earnings have not risen in the last generation. We do not have a word for this, Mr. President. It is not like unemployment, which we have a name for; or recession, which we have a name for. We do not have a name for a generation with no improvement in living standards.

The economists have many explanations, and it is not hard to know what some of them are. Our productivity slowed from 1.2 percent during the 1980's. What this meant was that living standards would double every 50 years instead of 25, which had been our previous experience for the very longest time. But these are wholly new experiences to us. Indeed, now 74 percent of Americans pay more Social Security contributions than income tax.

As Kevin Phillips remarks, at the end of the last decade, people in the bottom 80 percent of income levels lost ground. They did not just keep up and hang on; they lost ground. They know it. It happened to them. They wonder if we know it. Do we know that they know we are spending their Social Security benefits as if they were general revenue?

I will say one last time; Average weekly earnings in the United States are lower today than they were under President Eisenhower. We have no experience of this. We cannot cope with it. We reject it because it has not happened to law school graduates and it has not happened to the liberal arts sorts.

There has been a very clear movement in the highest reaches. When Kevin Phillips writes about the politics of the rich and poor, he is talking about them. And these people are Americans, too, and there are more of them, thank God, as Lincoln said.

It is bad enough that real income has grown by $3 a generation, $3 a week, but we grabbed it back in Social Security contributions, so we are actually $4 and change lower.

That is the makings of turbulence in society. Do not be surprised at some of the turbulence coming out of the American electorate today. These are men and women who see their children are not as well off as they are.

Bob Michael at John Hopkins has done studies of people growing from youth to middle age. He crunched a lot of numbers and asked what happened to the average male who was 25 to 35 in the 1950's, 1960's, and 1970's? Indeed, what did happen? For that male in the 1950's, income went up 117

percent; in the 1960's, 112 percent; in the 1970's, 17 percent. Nothing happened.

I can speak from my own experience after World War II. At age 25, I had subway fare; age 35, I had a stationwagon, a beautiful wife, and three kids. I did not own the car exactly, but I drove it. I knew something happened to me. It was clear. I was a different person.

Today, Americans three-quarters of whom pay more in Social Security tax contributions than in Federal income tax, have not experienced an increase in real wages. We worsen their burden by levying the most regressive of all taxes on their wages, and using the revenues as general revenue.

I see my distinguished friend is on the floor. I will just then wrap up by saying two things. I say again, Mr. President, in January of 1989, the beginning of this Congress, the General Accounting Office recommended either going back to a current balanced budget and saving this money, or returning to pay as you go.

The National Economic Commission report on March 1, 1989, made to newly elected President said exactly the same thing: Get a balanced current operating budget, or go back to pay as you go. We are nowhere near a balanced current operating budget. Indeed. the deficit is $292, $294 billion. By returning to pay-as-you-go financing, we are only doing what we were told we should do under the circumstances.

I see my very distinguished and able friend has arisen. I am happy, Mr. President, to yield the floor.

The PRESIDING OFFICER (Mr. ROBB). The Senator from Nevada.

Mr. REID. Mr. President, I have listened to the discussion of the senior Senator from New York today on a subject that deserves attention. As a result of his activity in these past many months, we are not focusing on a subject we should have focused on a while ago. I appreciate the work done by the Senator from New York on this legislation.

I would like to talk about the Social Security trust fund in a number of other difficult perspectives for a few minutes this morning.

The Senator from New York has done an outstanding job talking about his legislation and the overall history of Social Security.

I practiced law before coming to the Senate. Like most attorneys who have an office practice where they deal with clients who have problems, I had a trust fund set up for my clients. If there were ever a time where money came into my office that was my clients' money, that money had to go into a trust fund.

Mr. President, before that money was distributed out of that trust fund, we had to make sure that money went to the client. That money could not be used to make car payments for me, house payments for me, or buy a present for one of my children. That money could only be used for the purpose for which it was placed in that trust fund.

The same basic rule should apply to the Social Security trust fund. Those moneys should be used only for the purpose for which the money is collected. If, when I practiced law, I violated that trust, I could be subject to disbarment. I could be subject to administrative procedures being taken against me by the Bar Association. In fact, I could be criminally prosecuted by the district attorney.

In the instance of the Social Security trust fund, those moneys are used for purposes other than for Social Security recipients, and that is wrong. But here in Congress, we have become pretty careless and callous in what we do with trust fund moneys.

We do the same thing with the highway trust fund moneys. Five cents from every gallon of gas that we buy goes toward a trust fund for roads, highways, and bridges, but in fact we do not use that money for those purposes. We have violated that highway trust fund and used those moneys for other purposes; namely, to make the debt look smaller, just like we use the Social Security trust fund moneys. That is wrong. We should not do that.

That is what this discussion is all about. The discussion is are we as a country violating a trust by spending Social Security trust fund moneys for some purpose other than for which they were intended. The obvious answer is yes.

The President, who is a party in this violation of trust, along with Members of Congress, is not being brought before a Bar Association for purposes of disbarment or some type of administrative remedy. There is no prosecuting authority saying, Mr. President, what you have done is illegal. But the fact is it is wrong; what has taken place is wrong.

Mr. President, I also want to talk about some other part of this legislation that is I think a problem as it relates to seniors. There is not a town hall meeting that any of us hold anyplace in the United States, there is not a gathering that takes place where there is a single senior citizen present, that the words, "notch babies" does not arise.

Claude Pepper was the congressional advocate for changing this problem. But since his passing, there really has not been a lot of discussion in these Chambers about the notch inequity.

I recently introduced a bill to address a problem separate and apart from what the Senator from New York has spoken of and separate and apart perhaps from the problem that I discussed about the violating of the trust funds. It is a problem that is in keeping with how Social Security moneys have been handled. This is the so-called notch inequity.

Mr. President, like many of you and your constituents, I have been frustrated that Congress has failed to act year after year to address this glaring inequity in Social Security benefits of those born between 1917 and 1926. I introduced my legislation with the intent of bringing the notch issue before the Senate for a vote.

I am pleased that there are a number of other Senators who share my sentiments and will at an appropriate time offer an amendment to solve this notch inequity. I believe the amendment that will be offered, modeled after a bill that Senator SANFORD originally offered, S. 1212, offers a reasonable and a responsible solution to the notch issue.

When the notch babies worked and paid into Social Security, they were promised, like everyone who paid into the trust funds, they would be treated equitably. Yet, these 7 million Americans born between 1917 and 1921 are not being treated fairly and certainly not equally.

No one, I believe, Mr. President, in their right mind can justify radically different benefit checks for two people who have identical earning histories yet happened to have been born a day apart, one in 1916 and one in 1917. In some cases people received hundreds of dollars less than someone a day or a week older for no other reason than having the wrong birth date in the wrong year.

This is not equal treatment under the law. It is outrageous and I really believe un-American. The 1972 Social Security amendments changed the way Social Security benefits were calculated. The intention of Congress, I believe, was good, to see that benefit levels compensated for inflation. However, the changes were too drastic and would have resulted in people earning more in Social Security than they did before they retired. This problem would have driven Social Security into bankruptcy.

Five years later, in 1977, Congress again tried to fix the Social Security benefit formulas. Again, the measures taken were too extreme. But remember, in 1977, this was at a period of time when people were beginning to think that the Social Security trust fund was going to go broke. It was not until 1983 that President Reagan, Claude Pepper, Senator MOYNIHAN, and others got together and fixed Social Security.

In 1977, Congress again tried to fix the Social Security benefit formulas, but, I repeat, the measures taken were too extreme. The intention at that time was to reduce benefit levels by 6 to 10 percent for those born after

1916. A gradual 5-year transition was created. The first group affected by the change were those born between 1917 and 1921—people retiring between 1979 and 1983. That was the cut—1917 to 1921, and these are the people we call "notch babies." In fact, those born after 1921 suffer as well.

But what went wrong in 1977? Again, faulty benefit formulas. The reductions were severe—not the 6 to 10 percent that was the goal. Many retirees suffered reductions up to 20 percent.

When someone is living on a fixed income, a 10- to 20-percent pension cut can really be a disaster. It is the difference, literally, between being able to buy groceries for every meal that month and not having money for a meal every day that month. It is not having enough money to pay, for example, a heating bill on time. It is not being able to take a bath when you want one because you are afraid the water bill and the heating bill to heat that water will be too high. You cannot pay the water bill sometimes.

In short, it is the difference between living with dignity and suffering in silence because nobody cares and Social Security does not make up the difference. That is what affected Social Security beneficiaries say at our town hall meetings.

So I rise today to advise the Senate that legislation is necessary to reverse this discrimination, and that legislation will be forthcoming. This legislation would return benefit levels to where they were intended to be. It would eliminate those severe reductions of 10 to 20 percent and bring them in line with what Congress intended—a mere 6- to 10-percent reduction.

I wish that we could replace all the missed Social Security earnings of the past 11 years, but there are people who say, and rightfully so, the system does not have the money to pay 13 years' worth of earnings to all retirees.

Keep in mind, if the moneys that are pouring into the Social Security trust fund were kept in the trust fund and not used for other purposes, there would be money for that.

The legislation would offer, however, a one-time payment of up to $1,000 per family to help cover the losses incurred under the current faulty benefit formula. The trust funds certainly can bear this limited reimbursement. The solution that will be offered by this legislation is simple, it is reasonable, and it will not bankrupt the system.

Remember, moneys are pouring into the Social Security System, as the Senator from New York has indicated. The legislation that we will offer subsequently will provide an alternative transition formula that more equitably returns benefit rates to a stable level. Many Social Security beneficiaries born in the years 1917 to 1926 will receive a bigger monthly Social Security check, and rightfully so.

In every instance this increase will not be very much, but not much can still mean a lot to those on fixed incomes. The increases are not much to those of us who have good steady incomes, but to that senior on a fixed income, as I indicated, it could be money for food, prescription drugs, medical bills, and may other necessities.

The cost of this proposal can be borne by the Social Security surpluses. By 1992, as has been indicated today, unless the current system is changed, the surpluses are expected to reach $350 billion at least. The notch legislation that will be offered will cost approximately $50 billion. Remember, it is no new tax. This would be over a 10-year period. Surely, we can see fit to use a small amount of the trust funds' tremendous resources to address this inequity.

The trust funds resources are there for the well-being of those who have paid into the Social Security System. We should use those resources to see that Social Security recipients are treated well but also treated fairly and treated equitably.

It is time for Congress, I think, to take its hands—and I add the President in on that—off the Social Security surpluses. Stop hiding the horrible truth of the fiscal irresponsibility that we have talked about here the past 2 weeks. It is time to return those dollars to the hands of those who earned them—the Social Security beneficiaries and future beneficiaries.

I follow closely the legislative activities generated by the Senator from New York. This is a debate that has been long overdue. But for his forceful advocacy of changing business as usual, we hear about business as usual.

I heard the President of the United States Saturday morning talk about how we do not want business as usual. Well, I say to you, Mr. President, through you to the President of the United States, we do not want business as usual with the Social Security trust funds. And that is why we are here. That is why we are here to talk about some of the inequities that have taken place in this country by using Social Security trust fund moneys for purposes other than for which they were intended.

I go back to when I practiced law. As I have indicated here already, had I used those trust fund moneys in my law business for purposes other than for which they were intended; namely, my clients, I could be subject to criminal prosecution, administrative proceedings taken against me by the Bar Association, and maybe even disciplinary action.

Mr. MOYNIHAN. If the Senator will yield, would it be something like that?

Mr. REID. I think that is a very good illustration of what I was talking about, embezzlement, thievery. Because that, Mr. President, is what we are talking about here. But for the dialog started by the Senator from New York, we would not be here today. And I publicly commend and applaud the vigorous activity generated by the Senator from New York because on that chart in emblazened red letters is what has been taking place here, embezzlement. During the period of growth we have had during the past 10 years, the growth has been from two sources: One, a large credit card with no limits on it, and, two, we have been stealing money from the Social Security recipients of this country.

I yield the floor.

Mr. MOYNIHAN. Mr. President, I express my great appreciation to my colleague and friend from Nevada. He has a quiet, effective way of putting things. I can see why he was so successful an advocate. We are dealing with such elemental issues of trust and the relationship of people to their government. If they cannot trust that, then what can they trust?

We have just had passed out for us the Democratic Policy Committee legislative bulletin. I have to say I am appalled. I really am appalled. I knew our party was in trouble, but I did not know how much trouble. It asks what the effect of this bill will be. It says it will diminish fund reserves by almost $4 billion in fiscal year 1991 and it will diminish fund reserves by more than $170 billion over the next 6 years.

There are no reserves. They have all been embezzled. They have been spent.

Mr. REID. Will the Senator yield?

Mr. MOYNIHAN. Yes.

Mr. REID. Maybe what we should do in conjunction with the President to really carry this conspiracy to its appropriate end, is rather than having it called the Social Security trust fund, why do we not change it and call it the "Social Security slush fund?"

Mr. MOYNIHAN. Our policy staff, honestly, somehow believe there are reserves. What there are in IOU's from the Treasury. This money has been spent as general revenue, as the Senator from South Carolina says. I prayed for them with the Democratic Party and I hope the Republicans pray for us as well.

I thank the Senator very much.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Carolina [Mr. HOLLINGS].

Mr. HOLLINGS. Mr. President, I want to join with the distinguished Senator from New York to put a stop to the embezzlement of Social Security funds. I thank, also, our distinguished colleague from Nevada for his

observations. As Senator MOYNIHAN says, if you cannot trust us, whom can you trust?

I am reminded some years back of my fellow Governor, the Governor of Mississippi, Ross Barnett. He is the one who initiated 30-some years ago this so-called government in the sunshine.

On a Wednesday afternoon in Jackson, MS, he would take the door off of the front of the Capitol Building and set up shop in the foyer with his table. people would come in off the street in a line, and he had "government in the sunshine." You could go up and make your complaint or make your suggestion.

On one occasion, a trustee named Phillips, who had been employed cleaning the Capitol, got in the line. As he came forward, the Governor looked at him and he said, "Phillips, what is the matter with you?" He said, "My aunt died, and I really ought to be there. I did not have a mama or a daddy, and my aunt raised me." Governor Barnett says, "Where is that?" He said, "Down in Florida." "When is the funeral?" He said, "Tomorrow," the next day, I guess, Friday. He said, "I just have to get to that funeral." Govenor Barnett said, "Go on, you go to the funeral, but you be back here by Monday, all right?" Phillips, said "Sure."

Well, Monday came and Phillips never reappeared. A month passed and Phillips was still gone; and 2 months passed. Finally the media—you know how they latch onto stories—figured they would raise a fuss with the Governor about letting this trustee go. So they did. They got together, and at the Wednesday press conference with the open door and all, lights, going, cameras rolling, asked, "Now, Governor, what do you have to say about this trustee that you allowed to go?" Old Ross turned and he said, "Heavens above, if you cannot trust a trustee, who can you trust?"

Well, you sure cannot trust the summiteers. I can tell you that categorically. I realized that the distinguished chairman of the Social Security Subcommittee was coming to the floor at 10 o'clock, and I planned to join him. I have been trying to find the treatment of Social Security in the budget resolution documents of last evening. They have been as coy and clever as all get out. And you have no option on this one.

We passed a budget which means nothing, but means everything. We were told last night that it means nothing, that it is just a procedural document. I wanted to see how last night's budget resolution treated the Social Security surpluses. I knew the document given us last evening was a reaffirmation of the provisions set forth in the bipartisan summit agreement. It preserved the overall summit agreement structure.

There is one speculation that the trust fund's status would be dealt with in the reconciliation instructions to the Budget Committee. Purportedly that is the way it would go, because it would be a change in the budget process. It would be a change in the budget process, and everybody has been talking about the process, the process, the process.

But then others said, no, it is probably not going to be there. Social Security could well be in the Finance Committee jurisdiction.

Well, if the Finance Committee gets this issue, then they could report it out. And I was told by staff on the Finance Committee, "Senator, that is what they are trying to avoid because you could raise a point of order that the matter did not go to the Budget Committee." I said, "I do not know necessarily that I would raise such a point of order." They said, "We really expect that there is going to be a leadership amendment that will include all of these provisions," and, of course, they will have to get unanimous consent to not have a point of order there. Otherwise, we will again face the "Perils of Pauline," as at midnight of last evening—with ultimatums of do or die, a deal is a deal, you voted the budget, or the President is going to veto it. So we would all be obliged to agree to the categories and caps, the treatment of Social Security, FSLIC off budget, and so on.

This morning, the Senator asked where is the trust. Finding that trust is more challenging than an Easter egg hunt. Let the tourists come in and search around under the desks and in the committee rooms and find it.

Let me commend the distinguished Senator from New York. He has fought the valiant fight since last December. Last December I was called by a national reporter, and he said, "Your friend, Senator MOYNIHAN, is introducing a bill to not just take Social Security off budget in the calculations, but to cancel the increase in the Social Security tax that was to take effect in January. He proposed to put Social Security on a pay-as-you-go basis." And, thereby, ipso facto, bam bam, stop the embezzlement.

Of course, the professor is also a realist and a practical politician. He has had to retreat to a fallback position of what might be called "embezzlement on the installment plan" for the next 6 years, but in diminishing amounts. I understand this retreat. Government is the art of the possible. I am joining him because he fought all year long.

You say, whom can you trust or where can you find the truth, especially given the media's propensity to take things at face value. I saw President Bush on national TV saying he believed that the increase last January 1 should go into effect. I have never seen the statement in black and white that President Bush, in January, favored the increase in taxes. But he did. He favored it all year long. And so do the summiteers, which is exactly what the Senator from New York is trying to stop at this moment.

There was no need to increase Social Security taxes. What's more, as every junior economists knows Social Security payroll taxes are the most regressive of all taxes. It is the middle-income people who pay the bills. But those FICA taxes are not, as has been described, for trust, not to be kept for their retirement, as has been explained to them. The FICA tax increases, indeed all of the surplus Social Security revenues are designed to take care of the operating expenses of the Government, be they defense or foreign aid, food stamps, welfare, whatever I can imagine, space program or otherwise, just rob the Social Security trust fund.

So the Senator from New York is right on target. I hope we can pass his bill. I hope it will pass the House.

I have had several calls with respect to the exchange that took place when we had the temporary debt limit passed just last Friday, which was vetoed by the President. I was told by the majority leader that I could present my Social Security off-budget plan as an amendment. I would prefer, Mr. President, if you please, to just bring it to the floor in its own outstanding right. There has been no resistance other than from the leadership, the summiteers. That is the only resistance I have found to it. Every Senator I talked to, every Congressman I talked to supports Senator MOYNIHAN's plan to just stop the embezzlement, stop the thievery.

I might say that that initiative commenced nearly a year ago, February of last year, in S. 401., At that particular time, I said let us take Social Security off budget. I had a dual purpose in mind, exactly what the distinguished Senator from New York has in mind. Stop using these funds. Stop absconding and breaching trust. But at the same time, I wanted to expose and unmask what the real spending deficit was. That task has been nigh on impossible.

I have heard the deficit level quoted earlier at $292 billion deficit. I can tell you they have agreed to $169 billion. That is the joint CBO-OMB estimate not including S&L bailout costs which Mr. Seidman said will be $100 billion for fiscal year 1991. So that puts the deficit at $269 billion. And then stealing from the trust funds, Social Security and otherwise, to the tune of $135 billion. The total comes to well over $400 billion. So it is over the $292 billion, I say to the Senator.

And very interesting, earlier last evening when we had the temporary debt limit extension, they extended it by an additional $1.9 trillion over the next 5 years. So we now have a debt ceiling $3.123 trillion. You add $1.9 trillion, and we are over $5 trillion.

But more than anything else if you want to know what they intend to spend and what they foresee, and I think they are right, it comes to some $380 billion in deficit spending each year for the next 5 years. That is why the debt limit has gone up. So we need to get back to truth in budgeting, which was the intent of Gramm-Rudman-Hollings. Everybody was tired of the smoke and mirrors back in 1983 and 1984. So by 1985, we wore each other out on both sides of the aisle and said, all right, the cardinal principle of GRH is to have truth in budgeting and everything would be on top of the table.

But the bipartisan leadership has undermined that objective. We had to stop them back here in May. They had agreed on both sides of the aisle on the dire emergency supplemental appropriations bill to slip in language that would have put the S&L bailout off budget, swept under the rug, out of sight, out of mind. That is exactly what they achieved as of last night.

It is downright unethical to engage in these shenanigans over and over and over again. Nothing in the debate of course, was mentioned about FSLIC, about how we intend to fund the S&L bailout off budget.

I tried to look into budget resolution documents. They say, well, that the treatment of Social Security could be part of the leadership amendment. It could come from the Banking Committee, or it could be agreed to somewhere else. But you better watch out, it is there somewhere. So I am now trying to track down where it is being taken care of.

On television, the President said the budget deal "doesn't mess with Social Security." Look at the agreement. In fact, it messes with Social Security in two ways, one, it requires now-exempt State and local employees to start paying FICA payroll taxes to the tune of $2 billion, and every dime of that new revenue will go into general operating revenues, not into the Social Security trust fund. Second, the agreement continues the current practice of raiding the Social Security trust fund to reduce the Gramm-Rudman-Hollings deficit and to fund the day-to-day operating expenses of the Federal Government. The agreement explicitly acknowledges that $21 billion will be quote-unquote borrowed from the Social Security trust fund in 1991, and a total of $169 will be quote-unquote borrowed over the 5 years of the agreement. So concerning the Social Security trust fund, this agreement ensures that there will continue to be no trust and no fund. Read my lips, the budget deal does indeed mess with Social Security. It includes Social Security in the consolidated budget but removes Social Security operating surplus from GRH baselines so as to prevent technical or economic changes in Social Security estimates from causing a sequester on discretionary accounts.

Now I know anyone listening to that particular sentence wants to know what that means. That means we are going to spend $169 billion from the Social Security trust fund. We are going to mess with Social Security. We are going to try to get around that Hollings initiative that started in February last year as S. 401, later resolved, if you please, into S. 1795, with the majority leader leading the 25 cosponsors. I wanted his participation so as to make sure there would be no misunderstanding, to have it called up properly. In a joint press conference with the Speaker of the House, the gentleman from Washington, [Mr. FOLEY], we were all in behind it.

But now I cannot find it in the budget deal. My bill was reported out. It is on the calendar now as Mr. SASSER's, another one of the summiteers, S. 2999, a bill to exclude the Social Security trust funds from the deficit calculation, which the Budget Committee voted out by a vote to 20 to 1. It was also reported out by the Committee on Governmental Affairs.

So we have observed all the proper legislative formalities with respect to the budget process of taking Social Security off budget. But we took it to the summit, and that is where it flunked the course. You cannot find it in the summiteers' agreement. Whom can you trust if you cannot trust the trustees, said Ross.

I watched the Senator for about an hour before coming to the floor. The Senator does make the Senate the most deliberative body because he has a sense of history and perspective that none of the other Members have on these issues that he deals with. It is a tremendous asset for him to share with us this background going back to FDR.

Mr. President, this so-called reconciliation bill coming up does not do the job. Charles Bowsher, the Comptroller General, says balancing the budget is a trillion dollar task. Nobody would bicker, as they say, over $10, $20, even $30 billion in a trillion dollar task. Estimates would vary that much.

But let us not solve half of the deficit by ignoring half of it. That is exactly what they did in the original instance. If we do everything they say, you and I will be here next October. I can guarantee we will be back and we will have even larger deficits. They said last night on the Senate floor they expect to spend $380 billion in 1991. Just look at how they have extended the debt by $1.9 trillion over 5 years.

They know now what they are doing and they do not want to hear from me anymore. They did not tackle the job. And, not hearing from me anymore, they said let us get rid of Gramm-Rudman-Hollings. That is also very clever language.

"Discretionary appropriations held completely harmless for technical and economic adjustments." They agree for 1991 to use real figures, but then for fiscal year 1992 they get an interest rate of 5.8 percent from 1992 and a 3.8 percent in growth. We are at less than 1 percent GNP growth right this minute. I do not know where all this magnificent growth is going to come from.

By 1995, 4.2-percent interest rates? I last saw rates that low when I got out of the war and bought my first house. I got a loan, I paid 4 percent interest.

Mr. MOYNIHAN. Yes, the GI loan.

Mr. HOLLINGS. The deal says that for discretionary appropriations in 1991 and 1992, we are going to hold them harmless from technical and economic adjustments. So you do not solve the problem. You waive Gramm-Rudman-Hollings, you mess around with Social Security, you hide the S&L bailout off budget and you change the entire focus of the deficit-reduction effort.

Nowhere in the media have I seen reported perhaps the most profound difference in this latest incarnation of Gramm-Rudman-Hollings. Heretofore, Gramm-Rudman-Hollings has been premised on specific deficit targets aimed at achieving a balanced budget. That is now gone. In its place, this budget agreement talks only about targets for proposed savings. In other words, in 1991 we only have to reach the proposed savings of $40 billion, and no one is supposed to notice or care that the deficit skyrockets to $253 billion. By 1995, the last year of the agreement, even the wildly optimistic OMB projection foresees a $63 billion deficit—even after raiding the trust funds, factoring in rosy economic assumptions, and excluding S&L bailout costs. A more accurate deficit projection for 1995 would be closer to $200 billion. In other words, the deficit can continue to grow unchecked in each and every year of this agreement but as long as we reach our target for proposed savings, then we get to claim that we did our job. Perhaps nothing more clearly illustrates the inadequacy and sham of this agreement.

Forty billion dollars sounds like a gracious plenty until we consider the problem we are trying to solve. The agreement calls for $9.8 billion off of defense, that is cut out of current policy, which is easily done. However, Desert Shield could bring it all back in. The agreement calls for $12 billion

off of entitlements. Concerning new revenues, of course, they are back to the $16 billion figure. But they refuse to specify which revenues, thus leaving the door open to a cheap, short-term trick like cutting capital gains in order to generate $5 billion capital gains in 1991.

And they bray about "tough decisions, hard decisions." Tough decisions? The hardest part is to take that crowd seriously. They ought to be ashamed of themselves. That is why the people are perplexed. It is not just that we come up here and wait until midnight to act. They use the midnight hour and the pressure of the closedown of the Government. Gramm-Rudman-Hollings never contemplated a $100 billion sequester. Under Gramm-Rudman-Hollings, for the year 1991, we planned a balanced budget; then we wouldn't have to worry about embezzling Social Security. There was to be a balanced budget so you would not have to spend any trust fund, highway, Medicare, Federal finance banks, airports—any of it. But now we are.

And then they put in, of course the three-way veto. They do not have to worry. If they are talking about a political document, they do not have to worry on the other side of the aisle whether they can pick up x number of seats here on November 6. They picked up all they need last night. They got minority control via the spending caps plus the 60-vote point of order. I am told by the distingished chairman of Appropriations Committee that there is more money in this agreement, $1.8 billion more for this year and $14 billion more over the period of 3 years. But, of course, that is not oven enough to take care of the Space Program alone. It is $2.3 billion just to keep us current with the Shuttle Program and not even proceed with the space station. What about the super collider, the magnetic levitation train, all these particular initiatives, plus education, research, drug enforcement, new U.S. attorneys, new FBI agents to go after the S&L scoundrels and what have you? I am told privitely, wait a minute, Senator, those figures the chairman told you do not appear in print because the summiteers did not want them in the documents. They are afraid they would lose some votes.

What is clear is that they capped spending. We are trying to get the country moving again and competitive, not just with Japan now, but particularly the European Economic Community. We need a mini-Marshall plan for East Europe and Central America and a maxi-Marshall plan for ourselves. If I want money to fund these initiatives, I would have to go to Senator DOLE and say, please, I have to get 60 votes. My colleague knows, how Senator Baker used to sit on the table when he would face the doorway. That was a party position and they would all vote that way. We have seen it under this particular leadership, where they changed them on the FSX, they changed them on the Hatch Act, on China sanctions, and so on.

They call down from the White House and they vote as a block. I have to go to the minority block to get the Government moving. So that is the first veto, the Dole veto, the need for 60 votes to waive a point of order.

Then they have the Darman veto because, under this so-called document, you have to get a certificate from OMB that spending is within the cap, according to his economic and technical assumptions. So we have the Dole veto. We have the Darman veto. And then of course, the Sununu veto. I know President Bush did not review the veto on textiles that he handed down day before yesterday. The White House said the bill is unconstitutional. We had an explosion here by the Senator from New Hampshire [Mr. RUDMAN] and many others. Article II, section 8 says the Congress, not the President, "the Congress shall regulate commerce."

The Commerce Committee used to be called the Foreign Commerce Committee. Then it was the Foreign and Interstate Commerce Committee. The Constitution speaks very clearly on this matter, but children over in the Attorney General's Office and Mr. Sununu write that nonsense and President Bush put his name to it.

So we have the Dole veto, the Darman veto, the Sununu veto. I have to go through three hurdles to get the Government moving again. I think we have really committed a terrible travesty against representative government and the Congress itself, the legislative branch.

Having said that, and seeing other colleagues wishing to support our distinguished colleague, let me commend the Senator from New York. He led the way. One way or the other, we will also get a vote on Social Security off budget.

The majority leader pledged a vote in the early part of the year. Now we are into October, and you will get an up and down vote—it is on the calendar, and I hope we can fulfill that commitment and have a vote up and down on that particular measure. Beyond that, however, I am strongly in support of the Senator from New York on his measure today to put Social Security on a pay-as-you-go basis and stop the thievery.

The PRESIDING OFFICER. The Senator from New York [Mr. MOYNIHAN].

Mr. MOYNIHAN. I thank the distinguished chairman of the Committee on Commerce. He knows I completely agree with him on the matter of the budgetary arrangements for Social Security. I sponsored his legislation; I think he sponsored ours. I do not know whether we will get to that triple veto or not, but we will not give up, and we may be here when some of them are gone. Sometimes that is the only way to manage these transitions.

I see that my able, distinguished, former Governor and good friend from North Carolina is on the floor, and I welcome him.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Carolina.

Mr. SANFORD. Mr. President, I am delighted to be here on the floor with the Senator from South Carolina and the Senator from New York because we have shared, since I have been here, a common concern about the misuse of Social Security funds. There are two or three ways that we have gone about trying to do something about this.

Certainly the first way was simply to take Social Security off budget, to build a protective wall that would prevent Social Security from being used as if it were general revenue. I introduced legislation to do this several years ago.

Then I incorporated this concept in a broader bill, S. 101, that would require a separable accounting of all retirement funds. And now, the distinguished Senator from New York has come up with the idea that we ought to take a new approach and return the program back to pay-as-you-go.

It was hard for me to understand why it is difficult to sell other Senators on this concept and why it was virtually impossible to get the administration to support the thought that we might be doing something wrong in the way we handle Social Security funds. They fundamentally disagree with my concepts and, I think, the concepts historically of what Social Security is.

The administration talks about how much we have increased taxes over the last 10 years—how tax income has grown. They claim that we have plenty of taxes and taxes are increasing. Obviously, they are not talking about taxes for general purposes; they are counting Social Security taxes as if they were general revenue. So the whole mindset is wrong—the mindset that the Social Security payroll tax is just another source of general revenue tax income for another entitlement program.

By the strict technical definition of entitlements in that somebody is entitled to something, it is indeed an entitlement. But using the word as it is generally used in budget matters and politically, it means something we are providing as a grant from the Government. Food stamps, for example, is an entitlement based on need.

Social Security is not based on need. It was not conceived as a program handout and the payroll tax was not conceived as just another tax for general purposes. The notion is wrong that we can hold it back, hold it up, cut off COLA's, because this is just another Federal grant program; not so.

The distinguished Senator from New York does not really go back quite as far as I do. I campaigned for Franklin Roosevelt. I remember very well the creation of Social Security. I remember the despair that people had prior to Social Security as they looked to old age, dependent as they would be on children or dependent on charity or dependent on what we then called the county home where people without any income and without family were sent. All over my State were old county homes. They have long since been converted into art centers or child care centers or into television stations or something useful. But they existed before the enactment of Social Security.

We got away from all that despair with Social Security. I remember the hope, the promise that older people would no longer be living in the kind of poverty that we saw in the 1920's and 1930's, before Social Security.

As we look at the sweep of history and the tremendous advances of new deal legislation, Social Security may very well be the most remarkable piece of legislation to come out of Franklin Roosevelt's remarkable administration.

So this is not a charity program funded by a general revenue tax. The payroll tax is, by all definition, a premium paid for retirement benefits, and the benefits received are not handouts. Social Security is just as sound a policy for retirement as a one you might have bought from the Metropolitan Insurance Co. It is a retirement policy.

So we need to change this concept that this is just another Federal program; that we can take Social Security funds and spend it the way we want to spend it; we can do what we want to with the benefits of Social Security.

This is a retirement program and it has to be treated as a retirement program. We can no longer misuse Social Security trust funds just for our own convenience. We have deceived the public with budget trickery long enough. Fundamentally, what we have to drive home with this legislation and other legislation is that it is time to be honest in Government in the way we treat our funds and our budget accounting.

Using the trust funds of Social Security to mask the true size of our deficit is bad enough, Mr. President, but we do not stop at that. We carry the deceit even further. We spend the money, all of the reserves building up in the Social Security trust funds intended to help pay for the baby boomers' retirement, we use all of that for general revenue purposes. Taxes paid into Social Security trust funds by hard-working people throughout the country, taxes they believe are being held in trust for their retirement, are actually being spent for general revenue purposes, just as if they were general purposes taxes.

To add insult to injury, we do not pay that money back to the trust funds. Instead, we leave IOU's that will have to be paid in the future when the amount of benefits being paid exceeds the FICA tax being collected.

Under this scheme, many of our young workers are paying for their Social Security retirement today, more than they need to pay, money they could be using for other purposes, as a hedge against an uncertain future. They are paying in today and they will pay again later in order to put that money back so they can draw their benefits.

This is a pay-now/pay-again-later policy. This is the policy that the administration is trying to protect in opposing this legislation.

The Federal Government, as hardly need be said, is running a deficit, running a debt. That debt is now climbing to $4 trillion. We do not have any money in the till to pay back the Social Security reserves that we have spent and continue to spend.

Is this thievery? It is close to it. Some take issue with the use of the word thievery and with the word embezzlement when describing our use of Social Security reserves.

It is. If a private corporation used its retirement pension funds to pay operating costs and substituted IOU's, it would bring down the wrath of the SEC and the employees concerned would go to prison, and ought to.

We make the laws. We allow this type of accounting. We allow this type of embezzlement, if you will, in the Federal Government. We have not yet declared it illegal. I think we should, and I think we will with the legislation.

The time has come to account properly for all Federal expenditures and receipts. We are not handling any of the Federal retirement trust funds in an honest manner. Honesty is a very simple proposition. Every person in America ought to understand honesty. We are not being honest. We are being deceitful in simply not telling the truth. We are piling up IOU's all of the time, IOU's in all Federal retirement programs now totaling more than $650 billion. Money we owe, but we do not have the money to pay back.

I have also wondered, if I might put in a parenthetical, not only should we take retirement funds off budget, not only should we build a protective wall to keep greedy hands from reaching into this reserve funds, not only should we make Social Security a pay-as-you-go proposition, but I do not think we ought to leave much of this money in Government bonds. Other countries have taken other approaches.

I cite an example of my own experience. A university with its endowment funds would not think of putting all of its funds in any one kind of security, let alone Government bonds. They spread out the risk. It is a peculiar thing that people probably do not stop to think about, how secure Government bonds have been and probably still are. But there is nothing behind a U.S. Government bond except the right to tax.

State bonds, municipal bonds, I suppose corporate bonds have collateral behind them. We do not have that in the Federal Government. We simply have the right to levy additional taxes.

So I would hope we could look down the road at a broader, sounder, more rewarding, investment policy for Social Security trust funds, that we will hold in trust for the beneficiaries. I think that is a good idea down the road. But first, ought to get rid of all of our damaging, deceptive accounting gimmicks and stop the improper use of these funds and be fair to employees and employers who pay the Social Security payroll tax.

We should enact Senator MOYNIHAN's bill. We need only a safety net, a cushion of reserves of 18 months, to make certain that the program is secure. We cannot properly account for and protect Social Security surpluses; we cannot do it. We are spending it improperly with no way to pay it back. Therefore, it only makes sense, it is only fair play, to cut off the excess and to make Social Security a pay-as-you-go plan.

Mr. President, Social Security as we know it today, as I said earlier, is a pay now, pay again later retirement plan. We would be far better served with a pay-as-you-go retirement plan. No one should be comfortable in continuing to pretend that we are saving for the future. We are not. This is the point Senator MOYNIHAN is making with his proposal to cut the Social Security payroll tax. If we are not going to save it for the beneficiaries, if we are going to continue spending it for general revenue purposes, we should roll back the payroll tax, lift the tax burden from the young working men and women and for the companies for which they work.

It is for this reason, Mr. President, that I am delighted to be a cosponsor and supporter of Senator MOYNIHAN's proposal. I certainly hope that we will all understand that the time for action is now.

I thank the Chair. I yield the floor.

Mr. MOYNIHAN. Mr. President, I would like to state what I think the

Senator from North Carolina knows, which is that I never feel so secure in this Chamber as I am when any view I may have is supported by the Senator from North Carolina, or when I can support his view. I do not know that two could be close in performance in their voting patterns than he and I.

The Senator has been so many things in our Nation: a great Governor who made history in North Carolina, a head of a great university. He has handled pension issues before—State pension funds, university pension funds. He says explicitly that our current system is a pay now and pay again later arrangement. We will be reviled for it. We will not be understood.

I would like to make the point—I see Senator from Nebraska is on the floor—that in 1981, the then Secretary of Health and Human Services, our former colleague Richard Schweiker, came before our subcommittee and said that, first of all, we need not raise the reserve level above 50 percent.

He said:

> As a matter of prudence, I personally believe that a level of at least 50 percent is reasonable, and that once the financial integrity of the system is restored, a fund ratio of at least 50 percent should be maintained as nearly as possible.

The reserve level is at 100 percent today. It will rise, under the proposed arrangement, to 150. That is three times what Mr. Schweiker thinks is adequate. Then, just for the RECORD, Mr. Schweiker said that once you have that level, you should begin returning to pay as you go, which was the historic basis.

He said, and I quote, Mr. President:

> It will be possible, even under pessimistic economic assumptions, to have a somewhat smaller Social Security tax rate increase in 1985 than is now scheduled. Then in 1990 the Social Security rates can be decreased below the current level.

What Mr. Schweiker proposed in 1981, is similar to what we are proposing to do now.

Three-quarters of the population pay more in social security tax than in income tax, and we as an institution, a very silent institution in some parts of this Chamber, say nothing.

I see the Senator from Nebraska is here, but I would like to speak for just a moment about the immediate economic stimulative effect of reducing this tax on labor. The Social Security tax is elementally a tax on labor. It hits labor-intensive small industries hardest. If you want to increase the supply of a certain product, you reduce the levies on it.

Michael Boskin, now chairman of the Council of Economic Advisers; Gary Hufbauer; and a whole series of economists have testified that if the social security tax were reduced, employment would increase, and consequently payroll tax revenues would increase. Gary Hufbauer at Georgetown has estimated that returning to pay-as-you-go financing would create a million jobs—1 million jobs—in 4 years' time. We will see. What do you say we do it and find out?

I thank the Chair. I yield the floor.

The PRESIDING OFFICER (Mr. KERRY). The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, it gives me a great deal of pleasure to cosponsor the initiative and the bold proposal of the Senator from New York to rollback the January 1, 1990, Social Security tax increase.

I am very pleased to join with my colleague from New York and my colleague from North Carolina and others who have served on the Budget Committee together and have a basic understanding of what we are doing. If nothing else, this proposal, hopefully, will alert America to what is going on. I notice the embezzlement chart that is placed right next to the prime sponsor of this measure. Embezzlement is a word that is very, very true in this case. The difference is that if you have embezzlement in the private sector, people go to jail. But if you have embezzlement at the Federal level, it is accepted as a necessary evil.

Having served with Senator MOYNIHAN and my friend and colleague from North Carolina on the Senate Budget Committee for a number of years, I can safely say there is no Member of Congress with more expertise on the Social Security System and its intricacies than the distinguished Senator from New York.

I strongly support the Moynihan proposal to gradually—I emphasis "gradually"—roll back the Social Security collections for several, but one important, reason: The thievery from the Social Security trust fund must stop, and it must stop now. The American people are just now learning that there is very little trust and very little fund in the Social Security trust fund.

In reality the trust fund is merely a bookkeeping creation to collect more money in one door and immediately spend it out another door. When the grand old generation goes to the Social Security trust fund cash register and opens the drawer, they will find no money as they had presumed, only a very large and ever-increasing stack of IOU's from the Federal Government.

Mr. President, I say it is better to leave Social Security payments in the pockets of working Americans than it is to permit the present larceny to continue for even one additional day. Yes, you will hear opponents of this proposition say it will add to the deficit. What they are really saying is that the trust funds should pay for the day-to-day operations of the Federal Government. What they should say, what they should recognize, and what all should recognize is that this is a ruse.

We have significantly increased the taxes on the working people of America, not to make Social Security solvent in future years, but to fool them into the belief that they are paying into a trust fund when in actuality it is just another very regressive form of taxation that is not being employed for the purpose for which it was assessed.

Mr. President, the American people must understand that there is no surplus in the Social Security trust fund; just a pile of IOU's. The so-called surplus in reality is a deficit. It is a deficit which working men and women will be asked to repay with interest 10, 20, and 30 years from now. When the Social Security trust fund was created, it was designed to operate on a pay-as-you-go basis. That is the way it should be run today. If it were operated as intended, current and future retirees would not be adversely affected. They are very critically being adversely affected under the present system. In fact, their interests would be strengthened because the ability to spend the trust funds on the day-to-day operations of the Government would be limited.

In like manner, workers will benefit because the 1990 tax increase can be rolled back and future increases will be made unnecessary until at least the turn of the century. The ability to meet the long-term future obligations of the Social Security trust fund depends entirely on the future prosperity of this Nation. Borrowing from the trust fund today only guarantees general tax increases in the future to pay for the long-term interest-bearing bonds created by the current practice.

The Moynihan tax rollback plan will not only strengthen the system, but it will also end the game of hide the deficit. Much has been made this week of the record $300 billion deficit that the Nation faces in this fiscal year. Mr. President, over and over and over again, the American people are being told a lie as to what the real deficit is.

You will remember just in January of this year the President came forth with his budget proposal to the joint session of Congress. He had a plan that would get us down somewhere around a $64 billion deficit by the end of the fiscal year. Then shortly thereafter, when a degree—I emphasize "a degree"—of responsibility and honesty set it, well, maybe it would only be $100 billion. Then it crept up to $180 billion. Just a few weeks ago it was raised to $300 billion, which is a common phrase that we hear today. Indeed, the President, in his most recent address to the Congress, set it at $232 billion. That was a matter of 40, 50 days ago. It has gone from $232 billion now up to $300 billion.

But, Mr. President, none of these figures could be further from the truth. It is another reason that at least we should not fool the people by proceeding with this proposition that somehow, through tomfoolery and embezzlement, they are being unfairly taxed, told that it would save the Social Security system in the future, when actually the money is being realistically treated just as any other receipt of the Federal Government. It would be more honest and straightforward to have adjustments made in the Tax Code, if that be necessary, rather than to continue with this tomfoolery and dishonest practice.

Approving the Moynihan proposal is the first step toward fairness for the working people and security for the seniors, a strengthening of the trust fund and at long, long last fiscal honesty in budget and financial policies of the United States of America.

I thank the Chair and I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. There is no one in this Chamber who better understands, represents, and embodies the qualities of integrity, openness and firmness as the Senator from Nebraska. I so much appreciate what he has said. Can I ask the Senator if he is aware of the strong support this measure has from the National Federation of Independent Businesses? Some 500,000 businesses have sent out postcards calling this a key small business vote, because self-employed businessmen and small store operations must pay tax on their labor whether or not they are doing well. A return to pay-as-you-go financing will impact positively on the success of the small business sector, and they see it. This is not just a matter of working people. It is employers, as well.

I believe the time has come to stand in recess for the weekly party caucuses. I simply want to express my gratitude to Senator EXON.

Mr. EXON. If I might respond, to answer the question, I was aware of that. And I am aware of the fact that many other very large interest groups that are interested in fair taxation are interested in moving this country forward, and recognize the basic fairness and honesty of the Moynihan proposal.

Let me ask this question, it may be that the Senator from New York has touched on it. I believe, though, that we have accurate information that indicates the dishonesty of this whole practice, and the regressiveness of the present system by the fact that a very, very high percentage of the people in the United States today pay more in withholding taxes than they do in income taxes. That is directly opposite to the intent of Social Security.

Social Security, when it started, was a rather miniscule part of the total obligations, whatever they were, that people had to the Federal Government. Is it not true today, I ask my friend from New York, that a very high percentage of people, working people in the United States, pay more in Social Security taxes or alleged Social Security taxes than they do in income taxes?

Mr. MOYNIHAN. The Senator is exactly correct. The proportion is 74 percent. Three quarters of the American people pay more Social Security contributions than income tax, but their Social Security contributions are used as if they were general tax revenues.

Mr. EXON. Would the Senator happen to have at his disposal—I am not sure he can get it for us—just exactly what that percentage was when the Social Security system started?

Mr. MOYNIHAN. Yes, sir. We will have that at the end of the recess.

Mr. EXON. I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until the hour of 2:15 p.m.

Thereupon, at 12:33 p.m., the Senate recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. SANFORD].

REMOVING SOCIAL SECURITY FROM THE BUDGET

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, we have had a good morning's discussion of the legislation before us, S. 3167, a bill to return the Social Security Program to a pay-as-you-go basis.

I do not see any other Senator seeking recognition, although I have spoken with the Republican leader and he indicates that there will be an amendment offered, possibly several. We will await that event, not knowing at all what the amendment might be.

But while we have one moment, and knowing the Presiding Officer's great fondness for the political history and perhaps especially the history of the 1930's, we have had some discussion of how we are using the payments into a pension fund and how they are being used as general revenues as if they were taxes.

And purely as a footnote to our history, but not an unimportant one, the Senate might like to hear again how it came about that these measures were handled from the Finance Committee in the Senate and the Ways and Means Committee on the House side. It is well-known the original bills were drawn up by Frances Perkins, Secretary of Labor. They were offered here in the Senate and in the House by my great predecessor, Robert F. Wagner, a Senator from New York, and comparable members on the House side from the Labor Committees.

Well, this was a perilous thing to do in 1935. Even though Huey Long stood out here and thundered about sharing the wealth, this kind of legislation never got anywhere, for the very simple reason it could not get past the Supreme Court, which was not yet across the street. It was still just right down the corridor.

And Frances Perkins, in her wonderful book, "The Roosevelt I knew", tells of one of those little details.

> It is difficult now to understand fully the doubts and confusions in which we were planning this great enterprise in 1934. The problems of constitutional law seemed almost insuperable. I drew courage from a bit of advice I got accidentally from Supreme Court Justice Stone. I had said to him in the course of a social occasion a few months earlier that I had great hope of developing a social insurance system for the country, and that I was deeply uncertain of the methods, as, I said, laughingly, your Court tells us what the Constitution permits.

And the Presiding Officer will remember, the Court was always saying, "No, you cannot do that."

Stone had whispered—you can just see this moment out in Georgetown: That elderly, courtly gentleman whispering to Frances Perkins, who had a great talent for seeming a very innocent young woman in need of help from big, stronger men.

She developed that in Albany, in the days of Al Smith. Stone had whispered, "The taxing power of the Federal Government, my dear; the taxing power is sufficient for everything you want and need."

So, in fact, the legislation that became the Social Security Act was introduced in the House by the chairman of the Committee on Ways and Means, a gentleman little known to history. It came over here and passed here. That was to get around the constitutional question. The Court would say we cannot find anything in this Constitution about a Social Security System. But the Court did, I believe in 1938, say you are quite free to impose a "tax."

But this was never meant to be a tax in the general revenue sense. It was always a pension contribution. And to see it change and, as the distinguished Presiding Officer said, to see us move to a situation where you pay now and you pay again later—that is the only reason I can think I am glad that Frances Perkins is not still here in Washington among us.

Mr. President, I see no Senator seeking recognition, and 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. MOYNIHAN. 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. MOYNIHAN. Mr. President, I will use this somewhat idle moment to suggest that the sponsors of this legislation are ready for a vote. We do not want to detain the Senate in the last 2 weeks of this Congress, and we will be happy to vote whenever the Republican leader and the majority leader are ready.

We have not heard today any address made here in opposition. I found myself in that situation some months ago and, in a mood of greater levity, said, "I can make the arguments against this amendment if you would like." I am not going to make any arguments against this legislation. There has been no argument made in opposition. I think that is important.

There will be those telling us that we cannot afford this; we have just made an agreement to produce the 5-year budget program, and this will make us look like a laughingstock. Would my colleague rather look like a laughingstock or look like someone breaking a public trust? If you have to risk looking like a laughingstock to defend the integrity of the Social Security pension system, then I am prepared to do that. There is an issue of integrity here.

We have used that signboard back there. Quoting a New York editorial I said what is going on is thievery. On television, Senator HEINZ was asked: "Do you agree with the term 'thievery'?"

He said, "Certainly not. It is embezzlement."

These are not minor terms. To say it will make it more difficult for us to do what we are now agreed to do is correct, but not surpassingly more difficult, to find $3.9 billion. That is not a great deal. It is only difficult if you do not want to do it, if you want to go on using pension fund contributions as general revenue; not small amounts, huge amounts. We are talking about $500 billion in deficit reduction in the next 5 years. That $500 billion is matched by $496 billion in Social Security trust funds. That is the ghost at the banquet. No one ever wants to see that reality.

We ask, why do the American people seem not to trust this process? I say, what is so trustworthy about it?

I know Senators all over this Chamber, good friends, are just petrified by what this will mean. They could ask themselves, what if it meant honesty? What if it meant recognizing that for a generation, American wages have been flat? As I said several times this morning, average weekly earnings in the United States today are lower than they were when Dwight D. Eisenhower was President. They are lower because the Social Security payments have tripled, or quadrupled, I guess. Otherwise, it would be a few dollars ahead. It would not be flat. Effectively flat, but they are lower. And we do not even want to give back. In 1981, Secretary Schweiker testified for the Reagan administration and said we should start cutting these rates in 1985 and clearly go down. It is not new.

We have been here patiently for a full year. We held hearings in the spring of 1988; we received a GAO study in January 1989. That is almost 2 years ago now. It said go to currently operated balanced budget and save the surplus, or go back to pay-as-you-go. We have the National Economic Commission report March 1, 1989, which said the same thing.

As the majority leader has remarked several times, on two previous occasions in this Congress, I have asked to put this matter on the debt ceiling extension. I had been asked not to do so. I said, fine, but I will eventually do so.

Then that eventuality came to pass Friday evening, and I said, no, I will not do that, but may I not have a free-standing vote? And here we are today under that agreement.

Is it that there has been no notice? I have not rushed into this, nor has the Presiding Officer with his very sensible proposal.

What is the deficit? The deficit is what you borrow from the public and borrow from the trust fund, and stop all this cascade of definitions, obfuscations. Trying to conceal the deficit is not hard. Deficit is what you borrow from the public, from the trust funds.

I believe that legislation was ready a year ago. I remember discussing it. We have not intruded on these procedures. Here I stand in an empty Chamber. There is not a single Member of the Senate on the floor. There has not been, Mr. President, the entire day. From the time the prayer was concluded this morning, there has not been one Member present on the opposite side of the aisle that I have seen. There may have been and I did not see them. Certainly no one spoke; no one sought recognition. No one does now. I say nothing; there may be a caucus going on. But there is no one there and there is no one here, and we are ready to vote.

What are we afraid of as an institution? I have to tell my colleagues that I think we are afraid of having to record ourselves in this matter, and we should not be. Just vote. Vote the way Frances Perkins would have wanted you to vote. Vote the way Robert Wagner would have wanted. Vote the way the people who enacted this legislation in 1935, in times that were really in trouble, had the courage to do. Vote the way they would do it.

They would say, oh, no, you cannot use that money as general revenue, that is a pension contribution. We put a name on everybody. Everybody received a number and a name; that goes into your account under your name. It is your pension. It is an institution that has lost perspective if it feels it ought not to face up to that and get rid of that issue quickly. There is no incentive better that the Presiding Officer's.

Four Members of the body have come on the floor, but there is still not a body seen on the opposite side of the aisle. I am not meaning to make an issue of it. I just find it difficult.

Mr. President, in order to make the point that I do not mean to prolong the matter, does the Senator from Florida have in mind to speak? Or is he simply moving around?

Mr. President, I could speak, obviously, but I will not, because I want to make a point that I am here to listen as well and respond, if need be. 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. MOYNIHAN. 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. MOYNIHAN. I rise merely to observe that once again there is no Member on the floor. The Senator from Connecticut came in, made a brief and very persuasive statement about a bill he is introducing, which we will take up on the Finance Committee next year, I suppose, at that point, but since we have come in this afternoon no Senator has addressed the Chamber on the subject of the returning Social Security to a pay-as-you-go basis ending the use of contributions as if they were general revenue.

I do not suppose you call Hamlet the great Dane, do you, but how does that line go? The rest is silence.

I look about me in the Chamber. It is silent. The Chamber is almost as empty of staff, who usually provide a certain cheerful assemblage behind the rails over there in the respective corners.

Why do we not want to discuss this matter, Mr. President? Has it become so bad that we do not even want to talk about it?

The Presiding Officer was here talking about it and listened while our colleague from South Carolina spoke. Is there something on our conscience? Is there something on our conscience? Have we a bad conscience? I cannot easily explain this pattern of silence, of avoidance, of absence. I do it without any sense of accusation. I tried to explain this morning how this subject

slowly came upon us. We went with a partially funded system in 1977. Almost nobody noticed.

I was a member of the Committee on Finance and of the committee of conference that agreed to the final legislation. I do not think I quite noticed. We went through the turbulence of the early eighties and forgot, in the distractions, of the slide down toward a very narrow range of reserves that came about because of the only time in our recorded history in which prices ran ahead of wages for a period there, and that would bring a system like this down very quickly. Whereas, in a recession it shows but does not show much.

In the early eighties, Mr. SCHWEIKER, the first Secretary of Health and Human Services for President Reagan, said the number of rate increases we have in place are too high. We will go to 1985 but no further, probably go down and knock off the last few, probably ease down from 1985. He thought a 50 percent reserve would be more than adequate. We have 100 percent today. This bill says go to 150—half a trillion dollars in reserve and says start out this last budget calculation with an honest budget, that we will not take from working people's pockets pension contributions and spend them on interest payments to bondholders. Already, all the income tax collected west of the Mississippi is required to pay the interest on the debt.

Kevin Phillips, a man of impeccable and conservative credentials, who wrote "Politics of the Rich and Poor," said that is what has been going on. He said the rich have been getting richer and the poor getting poorer.

I tell you what I will do, Mr. President. No one else is here. Let us look at the income distribution of the last 8 years, the last decade. We have a chart here. It is not easy to see so I will not over much insist on the visual aid if you like, but this is from Mr. Phillips' book, "Income Gains and Loss, 1977-88," 11 years. These are constant dollars, average family income. The first 10 percent, the first income "decile" is the phrase—decile for decimal, decade—the first bottom 10 percent lost 15 percent of their income in that period. The second lost 8 percent. The third lost 6 percent. The fourth lost 7 percent. The fifth lost 6 percent. The sixth lost 5 percent. The seventh lost 4 percent. Now it is the eighth lost 1 percent. The ninth gained a tiny 1 percent. The top 10th gained 17 percent.

That is the sort of thing that turbulence is made out of. The top 5 percent gained 23 percent, and the top 1 percent gained 49.8 percent—49.8 percent for the whole 11-year period. For the whole 11-year period, all families, the income again was 2.2 percent. The top 1 percent, it was 25 times as much, 50 percent.

All of this is part of a pattern of using payroll contributions as general revenue taxes. Three-quarters of the people in these 10 deciles pay more Social Security contributions than they pay income tax. It is not surprising they do not pay much income tax. The bottom first goes down 15 percent, and the top one goes up 50 percent.

Sir, that is not the kind of country we have been or thought we were becoming, or were. And there are many things that have contributed to that. But the regressive Social Security levies have contributed a very considerable part. I do not say the largest part, but I say it is the one part we can do something about here today.

Sir, still no one comes to the floor. What do we not want to talk about—how the top 1 percent of the income distribution has its income increased by half in a decade when the lowest 10 percent lost 15 percent? Every income group until you get to number eight, at the 80-percent level, lost.

I started out this morning pointing to a General Accounting Office study of the average hourly pay. The Bureau of Labor Statistics has been collecting that for about 70 years now. It is about exactly 70. It is a good index of how people were starting to get paid by the hour in the factories, making good money as you looked and if you worked a little more, but it looked like good money. They started paying you by the hour as opposed to the month or year as farm hands would do.

Here is your average hourly earnings.

I am sorry about the visuals, Mr. President. But what you can see is that the average hourly earnings today, in 1988, the last numbers we have, are no more than they were in John F. Kennedy's second year in the Presidency. If you go back almost 30 years, the working people have not had a nickel extra. Out of those average weekly earnings we are taking three times as much Social Security contributions.

Mr. President, I see my distinguished friend and cosponsor is on the floor, the Senator from Wisconsin.

I yield the floor.

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, I want to join Senator MOYNIHAN in urging the Senate to reduce the Social Security payroll tax, and to do it today.

This measure that is before us would reverse the accumulated Federal tax bias against families, leaving them with more of their own income to invest in their children. Payroll tax cuts would spark economic growth and, importantly, would encourage job creation. I want to concentrate on the job creation part of this issue if I can.

Under this Moynihan plan, which phases in the payroll tax cut over 6 years, two-earner couples would receive up to $1,500 in their pay collection by 1996. It would leave a healthy cushion, and it is important, in the trust fund, to ensure benefits. And, according to the U.S. Chamber of Commerce, lower taxes on business and workers would increase GNP—gross national product growth by 0.3 percent a year and create 500,000 new jobs.

Payroll tax cuts would not hinder Congress' efforts to balance a budget. In fact, the budget resolution passed last night envisions deficit reduction without the mask of Social Security cash surpluses. By removing the mask of the tax surplus, we will bring honesty to the Federal budget and preserve the integrity of the Social Security system.

But perhaps more importantly, I say most importantly, we can give American families some much-needed tax relief. From 1955 to 1988 the Federal tax burden on middle-income families grew twice as fast as their income. In 1955, the median income family of four paid Federal taxes at an average rate of 9 percent per year. In 1970, it paid 16 percent. In 1988, it paid 24 percent. Let me repeat that. In 1955 the median family, the average rate, 9 percent, in 1955; 1970 it went to 16 percent; 1988, 24 percent.

The increase in the overall tax burden borne by lower- and middle-income families in the 1980's is due to the payroll taxes, not Federal income taxes. In fact, the Reagan income tax cuts have been offset by payroll tax increases in the 1980's. Moreover, if it were not for the tax reforms that were passed in the middle 1980's, which removed poor families from the income tax rolls, the poor would be shouldering an even heavier tax burden today than they are.

Today, and I heard it said this morning—I want to repeat it—74 percent of taxpayers pay more in combined payroll taxes than they do in income taxes.

Mr. President, encouraging small businesses growth is another important reason for cutting the payroll tax. In June we held a hearing in the Small Business Committee on the impact of payroll taxes, and we discovered the following in that hearing.

The payroll tax burden discourages many individuals from starting a new small business. For those small businesses in trouble, the payroll tax burden is often the last straw before a small business is forced to close down.

It hurts self-employed businesses who must pay both portions of the payroll tax. These people have seen their payroll tax burden double over the last decade from $4,000 to $8,000.

We also discovered in the series of Small Business Committee hearings that rising payroll taxes are forcing some small businesses to cancel employer-provided benefits.

Mr. President, I would like to submit for the RECORD, and I ask unanimous consent to have printed in the RECORD, a letter by the NFIB and the U.S. Chamber of Commerce in support of the Moynihan tax proposal.

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

SUPPORT ROLLBACK OF THE FICA TAX

DEAR SENATOR: On behalf of the over 500,000 members of the National Federation of Independent Business, I urge you to support Sen. Moynihan's amendment to reduce FICA taxes. The amendment would roll back the FICA tax rate over a five-year period, returning the Social Security system to pay-as-you-go financing.

The majority of small business owners pay more in FICA taxes than they do in income taxes. And these taxes must be paid whether or not the business is making any profit.

Self-employed business owners must pay the entire 15.3 percent FICA levy themselves—a significant disincentive to starting your own business.

Help America's small business owners, help America's workers, help America's economy. Vote for the Moynihan amendment to cut FICA taxes. This will be a Key Small Business Vote for the 101st Congress.

Sincerely,

JOHN J. MOTLEY III,
VICE PRESIDENT,
Federal Government Relations.

U.S. CHAMBER OF COMMERCE,
LEGISLATIVE AND PUBLIC AFFAIRS,
Washington, DC, October 5, 1990.

Members of the United States Senate:

Senator Daniel Patrick Moynihan has announced his intention to offer an amendment to the debt ceiling/continuing resolution bill to cut Social Security (FICA) taxes and return Social Security financing to its traditional pay-as-you-go basis. The tax reduction proposed would occur gradually over five years.

The U.S. Chamber of Commerce supports a FICA tax reduction. This tax on employment, which has risen steadily for years, has had an adverse impact on employees and employers alike. The burden falls especially heavily on small businesses, which generally are more labor-intense than larger firms. Unlike income taxes, FICA taxes are an immediate and inescapable cost, payable whether the business is flourishing or floundering. High payroll taxes constrain not only employment but overall financial capacity and competitiveness in the global marketplace.

It is by now widely understood that the excess FICA taxes being collected today are not being saved to finance the next generation's retirement. Instead, they are used, through the purchase of special-issue Treasury bonds, to finance current government spending.

The Moynihan proposal returns these excess taxes to the workers and employers who have earned them, without threatening the benefit security of current or future Social Security recipients. The Chamber urges you to endorse this honest and equitable idea by voting for the Moynihan amendment.

Sincerely,

DONALD J. KROES,
Vice President.

Mr. KASTEN. Mr. President, I want to make a special appeal to my Republican colleagues. I believe I might be, if not the only, one of the only Republicans who has stood on the floor today with the Senator from New York.

Recent polls show that the American people believe that the Republican Party favors the rich over the little guy. This is simply untrue. I think the American people are being misled by the press and by members of the other party.

Our policies created almost 20 million new jobs, sparked by a resurgence in family income growth, and reduced income taxes by 134 percent for families earning $10,000 a year.

Unfortunately, I think votes against this tax cut for working families may have the effect of further perpetuating this myth. In summary, this vote, the vote for the Moynihan FICA tax reduction, is a vote for the American family. It is a vote for small business growth; it is a vote for jobs; it is a vote for honesty in budgeting; and it is a vote that can help our overall economy, as we are seeing now the beginnings of a recession in many parts of our country.

This is an important vote for both Republicans and Democrats, because this vote shows that we are concerned not only about truth in budgeting, but that we support continued economic growth. We can be successful, and this particular bill, this particular vote is very, very important.

I hope that all of our colleagues on both sides of the aisle will join Senator MOYNIHAN, me, and others in voting in favor of this proposal so that we can ensure economic growth and new jobs creation.

Mr. President, I ask unanimous consent that three articles that I have written on this subject be printed in the RECORD.

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

[From the New York Times, Feb. 15, 1990]

(By Robert W. Kasten, Jr.)

WASHINGTON.—I became a Republican in large part because the G.O.P. offered a responsible alternative to Big Government. And by standing with the American high taxes and government encroachment—the G.O.P won three consecutive national landslides.

That's way I can't understand my party's reluctance to support Senator Daniel Patrick Moynihan in his effort to roll back Social Security taxes. The issue for Republicans is simple: Are we going to go forward or are we going to turn back?

Two years ago, then-Representative Jack Kemp, Republican of New York, and I went forward by proposing a payroll tax cut as part of an omnibus jobs and economic growth bill. It was as clear then as it is now that the payroll tax is an outrageous burden on the middle-income families.

Since 1955 the basic payroll tax has risen nearly 400 percent. Today, 74 percent of taxpayers pay more in combined payroll taxes than they do in income taxes.

The impact on family budgets has been devastating: from 1955 to 1988, the Federal tax burden on middle-income Americans rose twice as fast as their income. In 1955 a median-income family of four paid Federal taxes at an average rate of 9 percent a year. In 1970 it paid 16 percent, and by 1988, 24 percent.

While we've cut income taxes during the 1980's most of those savings have been eroded by the 22 percent payroll tax increase. The maximum payroll tax for a one-earner family is now a whopping $6,360 a year.

Moreover, payroll taxes have hurt businesses and workers by increasing labor costs and the prices of goods—which hurts competitiveness—and reducing take-home pay. The high payroll tax has been especially burdensome to the self-employed, who have to pay both portions of the tax. Welfare recipients have been discouraged from taking entry-level jobs by the high tax on their first dollar of earnings.

So, I agree in principle with Senator Moynihan's proposal. However, I believe a more modest tax-cut plan has a better chance of passage. Therefore I recently introduced legislation that would cut the payroll tax for both employers and employees from the current 6.2 percent to 5.3, compared with 5.1 percent under the Moynihan plan. This would save families up to $519 per worker, by 1992, while leaving a healthy reserve.

Allowing Americans to keep more money would boost the economy and raise private savings and investment. The Institute for Research on the Economics of Taxation estimates that by the year 2000 this tax cut would add between 450,000 and 920,000 new jobs, raise the gross national product by almost $300 billion and increase investment capital by $180 billion.

We all cheered when President Bush told us not to "mess" with Social Security. He's right. Social Security is a compact between generations. We must not imperil the benefits that our current and future retirees are counting on—and we will not. But that compact does not provide for tax increases in the name of Social Security that only serve to mask the Federal deficit.

So I appeal to President Bush: Join us in enacting this pro-growth tax cut. Millions of Americans want to believe that the Administration is on their side. We can't let them down.

[From the American Spectator, August 1990]

MOYNIHAN AND THE CONSERVATIVES

(By Robert W. Kasten, Jr.)

Sen. Daniel P. Moynihan (D-NY) has unwittingly proposed one of the most pro-family legislative initiatives in recent years—a cut in the Social Security tax. The measure would reverse the accumulated federal tax bias against families, leaving them with more of their own income to invest in their children. Payroll tax cuts would spark economic growth. So why haven't conservatives grabbed this ball and run with it?

I have recently been joined by the Heritage Foundation and Citizens for a Sound Economy in the crusade for a payroll tax cut. Most conservatives, however, are divided over how to respond to Moynihan's initi-

ative. Fearful of a backlash from senior citizens, most conservative politicians—including my friend Newt Gingrich and Vin Weber—support the status quo. Free marketeers see the Moynihan opening as a rare chance for fundamental reform of Social Security.

From a political standpoint, conservatives are in danger of surrendering the field of pro-family, pro-growth economics to the liberal Democrats. While Democrats in Washington have kept the Moynihan plan at arm's length, those on the grassroots level have responded with a rising wave of enthusiasm. Last May, the Democratic National Committee and the centrist Democratic Leadership Council endorsed the Moynihan plan.

Ironically, the Moynihan plan stems from a conservative Republican initiative. Two years ago, Jack Kemp and I saw the threat that the looming Social Security tax surplus was posing to the economy, and we proposed legislation to cut the payroll tax. A GOP plan to cut taxes didn't break any new political ground. Perhaps more importantly, the Social Security surplus was small, and few people fully comprehended its role in subsidizing the rest of the federal budget.

Skeptics claim that Senator Moynihan's real motive is to force President Bush to break his "no new taxes" pledge. Whether or not that's true, I believe we should take advantage of every opportunity to cut taxes. And now more than ever, the American family needs a tax cut: From 1955 to 1988, the federal tax burden on middle-income families rose twice as fast as their income. In 1955, a median-income family of four paid federal taxes at an average rate of 9 percent a year. In 1970, it paid 16 percent and, by 1988, 24 percent.

The chief culprit has been the payroll tax, which has risen 400 percent since 1955. Today, 74 percent of taxpayers pay more in combined payroll taxes than they do in income taxes. To be sure, rising income taxes and the erosion of the personal exemption have contributed to this rising family tax burden. But the 1981 and 1986 Reagan tax reforms addressed these problems; tax rates were reduced and the personal exemption was doubled. The next logical step in pro-family tax reform is to cut the payroll tax.

American families have less and less take-home pay at a time when the costs of child-raising—child-care, health, housing, and college education—have outpaced inflation. Congress has responded by creating more federal programs for middle-income families, like Head Start and the Act for Better Child Care. Over time, these programs develop entrenched bureaucracies and special-interest constituencies who work to expand them further, requiring even higher taxes on families.

This high tax burden has changed family life in America—for the worse. Parents must spend more time working to pay the tax bills, and less time raising their children. Many mothers are now forced to enter the work force because one paycheck can't cover the combined costs of the monthly mortgage, the electric bill, and little Johnny's babysitter. And many young couples just cannot afford to have children.

We have to bring the tax burden down and leave families with more of their own income to invest in America's children. Cutting the Social Security tax is a good first step, which would save young families up to $600 per worker per year. Conservative activist Jeff Bell put it succinctly: "A lower payroll tax makes it easier to afford children, which is a different kind of real wealth."

Moreover, a payroll tax cut would actually strengthen the Social Security system. We are often reminded about Social Security's declining ratio of workers to beneficiaries and how the ultimate health of the Social Security system itself depends on the productivity of tomorrow's workers. What could be more foolish than to keep boosting an already heavy tax burden, thus discouraging families from bringing up these bright and productive future workers?

Some pro-family advocates argue that instead of cutting payroll taxes, we should double the personal exemption again. To be sure, this measure would help the family. But from an economic standpoint, a payroll tax cut is clearly superior: it reduces a burdensome excise tax on both labor and capital, and it increases work incentives. Furthermore, payroll tax cuts have the political support of a broad-based coalition of senior citizens, small business, and labor groups.

One proposed conservative response to the Moynihan plan—privatization of Social Security—is highly inappropriate. First of all, the American people strongly support Social Security. The fact that most politicians from both parties are wary of even supporting a payroll tax cut is a testament to Social Security's public support.

I can appreciate some of the economic arguments for a private-sector retirement system. But I am convinced that privatization would undermine the traditional family.

Privatization would strip away the Social Security spousal retirement benefit, thus eliminating one of the few federal subsidies for traditional families. Social Security provides additional benefits equal to 50 percent of the principal wage-earner's benefits for mothers who have decided to work at home to raise their children. Therefore, workers in traditional families receive a greater rate of return on their payroll tax contributions. Not everyone would experience higher rates of return on private retirement accounts than they would under Social Security.

Libertarians might argue that the federal government has no role to play in the way people organize their lives. But I think most conservatives would agree that the traditional family is the basic building block of a prosperous and morally strong America. That's why conservatives support pro-family tax breaks and programs that help keep two-parent families intact. Privatizing Social Security would eliminate an important subsidy for motherhood.

Furthermore, proposals to replace Social Security with a private sector retirement system face practical problems. Economist John Mueller points out that the last generation opting out of Social Security would have to pay for retirement twice—once for its parents under the current system, and once for itself under the new private system. This would lead to a multi-billion dollar tax increase that would reduce economic growth and throw millions of people out of work.

The Social Security system works, and should remain the bedrock of America's retirement system. But that doesn't mean we should not encourage private savings to supplement Social Security. We should encourage people to deposit their payroll tax cut savings into tax-deferred vehicles like President Bush's Family Savings Plan. In fact, the combination of pro-growth tax cuts, private savings incentives, and increased immigration could reduce the expected need to raise payroll taxes to fund the baby boom's retirement three decades from now.

We have a huge Social Security surplus today because we based the 1983 reforms on projections of slow economic growth for the rest of the decade. In the future, artificially high taxes will make the low-growth prophecies a reality. We should not try to project economic policy that far into the future, setting in stone tax increases that are unnecessary.

We should improve on the Moynihan proposal by leaving a larger reserve in the fund. By using some of the savings to eliminate the Social Security earnings limit and the onerous taxation of Social Security benefits, we can give the elderly more freedom to work, save, and invest.

What about the budget deficit? If we simply spend the same amount of money next year that we spent this year, we would more than offset the $40 billion revenue loss from this tax cut. And as long as President Bush sticks to his "no new taxes" pledge, the Gramm-Rudman budget-cutting process can take care of the rest. If the President agrees to a tax increase as part of a budget deal with Congress, then the new revenue should be used to finance a payroll tax cut. Alternatively, the Gramm-Rudman deficit targets could be adjusted to reflect the lower level of tax revenue.

Unless conservatives unite to cut payroll taxes today, the $3.2 trillion tax increase—that's how much the excess payroll tax will take from workers over the next three decades—will result in lower productivity, fewer jobs, and economic stagnation. We can't let that happen—so let's seize this opportunity to return some freedom and autonomy to America's families.

[From the Christian Science Monitor, Sept. 24, 1990]

GOP's SOCIAL SECURITY TAX CUT PHOBIA

(By Bob Kasten)

With economic growth declining and inflation rising, new tax cuts are the most effective way to prevent a return to the "stagflation" of the 1970s.

House GOP whip Newt Gingrich has proposed a bold program of pro-growth tax cuts—including a capital gains tax cut to 15 percent—designed to jump start the economy. Conspicuous for its absence is Sen. Daniel P. Moynihan's plan to cut the Social Security payroll tax.

I've joined with Senator Moynihan (D) of New York in his initiative to return the $60-plus billion Social Security tax surplus to workers and businesses. (In fact, former congressman Jack Kemp, (R) of New York, and I were the first to propose cutting payroll taxes back in 1988.) This measure is pro-family, pro-growth, and pro-jobs.

Most Republicans, however, have kept the payroll tax cut issue at arms length. I can understand their caution. In the past, every time Republicans have tried to improve the Social Security program's efficiency—to achieve some modest deficit savings—Democrats have incited near panic among America's seniors and used it to their advantage in the elections.

However, today the political dynamics have changed. Senator Moynihan, "Mr. Social Security," has created a unique opportunity to cut this regressive tax. Now more than ever, middle-income workers and businesses in this country need tax relief:

Since 1955, the federal tax burden on middle-income families has risen twice as

fast as their income. The chief culprit has been the 400 percent increase in the payroll tax since 1955. Today 74 percent of taxpayers pay more in payroll taxes than they do in income taxes.

Payroll taxes now comprise over 50 percent of all the taxes paid by small businesses. It punished self-employed individuals who must pay both the employee and employer portions of the tax. Furthermore, the tax isn't based on profitability: New and marginal businesses pay the same rate as established firms. Rising payroll taxes have increased labor costs for small employers, contributing to the recent rise in unemployment.

Under the new Moynihan plan to phase-in the payroll tax cut over five years, couples earning $54,300 would save $1,878 by 1995. It would leave a healthy cushion in the fund to ensure benefits. And according to US Chamber of Commerce, lower taxes on businesses and workers would increase GNP growth by 0.3 percent a year and create 500,000 new jobs by 1995.

Payroll tax cuts would not hinder Congress's efforts to balance the budget. There is wide consensus in Congress to exclude the surplus form the Gramm-Rudman calculation, and reduce the real budget deficit without the mask of the surplus.

Moreover, unless the surplus is returned to the taxpayers, Congress will have a multi-billion-dollar petty cash drawer—free of normal budgetary constraints—that it could use to spend on new programs.

Many GOP lawmakers are pushing a new income tax credit to offset the burden of the payroll tax. While this measure helps working families, a payroll tax cut packs a bigger economic punch. Politically, a cut in the payroll tax is supported by a broad-based coalition including the National Federation of Independent Business, the AFL-CIO, and the National Committee to Preserve Social Security and Medicare.

While the leaders of the Democratic Party in Washington have yet to embrace the Moynihan plan, it has sparked a rising wave of enthusiasm on the grass-roots level. Last May, the Democratic National Committee and the centrist Democratic Leadership Council endorsed the Moynihan plan.

By stimulating investment, a capital gains tax cut is the most important thing that we can do to get the economy moving again. But advocating tax cuts for investors while opposing tax cuts for working families is terrible politics. If Republicans don't back some reduction in the Social Security payroll tax, we will be in danger of giving "Reagan Democrats" back to the Democrats—and worse yet, we will deserve to.

Mr. MOYNIHAN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays are ordered.

Mr. MOYNIHAN. I very much want to thank my friend and associate in this enterprise, the Senator from Wisconsin. He and I have talked about this on and off for 3 years, as the issue has begun to emerge.

The first time these surpluses came in sight, and as the issue arose as to just how much, whether we were going to face up to the fact that this was not general revenue, but rather a pension contribution that had to be treated as such. There is a statement recently by Richard Ron, who is the vice president and chief economist of the U.S. Chamber of Commerce, in which he says:

Congress should also reduce the tax on labor by cutting the Social Security payroll tax, as Senators Moynihan and Kasten have proposed. The reduction in the Social Security payroll tax would leave more earnings in workers' pockets and spur consumer spending.

I think the Senator from Wisconsin will probably share this information, and I speak with some tentativeness here. Most economists have judged that the payroll contributions by employers are seen by them to be a cost of employment, and that if that cost is reduced, part of it will go as higher wages. They are seen as a wage cost.

So the return to employees, not just the benefits of the wage not taken, but also of wage increases that are at least in prospect, and I think that has been for about 40 years the state of the art on the subject.

I simply say that we have from Gary Hufbauer at Georgetown University, a former Treasury official, an estimate that pay-as-you-go financing would create a million new jobs in the next 4 years. What is wrong with a million new jobs over the next 4 years?

I thank the Senator. 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. ADAMS. 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. ADAMS. Mr. President, I rise in support of S. 3167 as introduced by Senator MOYNIHAN.

Senator MOYNIHAN's "pay-as-you-go" proposal is both fair and financially sound and should be supported by this body. Throughout debate on this bill, certain very strong words—necessarily strong words—stand out. Words like embezzlement and slush fund. While I would like to think that these words are grossly overstated, they are closer to the truth than I would like to think. It is time for Congress to correct this problem.

Why are people using accusatory words like "embezzlement" and "slush fund?" I'll tell you why. Because we are using the Social Security trust fund to our advantage to create the impression that we are making some headway with the Federal deficit. We are masking the Federal deficit with Social Security. And, in the eyes of the American public, whom we represent, this is criminal.

I know the Presiding Officer and others have worked long and hard on this issue. It is not proper public policy that we should be collecting funds in an unfair manner from the people who can least afford it.

Our use of the Social Security surplus is unfair to American workers and American families—and people are beginning to understand this. People are beginning to ask why they must bear an uneven share of the deficit burden through their Social Security taxes. Of course everyone must help out in some way with the deficit problem, but using Social Security to do so has a much greater and very unfair impact on those who can least afford it.

For some the amount taken out of their pay checks for Social Security isn't a hardship, but for others it is literally a bread and butter matter—food on their tables. These are the people we need to help and who would be given a needed boost by Senator MOYNIHAN's proposal.

Social Security is a tax on employment, a tax on people, as has been well pointed out by Senator MOYNIHAN, and, therefore, we want to ensure that it cannot be used in future years to unnecessarily build huge surpluses and mask the true deficit.

But, more important than that, the most important thing to me, and why I am supporting Senator MOYNIHAN, is that we have many people paying more in this tax than they pay in Federal income tax.

Senator MOYNIHAN's proposal is financially sound. It is not a budget buster. Far from it. This proposal does not threaten the future of Social Security. But it would give significant and necessary help to those American workers and families who struggle daily to get by. Consider the case of the self-employed individuals, and my son happens to be one of them. On several occassions he has indicated to me, "Dad, I pay a 15-percent rate on FICA." In other words, he pays a higher rate on FICA than he does in Federal income tax. For self-employed individuals, this can take them to—and beyond—the breaking point. It is simply unfair that those who earn considerable sums of money don't share the burden anywhere near equitably.

Also Social Security makes it more expensive for the Boeing Airplane Co. in our part of the country to hire a new worker and pay these kinds of taxes, than it is to simply work the present work force overtime. In fact, it got so bad that people who were working for the company—and this is almost unheard of today—wanted a limitation on the amount of overtime that they had to work every month because they were working many, many hours of overtime. They wanted the overtime, but they did not want it to be a regular employment practice.

We want to be certain that the Social Security trust fund is safe. I am

pleased with what Senator MOYNIHAN has done. We should go to a pay-as-you-go basis, but still build a reserve fund. That is very important. We do not want to happen to this fund what happened in 1983, which we corrected under the leadership of Senator MOYNIHAN and others, to see that our children and our children's children will have adequate Social Security. But they should not have to pay twice. They will pay now and then they will pay again later as they start to pay off that massive debt. So they pay in now for their security, and they will pay in later to pay off the debt that we have accumulated because we have hidden it with the Social Security tax. This is what we must ensure does not happen.

I am glad that Senator MOYNIHAN has brought this before us. I do not know whether or not we will be successful in making these corrections at this time.

As a final point, I would like to make a suggestion, and mind you this is a very rough suggestion.

If we are generating excess revenues that could be used to help out anything, it should be used to help Medicare to remain solvent, and to help ensure against any great increases in the Medicare deductibles, as has been suggested previously during budget negotiations. The Medicare trust fund is so heavily burdened that its insolvency is predicted for the near future. We must not underestimate the financial burden felt by beneficiaries, as well.

Our retirement policy is wrapped—it is out of balance. We have two very important and related programs, both designed to ensure security in our retirement years, both written into Federal law under the Social Security Act, yet one is healthy and the other is very, very sick. I certainly see the relevance and the legitimacy of using excess revenues to provide badly needed help for Medicare. I do not see, however, any legitimacy in using the Social Security trust fund to lull us into the false sense that we are improving our Federal deficit problems.

I put this out only as a suggestion. If we have a revenue source that is being used for other purposes, as is being done with Social Security, and then we attack the weakest in our society, the sick and the poor, and make them pay more, that just does not seem to be quite fair to me, Mr. President, I think that is the problem that we are trying to address here, and I hope we will continue to address it during the next 2 weeks, and that we will be able to produce a fairer system.

So that is why I am here today, for both the narrow purpose of Social Security and making certain that the Social Security trust fund is safe for our people that are paying now, that they do not have to pay twice, but also that it is part of a fairer system.

I thank the Chair for this time. I am very pleased that Senator MOYNIHAN introduced this bill. This is our opportunity to give maybe a little boost to the economy, too; maybe not a big one, but a few extra dollars in the hands of the working people at this time when they are being asked to carry more of a burden by the bills that we are passing in the reconciliation package coming up and under the budget agreement. This offset however slight, is an issue of fairness to our people, and it is something we could be.

So with that, I hope that we will move forward with this bill. I hope it will become part of the total package of the taxes of the United States. I am going to be in support of Senator MOYNIHAN in his efforts and his committee as he moves ahead.

I yield the floor.

(Mr. WIRTH assumed the chair.)

Mr. MOYNIHAN. Mr. President, I thank my very dear friend from Washington for his remarks. I say two things. He spoke of his son, who is a self-employed person, who starts out with a higher rate of Social Security contributions than income tax, 15.3. May I make the point that that is true of every farmer in the Nation, every farmer in the State of Washington, and you have some great ones. They come in under this right away.

The other thing is to say that the Senator is absolutely right that the Medicare trust fund, the health HI trust funds need attention. We now see by the year 2003 reserves may be gone. So in the next 5 years, at a minimum, we have to attend to just the problem the Senator is talking about. And we could do it in this context, sure. But I began this morning saying Social Security is an annual art around here. It is the art of thinking in terms of what is going to happen in the next 30 years, and 40 to 60 days seems our time around here most of the time.

I will say no more than that. I see the distinguished Senator from Minnesota is on the floor. I am happy to yield the floor.

AMENDMENT NO. 2941

(Purpose: To amend title II of the Social Security Act to eliminate the earnings test for individuals who have attained retirement age)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. BOSCHWITZ] for himself, Mr. MCCAIN, Mr. GORTON, Mr. LOTT, Mr. MACK, Mr. MCCONNELL, Mr. COATS, Mr. MCCLURE, Mr. KASTEN, Mr. BURNS, Mr. PRESSLER, Mr. HATCH, Mr. WILSON, Mr. D'AMATO, Mr. COCHRAN, Mr. GRAMM, Mr. HELMS, Mr. JEFFORDS, Mr. NICKLES, Mr. SHELBY, Mr. SIMPSON, Mr. SYMMS, Mr. THURMOND, Mr. WARNER, Mr. HEFLIN, Mr. GRASSLEY, Mr. DURENBERGER, and Mr. ROTH, proposes an amendment numbered 2941.

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

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

TITLE —SOCIAL SECURITY EARNINGS TEST ELIMINATED

SEC. . SHORT TITLE.

This title may be cited as the "Older Americans' Freedom to Work Act of 1990".

SEC. . ELIMINATION OF EARNINGS TEST FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.

Section 203 of the Social Security Act is amended—

(1) in paragraph (1) of subsection (c) and paragraphs (1)(A) and (2) of subsection (d), by striking "the age of seventy" and inserting "retirement age (as defined in section 216(l))";

(2) in subsection (f)(1)(B), by striking "was age seventy or over" and inserting "was at or above retirement age (as defined in section 216(l)";

(3) in in subsection (f)(3), by striking "33⅓ percent" and all that follows through "any other individual," and inserting "50 percent of such individual's earnings for such year in excess of the product of the exempt amount as determined under paragraph (8)," and by striking "age 70" and inserting "retirement age (as defined in section 216(l))";

(4) in subsection (h)(1)(A), by striking "age 70" each place it appears and inserting "retirement age (as defined in section 216(l))"; and

(5) in subsection (j), by striking "Age Seventy" in the heading and inserting "Retirement Age", and by striking "seventy years of age" and inserting "having attained retirement age (as defined in section 216(l))".

SEC. . CONFORMING AMENDMENTS ELIMINATING THE SPECIAL EXEMPT AMOUNT FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.

(a) UNIFORM EXEMPT AMOUNT.—Section 203(f)(8)(A) of the Social Security Act is amended by striking "the new exempt amounts (separately stated for individuals described in subparagraph (D) and for other individuals) which are to be applicable" and inserting "a new exempt amount which shall be applicable".

(b) CONFORMING AMENDMENTS.—Section 203(f)(8)(B) of such Act is amended—

(1) in the matter preceding clause (i), by striking "Except" and all that follows through "whichever" and inserting "The exempt amount which is applicable for each month of a particular taxable year shall be whichever";

(2) in clause (i), by striking "corresponding"; and

(3) in the last sentence, by striking "an exempt amount" and inserting "the exempt amount".

(c) REPEAL OF BASIS FOR COMPUTATION OF SPECIAL EXEMPT AMOUNT.—Section 203(f)(8)(D) of such Act is repealed.

SEC. . ADDITIONAL CONFORMING AMENDMENTS.

(a) ELIMINATION OF REDUNDANT REFERENCES TO RETIREMENT AGE.—Section 203 of the Social Security Act is amended—

(1) in the last sentence of subsection (c), by striking "nor shall any deduction" and all that follows and inserting "nor shall any deduction be made under this subsection

from any widow's or widower's insurance benefit if the widow, surviving divorced wife, widower, or surviving divorced husband involved became entitled to such benefit prior to attaining age 60."; and

(2) in subsection (f)(1), by striking clause (D) and inserting the following: "(D) for which such individual is entitled to widow's or widower's insurance benefits if such individual became so entitled prior to attaining age 60, or".

(b) CONFORMING AMENDMENT TO PROVISIONS FOR DETERMINING AMOUNT OF INCREASE ON ACCOUNT OF DELAYED RETIREMENT.—Section 202(w)(2)(B)(ii) of such Act is amended

(1) by striking "either"; and

(2) by striking "or suffered deductions under section 203(b) or 203(c) in amounts equal to the amount of such benefit".

(c) CONTINUED APPLICATION OF RULE GOVERNING ENTITLEMENT OF BLIND BENEFICIARIES.—The second sentence of section 223(d)(4) of such Act is amended by inserting after "subparagraph (D) thereof" where it first appears the following: "(or would be applicable to such individuals but for the amendments made by the Older Americans' Freedom to Work Act of 1990)".

SEC. . EFFECTIVE DATE.

The amendments made by this title shall apply only with respect to taxable years beginning on or after January 1, 1992.

Mr. BOSCHWITZ. Mr. President, this amendment does what my friend from the State of Washington just talked about—puts a few extra dollars in the hands of the working people and those who are over 65. This amendment is cosponsored by the following Senators: Senators MCCAIN, GORTON, LOTT, MACK, MCCONNELL, COATS, MCCLURE, KASTEN, BURNS, PRESSLER, HATCH, WILSON, D'AMATO, COCHRAN, GRAMM, HELMS, JEFFORDS, NICKLES, SHELBY, SIMPSON, SYMMS, THURMOND, WARNER, HEFLIN, GRASSLEY, DURENBERGER, and ROTH.

This is an amendment, Mr. President, that would offer some freedom and opportunity and fairness for the millions of Americans who are on Social Security by fully repealing the so-called Social Security earnings limit for Americans over 65. The law presently says that for every $3 a retiree earns in excess of $9,360, they lose $1 of Social Security. So that a person who makes $1,000 over $9,360 would lose $333 of his or her Social Security. After the age of 70, there is a total repeal of this; that is, for the elderly who work after the age of 70, for some reason, there is no limitation. But for those who are 65 to 70, there is such a limitation.

So what we are seeking to do is to move the age, really, from 70 down to 65. The effect of earning more than $9,360 a year is that you pay $1 worth of tax for every $3 you earn. So the effective rate of tax, because of the law, of Social Security is already 33 percent. Let us say that you have a large income, that you have done well in life and your wife has done well in life and you have been prudent and laid aside some money and you now earn some income, perhaps it is rental income because you have invested in some real estate, perhaps it is income from stock or bonds. That income does not count. You can make as much from that kind of income and have no penalty assessed against you. The test does not apply to so-called unearned income. It applies only to earned income. In the event you have earned income in excess of $9,360, for every $3 that you earn over that amount, you lose 1 dollar's worth of Social Security. The effect of that is a 33-percent tax.

Let us say that you are in the 28-percent tax bracket or even in the so-called bubble, the 33-percent tax bracket, for that short timeframe. You are now effectively in a 61- or 66-percent tax bracket.

I just heard my friend from Washington and also Senator MOYNIHAN talk about the fact that, if you are self-employed, you have to pay a 15-percent Social Security tax. So add that in. Now you are in the 81-percent tax bracket. And in Minnesota, where State taxes rise to 9 or 10 percent, you find yourself in a tax bracket close to 90 percent. Indeed, the average State income tax around the country is supposed to be about 6 percent. So it would not be unusual to find yourself in a bracket in the middle or high 80's.

I see the distinguished Senator from New York is on his feet.

Mr. MOYNIHAN. Will the Senator yield for a comment?

Mr. BOSCHWITZ. Yes.

Mr. MOYNIHAN. I simply say that the Senator, I am sure, knows, first of all, his facts are correct and that what we are dealing with here is a holdover from the origins of the Social Security legislation which begin in 1934 at the depths of the Depression.

It was a measure brought on by all manner of social distress. The one thing no one wanted to do was to encourage anybody to remain in the labor market. The unemployment rate was probably 25 percent when the bill was enacted. The first benefits did not take place until 1940 so they would have had a lesser condition.

But there is almost universal agreement among people who study this subject that what we are dealing with here is an obsolete provision that originates in the Great Depression of the 1930's. The sooner we are rid of it the better.

I know the chairman of the Finance Committee wants to make the next step. If I may say, in 1983 we lowered this penalty. Senator BENTSEN would like to lower it still further. My colleague would like to eliminate it. I agree with everyone.

There may be one last stage before we get to the Boschwitz stage, but the Boschwitz stage is where we ought to be heading. And, for my part, I will support this amendment.

Mr. LOTT. Will the Senator yield?

Mr. BOSCHWITZ. I yield to my friend.

Mr. LOTT. Since my colleague stopped at this particular point, I want to commend him for offering this amendment. It speaks to the question of basic fairness for our elderly working people who would like to continue to be active and be productive and provide for themselves. The fact that they are penalized by taxation of their earnings is an example of one of the worst inequities against the elderly in our country.

We are going to need our older Americans. As we move into the latter part of this decade and the next century, we are going to find the youth pool is declining. We are going to need more workers. Our older Americans are mature, experienced, worthwhile people who would like to make a contribution. They will be needed and will be very productive.

But as the Social Security Act is currently designed, the Government continues to give little thought to older Americans' ability to contribute in the work force.

The taxes imposed on America's working seniors are an outrage. These workers are subject to the Federal Insurance Contributions Act [FICA], even in situations where they are receiving Social Security benefits. They are subject to Federal, State, and local taxes. They are subject to taxes on tax exempt income. And they are subject to a tax on the Social Security benefits they receive.

That brings me to the biggest outrage: The Social Security retirement earnings limit. Beginning January 1, 1990, this limit reduced benefits to persons between the ages of 65 and 70 who earn more than $9,360 per year. These reductions amount to $1 in reduced benefits for every $3 in earnings above the $9,360 limit.

Because of that limit, senior workers earning $12,000 annually, who should be in the lowest tax bracket, end up keeping only 36.85 cents of every dollar earned, while a young worker making the same wage takes home 77.35 cents from every dollar he earns.

This tax rate is unheard of in Western democracies. I cannot think of a single reason why our working elderly should be taxed as if they were Swedish millionaires.

But as I have already stated, the Social Security retirement earnings limit is an outrage not just because it is unfair. It also poses a serious threat to the labor work force.

Demographers tell us that between the years 2000 and 2010 the baby boom generation will be in their retirement years. With fewer babies being born to replace them, this Nation is looking at a severe labor shortage.

Can we really afford the economic consequences of putting out to pasture Madison Avenue's "Pepsi Generation."

Almost a year ago, the Senate overwhelmingly agreed to an amendment, attached to the Minimum Wage Restoration Act, which would begin to phase out the Social Security earnings limit. It called for raising the monthly limit $80 and allowing older workers to earn an extra $1,000 in 1990 before they must forfeit part of their Social Security benefits.

This one action would have relieved over 1 million working older Americans of excessive tax rates in the upcoming year. But, it was dropped from the final version of the minimum wage bill.

This was yet another outrage because it seemed only fair that while the Congress was granting a so-called rise to the working poor of this country, it should have provided some needed financial relief to working older Americans as well.

An earnings limit for Social Security beneficiaries is an ill-conceived idea which is an administrative nightmare for the Social Security Administration. The Social Security Administration spends more than $200 million and devotes a full 8 percent of its employees to police the income levels of its retirees.

For beneficiaries the income limit is a frustrating experience of estimating and reporting income levels to the Social Security Administration.

I am cosponsoring legislation to phase out the retirement earnings limit and am pleased to be a cosponsor of this amendment. It begins the process of providing employment opportunities for older Americans without punishing them for their efforts.

In the 1930's when the earned income limit as devised, encouraging the elderly to leave the workplace was seen as a positive act, designed to increase job opportunities for younger workers.

Today, with our shrinking labor force, such a policy is absured. We need the skills, wisdom, and experience of our older workers. Repealing the earnings limit will encourage them to remain in the labor force.

I support this amendment actively and commend the Senator for his very fine efforts in offering it this afternoon.

Mr. BOSCHWITZ. I thank my friend from Mississippi. He is quite right. He anticipated some of my argument. The youth pool is shrinking. As a matter of fact, we, ourselves, I think, have left that pool. We are most definitively now out of that pool. It is shrinking. The birth rate is such, in an expanding economy, that we have to utilize those we can.

Mr. MOYNIHAN. Will the Senator yield for one final comment?

Mr. BOSCHWITZ. Certainly.

Mr. MOYNIHAN. Simply to say, in the context of the statement of the Senator from Mississippi, it is precisely the fact that a baby bust followed by the baby boom that led us, in 1977, to put in place a partially funded system, because there would be fewer people following the large cohorts of the 1940's and 1950's. That is precisely why we will need all the workers we can get in the 1990's. That is demography. All those things happened.

M. BOSCHWITZ. Mr. President, I ask unanimous consent that Senator STEVENS be added as a cosponsor of this amendment.

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

Mr. BOSCHWITZ. That makes a total of 27 Members of the Senate who have cosponsored this concept who agree with many of the arguments I have made in these remarks, that have been made by my friend from Mississippi, and also have been made by the distinguished Senator from New York. But let me make the case more fully by reviewing some aspects of this issue.

No American should be discouraged from working. Unfortunately there is one group in our society which is singled out and blatantly discriminated against for attempting to be productive members of the work force and that group is the Nation's elderly.

The Government has placed an effective cap on the amount of income a Social Security recipient is able to earn. This flaw is discouraging older Americans who want to work by taxing away their benefits. This is no ordinary tax, as I have described the scope of the tax.

Let me also point out in the chart I have here, the rising tide of the elderly in this country. The chart begins, I might say, at 15 million and then goes to 35 million, so the scope of the rise is a little larger in this chart than in actuality. It is here at 16 or 17—and this was 1960 that there were 15 or 16 million people 65 years and older—but by the year 2000 that figure will have doubled and will be about 35 million.

We simply cannot leave that large a group out of the pool. We recognized the necessity of having people of that age in the working pool by raising the age at which Social Security will be offered. It is after the turn of the century, I believe it starts in the year 2006, when the age advances 1 month in each year until it hits 67. So the Congress has recognized the fact that people are still very capable of working, and that they want to work. It is important not only to their financial needs but very often for their physical and their mental needs as well.

Most older Americans tell me Social Security retirement earnings is much more than a tax, and they are right. The earnings test is a Government-sponsored program which takes seniors out of the work force and into the rocking chair. It has done so—and the Senator from New York has given the history of that—because the whole program of Social Security was formulated at a time of a devastated economy in this country, when unemployment was very high and it was thought to be wise to reduce the pool of people who were seeking work.

Now, of course, our attitude is different. The economy is different. Or our attitude might be the same if we had had a bit of repetition of the thirties. It is not healthy for those seniors and the economy to deny them the ability to work. We have joined here in the Senate with over 200 Members in the House led by Representative DENNY HASTERT to fight for older Americans and to end this unfair economic tax and, really, this economic folly. America will be watching this amendment. Certainly the elderly have expressed a great deal of interest in it. This is not a typical inside-the-Beltway type of issue. This vote will be fundamental, and it will be most appealing to the grassroots.

Currently, over 1 million seniors and over 200,000 spouses and dependents are directly affected by this unfair tax. This amendment is strongly supported by at least five of our Nation's largest senior organizations: the National Committee to Preserve Social Security and Medicare; the National Association for Retired Federal Employees; the Retired Officers Association; the Senior Coalition; and the National Alliance of Senior Citizens.

This issue is one of their highest legislative priorities.

I have in my hand their letters of strong endorsement. I ask unanimous consent that they be printed in the RECORD at the end of my remarks.

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

(See exhibit 1.)

Mr. BOSCHWITZ. Mr. President, the Social Security earnings test is an antiquated provision and penalizes our seniors from being productive. For every $3 earned by retirees over the $9,360 earning limit, they lose a dollar of Social Security benefits. That is a 33-percent effective tax. Together with Federal taxes, State taxes, and FICA taxes, it amounts to a marginal rate of tax sometimes approaching 90 percent, often over 80 percent, always virtually at the 70-percent limit. Those kinds of taxes are discouraging. Those kinds of taxes are not productive. Those kinds of taxes do not contribute to our economic society.

In some States, the effective marginal tax rates can be over 90 percent. This policy is estimated that when you get a city tax on top of a State tax, this policy is estimated to keep at least 700,000 retirees out of the labor market. We cannot not afford to let

this go on—700,000 people not working. That is a lot of economic activity that does not take place; that is a lot of taxes that the Federal Government does not collect; that is a lot of taxes that the Social Security System does not collect because there is no argument in this amendment about Social Security taxes. When these folks go out and work, they are going to continue to pay into the Social Security System. This amendment in no way affects that. What this amendment says is that Social Security payments will not be curbed because of their working.

The Congress has pondered the earnings test long enough. It is not fair; it is outdated; it really has to go. The earnings limit is not in the spirit of what this country stands for. It is blatant age discrimination and must be repealed.

The earnings limit is not only unfair, Mr. President, but it also significantly impacts the quality of life enjoyed by our Nation's seniors. The Government should not dictate how much money seniors can earn or subject them to effective tax rates higher than any other age groups. Seniors who do not earn a particularly large income, because income in excess of $9,360 certainly is not a large income, yet at that level, they find themselves to be the highest taxed of all Americans—well over twice the tax rate of some of our most wealthy citizens.

The fact that person reaches 65 years of age does not mean that he or she has lost their desire or ability to be productive. They have not lost their ability to be active members of society. They should not be retired and need not be retired. They do not want to be retired and should not be penalized for being retired. The Government should not deprive them of the fruits of their labor.

Mr. President, my dad retired when he was almost 89. I think he should have retired a couple of years before that because he was beginning to lose his zip when he was 87, 88, but he was still going strong. My father was 52 when I came along. So most of my recollection of him is when he was far beyond 65, and he lived until he was 96. Most of my recollection of him is after the age of 65. He worked until almost his 89th birthday. Some of his best years, as a matter of fact, were when he was in his seventies and early eighties. He was very productive during that period of time. There is no question about the fact that if he had stayed home and vegetated that he, indeed, would not have been a very happy person. He might well not have gone on to the age of nearly 96.

This is a man who never played a round of golf in his life. His son has never played a round of golf either. We do not know exactly what to do in retirement. My dad, to the best of my knowledge, never went fishing. I am not much of a fisherman either. We do not know what to do. We just work. We want to continue to produce. It is a healthy thing to do. It sure was for my dad, and I hope it will be for me as well.

The Social Security earnings limit is particularly harsh on that portion of the senior population that is most in need of help; low-income seniors. Dividend and interest from savings accounts do not count against the earnings limit, as I said before. It is only earned income, not unearned income. But seniors with no private investment income in their working years may need to work just to meet basic expenses, such as shelter and food, not to mention health care costs, which are rising at astronomical rates.

When individuals get over that $9,360, if they are making $5 an hour, once the limit is reached, the spending power of that wage is about $1. That is not a way to encourage people to work. That is a penalty, and it is that penalty that we are trying to remove.

As a businessman, I recognize that elderly Americans are really an underutilized resource in this country. There are more than 40 million Americans over 60, and we are putting them out to pasture. I will soon join that group, Mr. President. I am not ready to be put out to pasture.

Mr. President, three out of five seniors have no disability that would preclude them from working. With the Department of Labor warning us about the impending future labor shortages, as my friend, the distinguished Senator from Mississippi [Mr. LOTT] pointed out, that it seems hard to justify a Government policy which discourages an entire segment of our population from participating.

According to the Social Security Administration, 60 percent of all overpayments of Social Security and 45 percent of all benefit underpayments are attributable to the earnings test. The red tape of the reporting procedures and bureaucratic paperwork maze is confusing and frightening for many Americans and they simply do not know how to cope with it. That is to say, Mr. President, the errors that are made in Social Security payments are largely from this source, largely because people are working and people are having their Social Security payments withheld; that is where the errors begin. Much of the churning and effort by the Social Security Administration is because of this earnings test limit. We would be able to shrink that bureaucracy in the event that this earnings test limit was removed.

Even though he does not earn up to the limit of $9,360, there is a man who has written me letters about the earnings limit test and has written others in the Congress as well. He is a World War II veteran who fought in the Pacific from 1943 to 1946 and he really is outraged and bewildered by a law that he points out correctly discourages productivity of this Nation's elderly. He does not want to defraud his Government 1 cent and he said the earnings test encourages work to be paid under the table and that is a bad thing, Mr. President, when our laws encourage or bring about the result of making people skirt Government rules and become outside of the course of honorable human events. Laws should not encourge that to occur.

If seniors are retiring, it should be by their choice. However, if Government policy is effectively forcing seniors into complete retirement, which I believe is the case, then the policy is wrong and should be overturned. Seniors should have the same opportunity as others to enjoy work, to work in our society, and to enjoy the benefits of employment.

Of course, if you do not like the idea, even a good idea, you can always find obstacles to put in the path of that idea, and in the case of the earnings test repeal, the first point raised is the issue of cost. Mr. President, I will not go into all of that because we believe that those who are estimating the costs think the economy is static, and my colleagues and I have adequately responded on the floor those kinds of arguments that have been made before.

At this point I will conclude my remarks.

EXHIBIT 1

NATIONAL COMMITTEE TO PRESERVE SOCIAL SECURITY AND MEDICARE,
Washington, DC, April 18, 1990.

Hon. RUDY BOSCHWITZ,
U.S. Senate, 506 Hart Senate Office Building, Washington, DC.

DEAR SENATOR BOSCHWITZ: The National Committee to Preserve Social Security and Medicare supports your bill, S. 2159, which eliminates the Social Security earnings test for those 65 and older.

There are compelling arguments for eliminating the earnings test. Of most importance to the National Committee is simple fairness. Americans between the ags of 65 and 69 who have earned income over $9,360 are subject to a 33 percent effective tax rate. When this is added to their other tax burden, the marginal tax rate for these individuals can be 70 percent. Such a tax penalty is clearly unfair and should be eliminated.

As our population ages, good public policy demands that we encourage older Americans to stay in the work force. Current policy identifies a group of people strictly by age and penalize them for working. The National Committee believes the penalty should be eliminated and supports your efforts to do so.

Sincerely,

MARTHA A. MCSTEEN,
President.

THE RETIRED OFFICERS ASSOCIATION,
Alexandria, VA, April 19, 1990.

Senator RUDY BOSCHWITZ,
U.S. Senate, Washington, DC.

DEAR SENATOR BOSCHWITZ: On behalf of the 365,000 members of the Retired Officers Association, allow me to congratulate you on your introduction of S. 2159, the Social Security Earnings Test bill.

For many years, The Association has been urging members of Congress to "wake up amd smell the roses". There are multitudes of so-called "senior citizens" out there who want very much to be employed—not necessarily for the money, although that is important—but because they want to feel that they are contributing. And how they can contribute. I need not tell you of the vast storehouse of experience that is laying untapped across our great land because of the inane prohibitions in the Social Security Law.

This antiquated law, which penalizes those eligible to receive Social Security benefits, if they should dare earn more than $9,360 per year, needs to be amended and amended promptly. Our deficit is growing and our economy is slowing down, in large measure due to a lack of skilled workers. The very people who could fill this void are prevented from doing so because they know that for every dollar they make over the limit they will pay about 56 cents on taxes.

Senator, we at The Retired Officers Association, applaud your initiative and stand ready to help in the passage of this bill in any way we can. If this letter will help in your efforts—use it. In the interim, I intend to get the message out to our constituents to write their respective members, on both sides of the Hill, to support your bill.

Just as Medicare catastrophic was the equity issue of 1989, the Social Security Earnings Test will be the equity issue of 1990.

Again, thank you for your initiative and leadership in this vital matter.

Sincerely,

PAUL W. ARCARI,
Colonel, USAF, Retired,
Director Legislative Affairs.

NATIONAL ASSOCIATION OF RETIRED FEDERAL EMPLOYEES,
Washington, DC, April 19, 1990.

Hon. RUDY BOSCHWITZ,
506 Hart Senate Office Building, U.S. Senate, Washington, DC.

DEAR SENATOR BOSCHWITZ: The National Assocaition of Retired Federal Employees (NARFE) welcomes your attempt to have the social security earnings test eliminated for persons over age 65. We believe that one of the original intents of the earnings test—the Depression era need to remove older workers from the job market to make way for younger workers—is no longer valid, yet many senior citizens who are able and desire to work at post-retirement jobs find the earnings test penalizes them for doing so.

While some argue that it is only the "wealthy" older American who would benefit from repeal of the post-65 earnings test, we disagree. Since the earnings test applies only to wages and not to investment income, the truly wealthy already benefit. We believe that it is the middle-income tax-paying retiree who very often needs a post-retirement salary to meet unanticipated expenses caused by family illness or other economic pressures who needs this help and would most benefit. At the same these older workers will continue to contribute to the nation's economy with their continuing income and social security taxes.

NARFE appreciates your recognition of the need for change in the earnings test, and supports repeal of the earnings limit for those over age 65.

Sincerely,

H.T. STEVE MORRISSEY,
President.

THE SENIORS COALITION,
McLean, VA, April 30, 1990.

Hon. RUDY BOSCHWITZ,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR BOSCHWITZ: Every now and then a piece of legislation is introduced that makes one realize there actually is a sense of fairness and justice in Congress. Such is the case with your bill, S. 2159, "The Older Americans' Freedom to Work Act" which would remove the earnings test on Social Security benefits for those 65 and older.

There are dozens of reasons why The Seniors Coalition feels compelled to support this legislation, but chief among them is that it makes good sense—not just for America's senior citizens, but for America.

We stand ready to do anything we can to help you in this battle. Please do not hesitate to call on us.

Sincerely,

JAKE HANSEN,
Executive Director.

U.S. CHAMBER OF COMMERCE,
Washington, DC, June 27, 1990.

Hon. RUDY BOSCHWITZ,
U.S. Senate, Washington, DC.

DEAR SENATOR BOSCHWITZ: The Social Security "earnings test," which limits the wages a retiree can earn without forfeiting benefits, traditionally has been perceived as an issue for older workers. It has become an issue for employers as well. Retaining experienced older workers already is a priority in labor-intensive industries, and will become even more critical as we approach the year 2000.

Reflecting this, the Board of Directors of the U.S. Chamber of Commerce voted unanimously on June 13 to support elimination of the earnings test, as you have proposed in S. 2159. The Chamber would like to work with you to secure passage of the bill. To this end, Lisa Sprague, the Chamber's manager of employee benefits policy, already has been in touch with Kent Knutson of your staff.

The Chamber would like to thank you for highlighting this issue and for seeking the solution to a problem faced by many of its members.

Sincerely,

DONALD J. KROES.

AMERICAN ASSOCIATION OF RETIRED PERSONS,
Streator, IL, May 31, 1989.

Representative DENNIS HASTERT,
Reddick Mansion, 100 W. Lafayette Street, Ottawa, IL.

DEAR REPRESENTATIVE HASTERT, I wish to refer to the H.R. 2460 which would repeal the so-called Social Security "Earnings Test".

I have discussed this issue of repealing the Earning Test to the Board of Directors of the local chapter of the A.A.R.P. The members of the Board of Directors were in favor of the repeal of H.R. —

Members expressed a concern that the older American were being discriminated against since they had to lose part of their social security earnings due to the maximum amount that one could earn without jeopardizing their social security earnings.

I will discuss this "Earnings Test" with our full membership on Tuesday, June 6, 1989. We will have approximately 150 members at this meeting.

We will appreciate your support of the repeal of this issue.

Sincerely,

W. WALTER LOCHBAUM,
Chairman, Legislative Committee.

NATIONAL ALLIANCE OF SENIOR CITIZENS, INC.,
Arlington, VA, May 4, 1990.

Hon. RUDY BOSCHWITZ, U.S.S.,
506 Hart Senate Office Building, Washington, DC.

DEAR SENATOR BOSCHWITZ: The National Alliance of Senior Citizens, Inc. (NASC) strongly supports S. 2159, The Older Americans Freedom to Work Act, which would repeal the Social Security earnings limit.

The Social Security system, as it was established in 1935, was designed to provide supplemental income for our nation's seniors. We have always felt that the earnings limit forces senior citizens to choose between either receiving Social Security benefits or a few dollars of outside work. People who have paid into Social Security all their working careers deserve to receive an equitable amount from the system. They should not be cut off because they have been successful or have saved enough to survive without Social Security.

NASC opposition to the Social Security earnings limit dates as far back as 1974, when the organization was created. It was then that we adopted the repeal of the earnings limit as one of our first projects. We vigorously supported the 1980 Laxalt legislation (S. 1287 and S. 2208) for the elimination of the so-called "retirement test." Such legislation would have encouraged continued productivity and lower inflation rates by keeping people in the work force longer.

Our opposition to the earnings limit led to several disagreements with the Reagan Administration. After having endorsed Ronald Reagan for president in 1980 as the only candidate to pledge repeal of the earnings limit, we fully expected him to do so sometime in 1981. The NASC was disappointed when elements inside his Administration and in Congress prevented this from occurring.

The NASC repudiated many of the assertions of the 1982 Social Security Commission. The Commission stated erroneously that elimination of the earnings limit would be "extremely costly to the system." The simple truth is that by eliminating the earnings limit many people would continue working and paying into the Social Security and other funds as well. This greatly offsets the projected "losses" to the Social Security system, and should easily overcome any losses paid to those who would have worked anyway. Sadly, the Commission did not consider that.

In 1984, the NASC strongly disagreed with then-Secretary of Treasury Donald T. Regan's statement that Social Security should not be paid out to those who have enough money to survive without it. We feel that Social Security must not be a total welfare program, and such redistributionist thinking is, in our opinion, unwise.

The Social Security earnings limit places an unfair burden squarely on the backs of our older citizens who can least afford it.

The earnings test imposes a de facto 50 percent marginal tax rate on senior citizens with limited resources. It forces many people into retirement, people who would otherwise remain active in the work force for the benefit of their emotional, mental, and physical health. Most significantly, the earnings test frustrates those who need the additional income for expenses that fixed incomes cannot support.

The Social Security earnings test is, in addition, a bureaucratic nightmare, costing American taxpayers $200 million per year and expending 8 per cent of Social Security Administration employees to examine the income levels of beneficiaries.

We believe the earnings limit forces people off of work roles and onto retirement roles at age 65. The fact is many elderly citizens, while ready to reduce their workload at 65, do not want to withdraw completely from the labor force. They should be permitted to receive their hard-earned Social Security benefits and encouraged to remain productive in our economy. The earnings limit prevents this, and the NASC favors its immediate repeal.

Thank you for considering our views on this most important matter.

Yours most sincerely,

D. LAWRENCE BIVINS,
Executive Director.

Mr. HATCH. Mr. President, I rise to urge my colleagues to carefully consider the looming disincentive many of our working senior citizens are facing in the form of the Social Security retirement earnings limitation. It is past time that we eliminated this restrictive policy. This limitation, which reduces the Social Security benefits of retirees under age 70, in effect sends a negative message to working recipients of Social Security. This message is that the Federal Government does not value their continued contribution to the work force. The reality of the situation, Mr. President, is that we need those contributions in the workplace now more than ever.

Many in our senior work force not only want to keep working after age 65, but because of their economic situations, these people may need to keep working. Do we want to discourage them?

The current system, which punishes seniors for working, was developed in the Great Depression years when jobs were scarce. It is foolish for our Government to now have such a restrictive policy, which results in effective marginal tax rates of 56 percent and higher. This is for a low-income retired worker, supposedly in the lowest tax bracket. This means that, should this worker exceed the earnings limitation, he or she keeps only 44 cents of each dollar earned. Subtract from this 44 cents the State tax on those earnings, and you can see the tremendous disincentive these retired workers face. After a lifetime of believing that hard work pays off, it is extremely frustrating to face an economic situation where more work leads to so little additional pay.

Many of our workers turning 65 are faced with a difficult dilemma. Either they must continue working full time and give up all or part of their well-earned Social Security benefits, or they must retire and accept a lower standard of living. Either choice leads to the feeling that one is being cheated.

It is ironic and unfair that those retirees with large amounts of unearned income from interest, dividends, and pensions do not face a reduction of Social Security benefits, no matter how much of this income they enjoy. Those retirees who struggle to get by on their Social Security, and would like to supplement their income by continuing to work, however, are discouraged from doing so. This is poor public policy and goes against American ideals.

Mr. President, our Nation is beginning to face shortages of skilled workers. While these shortages are presently more visible in some regions of the Nation than others, the lack of experienced labor will prove to be one of our biggest challenges as we enter the new century. One solution to this problem lies with our senior citizens. In many ways, this group represents the best America has to offer. They have the skills; they have the experience; they have the work ethic. We cannot afford to discourage members of this group who wish to continue working.

The amendment now before us represents a turn in the right direction, a signal that we believe our work force between the ages of 62 and 70 are a much needed and integral part of our economy. These individuals have much to contribute. We need their experience, and we need their wisdom. Let's not discourage them from making this contribution by taxing away most of their earnings.

I urge my colleagues to support this amendment.

Mr. MOYNIHAN addressed the Chair.

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

Mr. MOYNIHAN. Let me just follow up on the Senator's remarks on cost. The short-term cost is not small, but in the long run this cost works out in terms of the trust funds because under the delayed retirement credit benefits are increased by 3 percent a year for each year that retirement is delayed past age 65 up until age 70, when there is none.

The 1983 amendments provided for gradually increasing the delayed retirement from 3 percent to 8 percent over the period 1990, starting now, to the year 2009. These are tedious things I know, but the simple fact is we have already anticipated that this event would take place, and that although you give up on the front end a certain amount of benefits that are paid that otherwise would not be paid, very quickly you begin to be paying lesser benefits to persons who, working past 70, would get 3 percent a year for up to 5 years and as much as 40 percent a year by the year 2009.

May I say the former chief actuary very much supports this measure.

Mr. President, I know the Senator has an engagement and I am prepared to accept this measure. But if the Senator is just trying to run the clock, tell me, because I will know what the Senator is doing.

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, as I was saying, if you look at this matter from the very near term, I think you will find a cost of $39 billion over 5 years. That is a very large cost. But let us say that we have been steadily moving in this direction. The legislation does not take into effect until 1992, so there is no immediate cost. But there is a simple fact that in the 1983 amendments we provided for a gradual increase in the retirement test benefit, if you put it that way, from 3 percent to 8 percent over the 20 years that began running in this year, 1990.

The whole art of Social Security adjustment is to make it slowly, over time.

The Senator is quite correct that starting in the year 2002 we increase the retirement date by 1 month a year for the next 24 years until we get to age 67. Take your time; nothing jolting. The way it goes now is that for every year you work after 65 and do not draw benefits, your benefits, when you do draw them, go up 3 percent. They are now scheduled to go up as much as 40 percent.

If we eliminate the retirement test right now, we eliminate the cost over the next 20 years of the retirement credit—nonretirement credit, I think it might properly be called—which evens out. It is actuarially balanced within the actual system. In 20 years' time you would note no difference whether we do this or not.

As I say, many people think we should do this.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that an article by Senator MCCAIN, a letter from Dr. L.H. Stahn, M.D., of Sauk Rapids, MN,

and a letter from James B. Gergen, of Lake Elmo, MN, who has written to me and also put into his letter some of the figures and statistics that I have mentioned in my earlier remarks, be printed in the RECORD.

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

REPEAL OF THE EARNINGS TEST IS INDEED POSSIBLE

(By Senator John McCain)

No American should be discouraged from working. Yet, by penalizing our nation's seniors severely for attempting to be productive members of our work force, that is exactly what we are doing.

Congress has capped the amount of income a Social Security beneficiary is able to earn. This law—the Social Security earnings test-discourages seniors who want, or need, to work by taking away their benefits. It is an incredible and blatant form of age discrimination, and indicates to seniors that their continued contributions to the work force are not valued once they retire.

Two recent issues of this publication carried guest editorials about the Social Security earnings test. I read both with interest, as I am a strong proponent of eliminating the earning test. I was hard-pressed, however, to agree with the most recent editorial entitled "Repeal the Earnings Test, But in a Bi-partisan Fashion."

Currently, a Social Security beneficiary who makes more than $9,360 is subject to an effective marginal tax rate close to 70 percent—one-third higher than the rate paid by our wealthiest citizens. In short, for every $3 they earn, they lose a dollar of their Social Security benefits.

The thesis to the most recent editorial seemed to be that Republicans—led by Sen. Rudy Boschwitz of Minnesota—are somehow trying to make the Social Security earnings test a partisan issue. This is nonsense.

First, elimination of the Social Security earnings test was proposed as early as 1964 by my predecessor, Barry Goldwater. Since then, politicians from all ends of the political spectrum, including such strong, liberal advocates of seniors' issues as the late Rep. Claude Pepper, D-Fla., have strongly advocated an immediate and full repeal of the earnings test.

Second, the Older Americans' Freedom to Work Act, S. 2159, which was criticized in the most recent editorial, enjoys the cosponsorship of some 28 senators—both Democrats and Republicans. Hardly a partisan ploy.

And third, organizations working hard to defend and promote the interests of our nation's seniors, such as the National Committee to Preserve Social Security and Medicare, have endorsed a full repeal of the earings test, and thus support the Older Americans' Freedom to Work Act.

Indeed, there are differences between S. 2159 and S. 1995, the legislation proposed by the author of the previous editorial.

First, as I stated earlier, S. 2159 is sponsored by 28 senators—both Democrats and Republicans. On the other hand, S. 1995, the phase-out of the earnings test, is sponsored by one senator.

And, second, while S. 2159 immediately repeals the earnings test, S. 1995 phases out the earnings test over five years. If the earnings test is a bad principle that should be eliminated, why phase it out and perpetuate the injustice longer than we need to?

I am proud to be a co-sponsor and strong supporter of the Older Americans' Freedom to Work Act. I believe we must not allow this unfair and onerous burden on our nation's seniors to continue. The earnings test is not only unfair, but significantly impacts the quality of life enjoyed by our nation's seniors.

It is fine if seniors are retiring by choice. However, if a government policy is effectively forcing seniors into complete retirement, then the policy is wrong and should be overturned. Seniors should have the same opportunity as others in society to work and enjoy the benefits of their employment.

There is no compelling justification for denying economic opportunity to a person just because he or she becomes 65. We need to end the policy that reduces the spending power of a low-income worker's wages.

The earnings penalty reduces buying power for someone with a $5 hourly to a mere $2.20, while one with an hourly wage of $10 sees the buying power of his or her wage reduced to $5.

We need to stop oppressing older Americans who work, by choice or necessity, with a marginal tax rate of 70 percent.

And we need to enhance our nation's ability to compete in an increasingly competitive global marketplace by allowing seniors to contribute their skills to the work force.

In short, the Older Americans' Freedom to Work Act is not a partisan proposal—it is a proposal based on a concept that has been around for nearly 30 years, and has strong support. After all, there is no valid excuse for continuing to penalize America's seniors for wanting to work if they choose—not even for a year.

LAKE ELMO, MN,
April 19, 1990.

Senator RUDY BOSCHWITZ,
Hart Senate Office Bldg., Washington, DC.

DEAR SENATOR BOSCHWITZ: It seems to me incredible that there continues to be an Earnings Limitation on Social Security participants. Even more incredible is that the Limitations are so low as to discourage any senior citizen from continuing to contribute professional skills in our supposed entrepreneurial country. To add insult to injury, if the spouse of the working participant depends upon the worker's record for social security, the spouse's payment is also denied. To be specific, for those over 65 $1 is given up for every $3 earned from the worker's payment AND about $0.50 is also given up by the spouse, a family total of $1.50 for every $3 earned!!! To add further insult to injury, the workers/spouses so treated have in most cases contributed the maximum amount for more than 30 years !!!

Every day I see articles describing the urgent need for more experienced reliable people in our work force. How can we be so willing to discourage one of the best pools of human resources available???

The Earnings Limitation policy doesn't even make economic sense. Senior working earners will contribute dollars from their working deductions out of proportion to any increase they may receive in future monthly payment rates. You ought to be encouraging them to work more not only because of their skills but because you need their taxes from earnings and deduction contributions to the Social Security fund!!!

Please spend some of your energy and direction to a correction of the antiquated policy of Social Security Earnings Limitation. It may have been needed in the 1930's but has now become detrimental to the national economic interests and utilization of needed human resource skills.

Sincerely,

JAMES B. GERGEN.

SAUK RAPIDS, MN,
September 12, 1990.

Senator RUDY BOSCHWITZ,
U.S. Senate, Washington, DC.

DEAR RUDY: This letter is written to encourage you to proceed with elimination of the ceiling on earnings of Social Security retirees over age 65. The restriction is clearly a negative approach to economic management as well as individual rights!

Yours truly,

L.H. STAHN, M.D.

Mr. BOSCHWITZ. I say to my distinguished colleague from New York that I am prepared to vote at this time on the amendment.

Mr. MOYNIHAN. I thank the Senator from Minnesota. Let me just say, to round out the RECORD, the Committee on Finance has already voted out under the sponsorship of our chairman, Senator BENTSEN, a further liberalization of the retirement test, and this has been included as part of the child care legislation which is in conference at this time. So we are all in good order here. We are all moving in the same direction, Senators on this side of the aisle moving a little more quickly, but in exactly the same direction and to exactly the same point.

I am awaiting some information whether there are other Senators who wish to offer amendments. In that case and in the circumstances I will suggest the absence of a quorum.

Mr. BOSCHWITZ. Mr. President, before the quorum call is entered, I say to my friend from New York that a large number of us are going to go down to the White House quite shortly and if the quorum call extends too far we would have to put off this vote until after.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. 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 would like to pose a question, if I might, to my friend and colleague from the State of Minnesota regarding his amendment so I can fully understand it.

As I take it from what I have heard, the amendment the Senator is offering in the second degree to the Moynihan amendment——

Mr. BOSCHWITZ. I say to my friend, my amendment is an amendment to the Moynihan bill.

Mr. EXON. It is a second-degree amendment.

Mr. BOSCHWITZ. No; it is an amendment in the first degree.

Mr. EXON. The basic proposal that the Senator is offering to the Senate would be to eliminate what Senator ARMSTRONG and this Senator have proposed previously on the floor of the Senate, which would simply not penalize people who are retired as they go out and work.

Is that the essence of the amendment?

Mr. BOSCHWITZ. That is correct.

Mr. EXON. Is the Senator familiar with the two or three efforts that were made by Senator ARMSTRONG and the Senator in this regard?

Mr. BOSCHWITZ. I am indeed, and I know a good cause, I say to the Senator from Nebraska, when I see one. I have taken up this cause, and as we know Senator ARMSTRONG is leaving the Senate. So it is not likely that we are going to have complete action on this this year. We certainly are in the process of making the record.

Mr. EXON. I thank my friend from Minnesota. I am pleased that he has offered the amendment. We are going to have a vote, as I understand it.

Mr. BOSCHWITZ. We will vote right now.

Mr. EXON. All right. With that, I think my friend and I yield the floor.

I suggest the absence of a quorum.

Mr. BOSCHWITZ. Before the Senator from Nebraska suggests the absence of a quorum, perhaps we can go to a vote.

The PRESIDING OFFICER. Does the Senator from Nebraska withhold?

Mr. EXON. As I understand it, we are not prepared to vote at this moment.

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. KASTEN. 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. KASTEN. Mr. President, at a time when America is locked in a life-or-death competitive struggle with foreign economic rivals, we cannot afford to handicap ourselves with anticompetitive Federal regulations and tax laws. But through the Government's unwise Social Security earnings cap, the most experienced workers in America are being deprived of a chance to contribute to our economy.

I therefore rise in support of this amendment. This earnings limit which the Boschwitz amendment would eliminate discourges seniors from remaining active and penalizes them for being productive citizens. Citizens ages 65 to 69 are allowed to earn only $9,360 a year. Above that limit, they lose $1 in benefits for every $3 that they earn.

This unwise earnings limit causes real live hardship for seniors. For example, if a senior citizen has a job which pays $5 an hour, and has already earned the $9,360 in that year, the next hour of work after taxes and the earnings limit accounted for will effectively pay him not $5 but $2.20 cents, a clear example of age discrimination.

This amendment would repeal once and for all these unfair restrictions on senior citizens. The Older Americans Freedom to Work Act to eliminate the earnings cap outlined helps regenerate seniors into full participation in the economic lives of our country. There is an ever-present danger of labor shortages in America's economy. We cannot afford to discourage senior citizens who want to work from doing so.

Mr. President, I believe this amendment must pass, and I am hopeful that we will have the support to adopt this amendment at this time.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, I rise in support of this amendment. I think it it is a very important one. I think it is very topical. I think that great credit goes to my friend from Minnesota, who has worked on this issue for a long period of time.

Mr. President, this amendment would correct what is perhaps the most blatant form of age discrimination and fully—I emphasis fully—repeal the Social Security earnings cap for older Americans between ages 65 and 69.

Some may wonder why we are amending the so-called Older Workers Benefit Protection Act with this amendment. It is actually very simple. The legislation, the amendment before us, seek to provide our Nation's older workers with protection from discrimination in the workplace.

In our view, the Social Security earnings test represents perhaps the ultimate form of age discrimination. This law discourages older Americans from staying in the work force and indeed penalizes them if they do work. No American should be discouraged or penalized from working. But that is exactly what we are doing with respect to our Nation's seniors.

Mr. President, this is an economic issue. It is a quality of life issue, and more than that, it is a human issue. Seniors who need to work to put food on the table or to pay for medical bills are being penalized for having to do so. To place our Nation's seniors in this position, to put it simply, is unconscionable.

If a Social Security beneficiary earns more than $9,360 a year—I repeat, if a Social Security beneficiary earns more than $9,360 a year—they are subject to a 33-percent effective tax, above and beyond the normal tax rate. Mr. President, the last I heard we were talking about a tax penalty for the very rich, somewhere around 31 or 32 percent, for the richest in our society. Yet, we are subjecting a senior citizen who makes $9,360 a year to a 33 percent effective tax rate. This means that seniors who either need or want to work are saddled with an effective marginal tax rate of close to 56 percent. For some, this rate comes close to 90 percent.

Just because an American happens to turn 65 does not mean that their ability to be productive members of society and contribute to the economy ceases. In fact, I argue that a case can be made, and I have seen it time after time in my own State, that in many cases it increases. One segment of the senior population is particularly hard hit by this policy—low-income seniors. For example, a senior with no private pension income or liquid investments from his or her working years may need to work just to meet basic expenses, such as shelter, food, and housing, not to mention health care costs which are rising at an astronomical rate, as we all know. If such an individual were to have a job providing merely $5 an hour, once he or she reached the cap, their spending power for an hour's wage would drop dramatically to just $2.20 per hour.

Mr. President, we passed that as a minimum wage a long, long time ago. We need to cease this policy that is penalizing individuals who need to work either to pay medical bills, put food on the table, or provide shelter for their families. We need to empower the Nation's seniors to map out their own lives, limited only by their ambitions to work and save.

We need to cease the policy that reduces the spending power of a low-income elderly worker with a wage of $5 an hour to $2.20 an hour. We need to cease the policy that saddles older Americans who, by choice or necessity, work with a marginal tax rate of 70 percent. We need to cease the policy which is going to impair, rather than enhance, our Nation's ability to compete in a global marketplace that is becoming more and more competitive.

At this very time that we are considering legislation to end discrimination against older workers, we need to take the step that would really benefit older workers: quit penalizing them for working. It is about time we eliminate the Social Security earnings limit.

Mr. President, I come from a State that has very large numbers of senior citizens. Those senior citizens are an enormously beneficial part of our State and our society. There are many, many of those senior citizens who have an enormous amount to contribute to my State and this Nation. We have discincentives in place today for

senior citizens to work and help us compete in this ever more competitive world. It is a very serious and tragic discrimination that we have inflicted on America's seniors. It is time we have repealed it and, Mr. President, today is the day when we can do it.

Mr. President, the eyes of senior citizens all over this country are upon us as we debate this amendment, those seniors, whose only desire is to become and remain productive members of our society, who can exercise the option to work, if they want to or not. And if they do exercise that option, they should not face the most severe penalty of any member of America's society today.

Mr. President, I want to congratulate, again, my friend from Minnesota in bringing this issue to our attention again, and I hope we will be able to put this, one of the last vestiges of discrimination in America, behind us as rapidly as possible. I strongly urge adoption of the amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. 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. MOYNIHAN. 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. MOYNIHAN. Mr. President, I say to my friend from Minnesota that I will make that request, if it becomes possible in further consultation on this side. The Republican Members are asked to be in the White House from 4:15 to about 5:15. Therefore, we can expect not to hear a great deal of activity from that side of the aisle. But we are here on this side of the aisle, and the Senator who had held this lonely post—not so lonely recently—since 10 o'clock this morning, continues to be at your service. In the meantime, 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. KERREY. 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 Nebraska is recognized.

Mr. KERREY. Mr. President, I rise in support of S. 3167, and I understand, given the amount of debate on it thus far and given what I have heard off the floor, there are an awful lot of people who would say, yes, this is just, right, and fair, but the timing is just altogether bad. We just put together a budget resolution. We have finally argued this thing out and got an agreement, and it looks like maybe even something that the President will sign, if we do our work over the next couple of weeks. Therefore, the timing of the reduction in the FICA contribution is bad.

Unfortunately, Mr. President, it seems to me that that is what the Senator from New York has been told, not only all this year, but in previous years as well. I just find it rather odd, and I would like to ask the Senator from New York a few questions.

First of all, does it bother him personally that there has been a considerable amount of enthusiasm on the part of many people to come here and say there is a great urgency to reduce the tax on the gain of capital, but are not willing to reduce the tax on labor. In particular, as the chief sponsor and engine behind the Family Support Act of 1988, which I thought was a marvelous piece of legislation, and I hope we fund that and pay attention to the status of families in America and what we can do to help them as their wage earners attempt to increase their capacity to produce in our economy. With 0.3 percent increase in the productivity rate in the 1980's, it seems to me there is a compelling need to address this particular problem.

I would like to know if the distinguished Senator from New York is troubled, as well, when he sees the great enthusiasm—if this were a proposal to reduce the tax on capital, this Chamber would be full of advocates saying that there is an urgency to do that, "We do not care what the impact is upon the deficit. We do not care what happens if we have reduced the tax on capital; it is such an economic imperative to provide an incentive that we have to do it regardless of the consequences." When the call is out to reduce the tax on labor, it is a disincentive. As I am sure the distinguished Senator from New York knows from the fine work he did on the Family Support Act, the Chamber is absent of advocates saying that the urgency is overwhelming, that the case is so urgent to give $110 million to people who get paid by the hour over the next 5 years, so they can make purchases and investments, as well to stimulate the growth of our economy. Since two-thirds of our economy depends on consumers anyway, it seems to be a natural for conservatives and liberals alike. I am alarmed, per se, and I am curious whether the Senator from New York is, as well, of the absence of advocates for the reduction of tax on labor.

Mr. MOYNIHAN. Mr. President, I am impressed. I say to my friend from Nebraska that it is baffling. It may be the people in this Chamber do not know what is going on out there in American life. Or, it may be that what is going on is so extraordinary that we do not have words for it, still just do not have words for it. I think the latter.

I think you can say it and say it and say it and realize over a decade of saying it that nobody has heard you. I know the Senator has, and we talked about this, Average weekly earnings is that basic sort of factory pay, office pay that we developed in the series of statistics in the Bureau of Labor Statistics 70 years ago. Average weekly earnings today, in 1990, are lower than they were in Dwight D. Eisenhower's next-to-last year in the Presidency. They were $163 and change then; they are $166 and change now. So there has been a $3 increase over 30 years. But because the contributions to Social Security has tripled, you are actually down $4.

Never in the history of the European settlement of North America has there been such a period where a generation came by and nothing happened to them. Wives went to work, so incomes continued to grow until 1973. But in 1989 now we are still not back to median family income of 1973. Returning Social Security to pay-as-you-go at least would do that. But that is why three-quarters of Americans pay more in Social Security contributions than in income tax and yet it does not sink in.

If the Senator could explain that to me, I do not know what those fellows who came back from Vietnam with him think or what they came back to. I was briefly in the Navy in the Second World War. I spent my 3 years. I went into the Navy as a kid, came out not much more than a kid. But, boy, in 10 years' time was I doing all right. I will tell you. I mean, I had a wife and I had a station wagon and I had three kids and a dog. I knew something had happened to me. I had to be acting grown up too. I also realized that.

What if you came back from Vietnam and 10 years later nothing had happened to you, except they were taking more of your Social Security and had commenced to spend it as if it was general revenue, which it is not? That money, as you know, has your name on it. It goes to your account. It does not go to the Treasury of the United States. I do not understand it. I do not know where we lost touch with that reality.

Mr. KERREY. I appreciate the answer. I also would ask the distinguished Senator from New York—and I fully support S. 3167. I think it is an economic imperative. I believe it will stimulate the economy. I believe it is a rule change that will encourage people who get paid by the hour to go to work, many of whom are constantly on the edge, separating themselves between welfare and work, constantly

trying to fight back into the workplace, facing obstacles of health care, facing obstacles of housing, facing real obstacles out there.

It seems to me this is a change in our rules, a fundamental change in our rules that provide an easy incentive to understand. But perhaps it is difficult here in the U.S. Senate, where we are earning $100,000 a year. I must say one of the encouraging things in the new proposal that we enacted last night is it increases the ceiling on Medicare. Everybody in Congress now will have an additional $50,000 of income taxed at 1½ percent or 1.45 percent, so we are going to have $725 less disposable income.

It is not a very good comparison. It would be far better for us perhaps to have our health care come from Medicare, far better for us to get a sense of what it is like to earn $15,000 to $18,000 a year today in America.

I will tell you in 1970 a person in Nebraska could go out and get an hourly job, hourly wage right out of high school, and he could support a family. They could buy a house. They could buy health care. They could purchase a car and set a little money aside. But not in the 1990's.

What happens as a consequence, Mr. President—I know the Senator from New York understands this—we have 20 percent of the children in Nebraska born out of wedlock. This is not some inner-city problem. This is a rural State, 20 percent. In 1970 it was 6 percent. One out of three children in Omaha, NE, born out of wedlock.

I understand it is one part attitude; I understand we need to change our welfare system. There are all sorts of problems there. But one of the biggest contributors is you cannot support a family today on an hourly wage.

We were baffled that the American people wonder, the American people are outraged by this deficit reduction package we just put together. The reason I think they are outraged—I am curious if the Senator from New York agrees—they do not have a sense that our actions are connected with their lives. The problems they face are much different than the problems we face. I believe it is a growing number of Americans who just wonder whether or not we understand what it is like to work and live in America today and face the questions of housing, interest rates, health care, and the growing difficulty of being able to afford to send your children to school.

It seems to me this says to Americans that we understand, and they are willing then to deal with the problem. Yes, there is a mechanical problem trying to figure out where we are going to get $120 billion. I do not see people say, woe is me, we cannot do that with capital gains. They do it immediately. I do not see people say, oh, we cannot reduce the tax on capital gains because that is going to cost us money. They find an offset in a heartbeat, in a heartbeat to take care of those people. Working Americans need our help. I think there is urgency for us to deal with this issue.

Mr. MOYNIHAN. Can I say to my intense and intensely correct friend, here are average weekly earnings, hourly earnings, hourly earnings since 1947. In Nebraska, in New York average hourly earnings today are what they were in the second year of the administration of John F. Kennedy.

I was an Assistant Secretary of Labor in those days. I had a nominal responsibility with the Bureau of Labor Statistics.

Once a month, the BLS Commissioner of Labor Statistics would bring me the figures on hourly, weekly. I would thank him. Say, "Thank you, Clay." He was a wonderful old Scotsman.

But I really was not very interested because they had gone up every month without exception since the end of World War II. They always were up; every so often a tiny dip. But we never went 3 years without breaking an annual income level. And you see that line up, up, up, and it continued up to 1973 and it has gone down. That is the life of people back here. You could raise a family; you could get married and have children on a job that paid you by the hour. You cannot anymore. You cannot anymore because we have changed all the rules. First of all, we have trebled the amount of Federal tax we take in the form of payroll taxes.

But then look at this. If I could just ask my friend to be patient for 1 minute, let me show you. This is from Kevin Phillips, "The Politics of Rich and Poor." Between 1977 and 1988, what happened. The people in the lowest tenth of the income structure lost 15 percent of their income. People in the top 1 percent grew by 49.8 percent; grew by half for the richest and dropped by one-seventh for the poorest. Every income down here, until you get to No. 8, everyone lost. In the very poor levels, it does not hurt because the circumstances have not changed by the virtue of the FICA tax because the earned income tax offsets that. So it is people who are really trying to raise a family, earning $20,000 to $30,000, $30,000 to $40,000 they are the ones that have been hit.

Mr. KERREY. I hear people immediately talk about taxes. They are talking about the sluggish growth in the economy today at less than a half percent of GNP increase a year. There is a significant expectation that the producer price index that is going to be reported Friday will show inflation in double digits again in the United States. There is recession in many parts of the country today. Our financial institutions are in serious trouble. The banking industry now has 40 percent of their assets in real estate. We have real problems there.

It just seems to me every time there is a need to get the economy going, people immediately go to taxes. Immediately. In fact, in order to get the first agreement, the President was unable to get 80 Republicans on the House side to go along, and, moreover, fell short in persuading the American people this was a very good package.

In order to get the agreement the President signed, we got this little $10 billion small business incentive that everybody is running from now.

The point I am trying to make, they did not say, well, where are we going to get the money to pay for that? That is going to come afterward. Write a check for $10 billion. Make it out to Lord knows who. We started out that people might get a little squeamish that some of this money might go to the heavily leveraged corporations, like the leverage buyouts in the 1980's enriched the people who put the deals together.

But I find it remarkable that there is a quickness to provide individual tax incentives to people. But in this particular case, I mean where is the audience? Where are the people who are constantly going out and saying we are concerned about American families? I hear it all the time, the value issue in political campaigns, American values and American families.

So when American families are asking for a little bit of help, we are saying but the reality is we cannot do it. There is $154 billion worth of tax increases in the proposal the President is apparently sort of indicating he is going to agree to. And $34 billion or $35 billion of that will be paid out in order for us to net $119 billion whatever it is going to be. We just do not seem to have any difficultly, it seems to me, when the opportunity is there to give a tax incentive to a corporate interest or give a tax incentive to somebody that makes a million dollars a year, saying I need a little more incentive in order to invest my money. But when it comes time to providing incentives for people who get paid by the hour, the floor is empty. Well, we cannot do that. It is irresponsible, I hear people saying.

Mr. MOYNIHAN. May I make one further point to the Senator? In the end, as much as anything else, it comes down to what are we doing with these workers' pensions? There are pension funds. They are not trust funds.

There is one word for what we are doing and that word was used by the Senator from Pennsylvania last January when asked did he agree with the characterization of what was going on as "theft." He said, "It is not theft; it is embezzlement."

What kind of a Republic are we? Can my colleague imagine, if Francis Perkins was still around; if sitting down here, Robert F. Wagner sponsored this legislation and found we were taking those contributions, numbered accounts, and using them as if they were tax revenues? It would have been said there had been a great betrayal of trust and a leakage of integrity; that the system, once it gets used to that, does not cure itself very easily. Or such is my view.

Mr. KERREY. I continue to press the argument. I heard it made off the floor. I have seen smart and wise editorial page writers saying, Senator MOYNIHAN's proposal is a good one but, of course, with the deficit where it is we cannot put the proposal in just yet. But when it comes time to providing an incentive for capital, when it comes time to providing incentive for other corporate interests, we hit the mark and we are ready to go. Put your track shoes on. We cannot get there fast enough; come to the floor to debate it to say there is an urgent need to do it.

Mr. President, I am concerned about the legitimate sincerity of many of my friends who say they are concerned about working families in America. Given there is a rather small crowd here, I might transgress on the subject.

Mr. MOYNIHAN. If the Senator will allow me, there are twice as many people on the floor today as there have been most of the time on the floor; and that is two. There are very conspicuous empty spaces.

Mr. KERREY. I believe somewhere in the first week of October, perhaps October 5, the Senator from new York talked about the Family Support Act of 1988. I personally think there is a connection between the Family Support Act and this particular proposal. Just to enlighten our colleagues who wonder whether or not there is a connection, will the Senator from New York talk for awhile on what I am sure he sees as a connection between the two.

Mr. MOYNIHAN. I certainly will, sir; if I may, Mr. President?

The Family Support Act starts out with something new in our Nation, like these numbers are new. That is, almost one-quarter of our children are supported by welfare before they are age 18. That is the Aid to Families With Dependent Children, the title of the Social Security Act. That title began as a widow's pension. It no longer involves widows at all. It involves young, mostly unmarried women with children whose fathers have left them.

The act says a number of things. First of all it says there is a set of obligations that go back and forth between individuals and society. Mothers have to learn to become independent and self-supporting, and they deserve help in getting there. Children are entitled to the support of ther fathers and family support is owed. Only about 15 percent of child support is paid in this country. The argument goes that these are low-income people. All right, they are low-income people, but if you have a child, you have to support it for 18 years.

It helps the mother and helps the Government. The mother gets the first $50, the Government gets the refund for the rest.

If we keep wages going down and down, do not, as a practical matter, expect we can get family support going up and up. If we take out of that first hour's pay more than you need for payments of Social Security, take the extra to buy battleships—what do we spend money on—pay interest to the Japanese who hold the bonds, well, we have made it harder to get work because we put a tax on labor, and harder to pay family support because we have taken away more than was required, more than was warranted, and used it for purposes that were never ever envisioned.

Mr. KERREY. Let me follow with another question, because I am very interested. I always find myself learning when the distinguished Senator from New York discusses issues like this.

I am aware at one point in his career he had the opportunity to advise a good Republican President on domestic policy and to provide the President with advice about what our domestic policy ought to be. I understand that advice sometimes got my colleague in trouble with Democrats because of the things he was saying, many of which happened to come true.

Mr. MOYNIHAN. Yes.

Mr. KERREY. I am curious, and particularly I am thinking now on the spending side. If my colleague were advising the President and had gotten a $1.2 trillion budget and the desire was to put into place programs that would benefit American families, particularly those who are entering the work force and getting paid by the hour, as was said, struggling with housing, health care, all sorts of other things, education—I know from conversations I have had and listening to the distinguished Senator from New York before that there are many programs we see in education and health and human services that frankly are not much more than employment opportunities for people who work in the Federal departments. They do not really connect at all with people's lives.

One of the reasons I, as President, would assert that today is it gives permission for us to reduce the size of the Federal deficit and we are not taking that permission. People are angry because we are not taking the opportunities to make reductions in those parts of the Federal bureaucracy that do not have much role in increasing the growth of the American economy and increasing the real disposable income of American families.

I was curious, again, if the distinguished Senator would not mind shedding some light on what he would advise President Bush if he came to my colleague and said, "Senator, how can I direct the resources of Government so as to be able to improve the lives of American families?"

Mr. MOYNIHAN. I cannot think of any more important thing than to see real incomes rising again. If we wonder why so many people are anxious, why the social space seems to have narrowed, why there seems less disposition to think about others, it is because you have been through 30 years of this and you have a right to think about yourself; you had better, because you get the impression nobody else is.

The great contrast between the 1960's and the 1990's is in the 1960's Americans had a continued experience of things getting better for themselves, and they were very open to the idea they ought to get better for everybody. That seemed perfectly plain. Why not? And it could happen. Why should it not? It happened to us; it can happen to everyone.

Thirty years later that experience is not there and neither is that attitude. One of the reasons is we have so skewed our tax structure and we have so abused our trust in Social Security.

I think we have to have something of a jump start, something right now that really happens—not just enrich the curriculum and your grandchildren will be smarter than you are—something that happens to you the day you pass the bill. This bill would mean in January people all over the Senator's State, all over mine, who work by the hour, work by the week, would look at their paycheck and know it was larger. I think that is a little good news that would bring help right now.

Fifty years of struggle with totalitarian regimes is over. We do not seem to see it is over. On this side of the aisle, the Senator from Texas, who spoke about the people we have been talking about, said these are the people who paid for the cold war; it is about time they got something back.

I think a little of that will go a long way. We are not talking about a lot the first year. We are talking about a big principle and a small startup cost. The money is there. Revenue comes in. Surpluses are running at $2 billion a week almost, right now. We can find this.

But to go on. We tried it from the top side. A 50-percent increase in the family income of the top 1 percent in 11 years, while everybody else below

80 percent lost out. That is how you pull a country apart. I would not want to see that happening again.

I remember the tail end of the 1930's in New York City. I do not want to see those days ever again in this country. And we could.

Mr. KERREY. The thing I was pressing a bit on was my sense that we are being given an opportunity by the American people to make some programmatic reductions; I mean, to make some changes in the structure of the Federal bureaucracy. I read in this morning's Washington Post the comments of the distinguished Senator from New York about bureaucracies that collect statistics. A 30-percent reduction in the work force will almost automatically improve their capacity, in reference to the intelligence community. That may have been a misquote. But certainly the distinguished Senator is on record as believing that we can find real savings today in the intelligence budget; that the reported figure in the Washington Post this morning could be reduced substantially. There are opportunities for savings there.

I have seen some awfully good people today: the U.S. Department of Agriculture, environmental protection, agriculture—we have a big and growing bureaucracy. One of the things I am troubled about in all of this is the size of the bureaucracy is going to grow in this proposal.

Mr. MOYNIHAN. It has done. I can say, from the 1960's, I remember sitting in the gallery of the House; some legislation was coming up that would involve the Department of Labor; a Member of the House stood up and offered an amendment that said the employees of the Department of Agriculture should never exceed the number of farmers. They sort of handled that as best they could.

The 15th largest school district in the United States is located in West Germany. Does my colleague not think it is time we came home?

We have been on the Rhine for half a century. We have 700,000 people there. If we do not come home, we are going to be sent home. I am very much worried about that. Not entirely—but that is out of proportion. And it costs us.

As we go all over this Government we find the accretion of 50 years of cold war, some of which people do not know about because it is secret. But it could be squeezed down. Not a penny of that resource is available for the things we have been talking about out of the last summit, and certainly not out of the President's budget.

Mr. KERREY. I close, Mr. President, my remarks. Again I applaud the perseverance of the distinguished Senator from New York on this issue as should, I think, every person in America who gets paid by the hour, who goes home and detaches the stub from his or her paycheck and wonders where it all went, who had a half-percent increase on the first of January to almost no objection from Washington, DC. The people who are the strongest opponents of tax increases hardly lifted a voice of protest when that tax increase occurred. Of course, on self-employed people it is a full 1 percent.

Mr. MOYNIHAN. Farmers.

Mr. KERREY. Farmers; for double wage earners, which is an increasing part of our work force landscape, as well as double tax on them.

What the distinguished Senator from New York is proposing makes good economic sense. It makes good sense from a humanitarian perspective. It is consistent with what is said by almost every politician I have ever heard. And that there is a need to help America's families, to put money in their pockets.

This is an effort that will require no new employees coming aboard. We do not have to create a new program in Health and Human Services or the Department of Education. There is no need to send out requests for applications. There is no need to send out any other thing. We do not have to create State offices to organize this thing. We do not have to have a special task force to do an analysis.

This does not require us to do anything other than simply say that working people need a break.

If they are given a break, if their rules are changed, if a little more money is put in their pockets, maybe their lives will be better. Maybe they will enjoy work more. Maybe they will be able to do some things that we take for granted, frankly, here in the glorious world where we earn in the top 1 percent of the Nation.

I genuinely and sincerely thank the distinguished Senator from New York for pressing this issue. I think the battle cry of the 1990's, if this proposal fails, is going to be the one the Senator offered long ago, I believe around the first of the year, when he first caught the Nation's attention with this proposal, which was by what right and for how long are we going to make deficit reduction the peculiar burden of people in America who get paid by the hour.

I believe it will be the battle cry of the 1990's. They are angry about it. They are distressed about having to do that and increasingly, thanks to Kevin Phillips and others who brought it to their attention, where the regulatory policies, the spending policies, and tax policies of the eighties has not only caused a shift of wealth away from them, but a shift of income away as well.

These are constant rule changes put into place by good and well-meaning people in Washington, DC, who wanted to provide incentives for another category of Americans. I think working people in America are tired of it. They want someone who will be an advocate for them, and I appreciate the Senator's leadership, I say to my friend, the distinguished Senator from New York. Were it not for him pressing this for long, tireless times when perhaps he was the only one on the floor, coming down over and over and over, reminding, and finally the hook set. Finally Americans are aware of this outrage, and I think they are asking us to make this change. Unfortunately, it may not happen. I sincerely hope it does.

Mr. MOYNIHAN. Mr. President, I can sincerely contain my appreciation for the Senator's remarks. They mean a very great deal.

Mr. MACK addressed the Chair.

The PRESIDING OFFICER (Mr. SHELBY). The Senator from Florida.

Mr. MACK. Parliamentary inquiry, Mr. President. Is the amendment that is up for discussion now the amendment of the Senator from Minnesota [Mr. BOSCHWITZ]?

The PRESIDING OFFICER. The Senator from Florida is correct.

Mr. MACK. I thank the Chair. It is my intention to speak to that amendment.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. MACK. Mr. President, the amendment that is offered by the Senator from Minnesota is designed to change or to eliminate the earnings cap with respect to Social Security rates. It is not a surprise, being a Senator representing the State of Florida, that I would come down to speak on behalf of this amendment.

I want to first begin by making some comments with respect to a letter that I received from one of my constituents, Mrs. Alice K. Mullen, a 68-year-old resident of Bonita Springs, FL. She wrote me recently to say that since she began collecting Social Security benefits, she has been limited to working only part time in a retail sales job. Her employer would like her to work additional hours.

She writes to say she needs to supplement her income to care for her husband, who is physically unable to work. But she is constricted from doing so because her Social Security benefits would be reduced.

Again, those who have been listening to the debate, I think, understand that once you go above $9,360 a year, for every $3 in earnings that you have, you lose $1 in Social Security benefits. And very quickly one can determine that this is a 33-percent additional tax on top of what other taxes the working senior might be paying. This additional tax is a rather drastic disincentive to work.

In her letter Mrs. Mullen said, "I am healthy and capable of working longer. I feel it is unfair and discriminatory to limit our age group's supplemental income."

I thankfully just add, this age group includes those from 65 to 69. There is no earnings limit on those 70 years and older.

The irony is tragic. Mrs. Mullen worked hard all her life to better America, and now the system she trusted to be there for her in her senior years is double-crossing her. The Federal Government is telling her: If you want to work, we will penalize you. That is not the American way, and that is wrong.

I had the occasion earlier this year to visit the Safety Harbor, FL, location of Johnson & Johnson Medical. I went there because that firm makes it a practice to try to reach out and hire retirees. They have found that seniors are among one of the most productive groups of individuals they can hire, male and female, 65 and above. I talked to one person working there who was in his eighties.

I remember asking the managers of the firm whether they thought there would be a negative impact on the firm by doing away with this earnings cap. Would there be some impact on their financial well-being or an impact financially? The conclusion was yes, it would have some financial impact but, frankly, they said we are in favor of whatever is in the best interest of our employees.

They then gave me the opportunity to meet with a number of their employees. I would guess that group was probably 15 or 20 in size, again age 65 or older. That is where I met the fellow who was in his eighties. They expressed their feelings to me about why they thought that this law, which says that those people who are ages 65 to 69 are the ones who are going to have to give up $1 in Social Security benefits for every $3 they earn, is so unfair. There was no way they could understand that.

Frankly, there was no way I could possibly defend it, other than saying to them that at the time the Social Security Act was passed there was a concern about a labor force that was too large. One of the ideas about forcing retirement at the age of 65 was let us get folks out of the work force so we could encourage and find opportunities and jobs for younger generations who were coming along. Maybe at that time it made a great deal of sense. But clearly, today, it makes no sense at all.

According to many reports and to many other indicators, we are a nation which is desperately looking to find skilled, productive employees. I would say one of the greatest resources that we have are individuals who, for one reason or another, decided to retire but need or want to keep working to supplement their income.

When I was meeting with this group at Johnson & Johnson Medical in Safety Harbor, I could not help but be struck with a feeling that I was, in essence, talking to my mother or dad, or it could have been the Presiding Officer's mother or dad.

There were many different reasons why these people were working. Some of them said: I just want to have some reason to get out of the house for a period of time and do something that makes my life feel productive. Others indicated to me that, very frankly, as Mrs. Mullen indicated in her letter, they needed to work to provide the benefits or the health care necessary for their spouse. Still others stated they needed to work to maintain a certain standard of living.

Again, I made reference to the fact that it could have been my mother or dad. I am very fortunate; my parents are both in their seventies now—75 and 77. Dad spends probably half of every day of the week doing volunteer work at one of the hospitals in our hometown. Dad has said to me, "Connie, if I did not have this opportunity to spend this time doing something that is productive and doing something that is helping others, I don't know how I could value my life today."

So what I am saying is that there are many, many reasons one can understand and conclude that we ought to take away any impediment to an individual's need to work, to an individual's desire to work, and an individual's right to work.

I also remember another comment that was made by another employee of Johnson & Johnson. As we concluded our discussion, which was a give and take dialog about this proposed change in the cap, this fellow came up to me and said, "Senator, we live in a throwaway society. Don't let them throw us away." What this fellow was really saying is that the message the cap sends is that society no longer needs you; you are of no value; there really is no longer any purpose for you.

I think we must remove the cap. We need to take away the stigma that has been created, that negative, that disincentive to work. I think it is important we put that behind us and give people an opportunity to participate and feel they are playing an important role in their communities and in our country.

I close with this thought: Many people will recognize my grandfather, Connie Mack, who spent 66 years in major league baseball. That is an interesting number, 66 years. It means he was considerably older than that when he retired. Many people will remember, especially the retirees around the country, that in 1929 he managed the Philadelphia Athletics against the Chicago Cubs and won the World Series, producing what many people believe was the best, the greatest baseball team ever put together. That is up for challenge, but I would share that thought.

My point is, in 1929, he would have been approximately 65 or 66 years of age. Suppose he had succumbed to the idea that at that age there really is not any purpose for pursuing one's ideas, one's dreams in life. Suppose he had been told by a nation that you really are not of value anymore. He would not have had the opportunity at the age of 65 or 66 to produce that great team.

My conclusion is that why should we, as a Nation, have a policy which says to the people all over our Nation involved in all kinds of work, for whatever reasons, your input, your dreams are no longer of value.

The time has come to repeal this very restrictive, discriminatory piece of legislation.

Let me say to the Senator from New York, I have been reviewing the legislation he has proposed. I am inclined to support it. I think he has done a great service to our country to bring this issue forward. As he knows, I spoke with him earlier this year about that legislation. I look at it in the broad context.

As the Senator knows, I have been a champion of lowering the capital gains rate in this country because I happen to believe it would help make America more productive. I believe it would free up capital; it would create larger pools of venture capital; it would encourage the formation of new businesses and the creation of new jobs. But I believe equally as important, if we are going to reduce the cost of capital, we ought to reduce the cost of labor. So I congratulate the Senator from New York in his initiative.

I yield the floor.

Mr. MOYNIHAN. Mr. President, I thank the Senator from Florida. Let me first of all say that I am getting to be a senior citizen myself, and I remember Connie Mack. Those are a little after the days of John McGraw and Lou Gehrig up in Yankee Stadium and Connie Mack was still down in Philadelphia.

What the Senator says is so entirely right. Why do we have an age 65? Because Bismarck was confidently advised when he put in his old age insurance that by age 65 everybody in Mecklenberg was dead, or nobody lived past that point. It is an artificial number. The particular provision about the penalty is purely a legacy of the 1930's when this went into effect, when there was an effect to keep people out of the work force. The very same reason for which the baby bust that followed the baby boom led us in 1977 to put Social Security on a par-

tially funded basis, means that we will face a labor shortage in the two decades ahead of us—three.

These are events that in most part have already happened. They are not speculative events. So the more people who can work, who want to work, should work. As a matter of actuarial effect on the trust funds, we pay a bonus in benefits after age 70 to people who worked betweeen 65 and 70. That bonus this year under our 1983 reform amendments, rises from 3 percent to 8 percent over 20 years. This would in effect wipe that out. And so actuarially it is a wash, if you can think 30 years ahead, which you have to do if you are going to be involved in Social Security. So I am happy to support this measure.

I thank the Senator from his very thoughtful remarks.

Mr. MACK. I thank the Senator.

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

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

OLDER AMERICANS' FREEDOM TO WORK ACT

Mr. HELMS. Mr. President, I am glad to be a cosponsor of the amendment offered by the distinguished Senator from Minnesota [Mr. BOSCHWITZ] to repeal the Social Security retirement earnings test. As he has said, it is an idea whose time has come. In fact, it is long overdue.

Mr. President, if there is one concept that should be beyond dispute in this great country, it is that people should be encouraged to work. The Social Security retirement earnings test goes in precisely the opposite direction—it punishes older Americans for remainig in the work force after they reach 65.

I recognize that when the country's labor pool exceeded the demand for workers, it perhaps made sense to offer incentives for older workers to make room for younger workers. However, in light of the shrinking labor force in the years to come, it is ludicrous to continue policies that ignore the expertise and experience and increased productivity that can be gained from older workers who want to continue working.

Mr. President, we hear every day about the increased health care costs, the higher insurance costs, and the many other financial burdens facing older Americans. Doesn't it make sense to give them as much encouragement as possible to remain in the work force? It makes sense to me, and Senator BOSCHWITZ' amendment accomplishes that.

As Senator BOSCHWITZ has pointed out, senior citizens face exorbitant tax burdens. In fact, in some cases, senior citizens who earn as little as $10,00 a year may face effective marginal tax rates in excess of 70 percent. There is neither logic nor fairness in saddling our working older Americans with a tax burden more than twice that imposed upon millionaires. These seniors are singled out and blatantly discriminated against for wanting to be productive members of our work force.

Mr. President, again, I commend the Senator from Minnesota for his leadership on this very important issue, and I am pleased to join him in repealing the outdated Social Security retirement earnings test.

AMENDMENT NO. 2942 TO AMENDMENT NO. 2941

(Purpose: To amend title II of the Social Security Act to provide for a more gradual period of transition (and a new alternative formula with respect to such transition) to the changes in benefit computation rules enacted in the Social Security Amendments of 1977 as such changes apply to workers born in years after 1916 and before 1927 (and related beneficiaries) and to provide for increases in such workers' benefits accordingly, and for other purposes)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself, Mr. SANFORD, Mr. REID, Mr. EXON, Mr. BRYAN, Mr. METZENBAUM, Mr. DECONCINI, Mr. PELL, Mr. HEFLIN, Mr. SHELBY, Mr. GRASSLEY, Mr. LUGAR, Mr. KASTEN, and Mr. PRESSLER, proposes an amendment numbered 2942.

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

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

The amendment is as follows:

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

SEC. . SOCIAL SECURITY NOTCH ADJUSTMENT.

(a) EXPANSION OF PERIOD OF TRANSITION.—Section 215(a)(4)(B)(i) of the Social Security Act (42 U.S.C. 415(a)(4)(B)(i)) is amended by striking "1984" and inserting "1989".

(b) ESTABLISHMENT OF NEW TRANSITIONAL FORMULA.—Section 215(a) of such Act (42 U.S.C. 415(a)) is amended by adding at the end thereof the following new paragraph:

"(8)(A) Paragraphs (1) (except for subparagraph (C)(i) thereof) and (4) do not apply to the computation or recomputation of a primary insurance amount for an individual who had wages or self-employment income credited for one or more years prior to 1979, and who was not eligible for an old-age or disability insurance benefit, and did not die, prior to January 1979, if in the year for which the computation or recomputation would be made the individual's primary insurance amount would be greater if computed or recomputed under subparagraph (B).

"(B) The primary insurance amount computed or recomputed under this subparagraph is equal to—

"(i) the excess of—

"(I) the amount computed or recomputed under this subsection as in effect in December 1978 (for purposes of old-age insurance benefits in the case of an individual who becomes eligible for such benefits prior to 1989) or under subsection (d) (in the case of an individual to whom such subsection applies), over

"(II) the amount computed under this subsection as in effect on October 1, 1991, multiplied by

"(ii) 40 percent, reduced by the sum of—

"(I) 4.0 percent times the number of years between 1979 and the year of first eligibility, plus

"(II) ⅓ of 1 percent for each month beginning before the month in which the individual attains the age of 65 and with respect to which the individual is entitled to old-age insurance benefits.".

(c) APPLICABILITY OF OLD PROVISIONS.—Section 215(a)(5) of such Act (42 U.S.C. 415(a)(5)) is amended—

(1) by inserting "(A)" after "(5)";

(2) by striking "For" and inserting "Except as provided in subparagraph (B), for";

(3) by striking "effect," and all that follows through "after 1978" and inserting "effect"; and

(4) by adding at the end thereof the following new subparagraph:

"(B) In applying this section as in effect December 1978 as provided in subparagraph (A)—

"(i) effective for January 1979, the dollar amount specified in paragraph (3) of subsection (a) shall be increased to $11.50;

"(ii) the table for determining primary insurance amounts and maximum family benefits contained in this section in December 1978 shall be revised as provided by subsection (i) for each year after 1978; and

"(iii) in the case of an individual to whom paragraph (1) does not apply by reason of paragraph (8)—

"(I) subsection (b)(2)(C) shall be deemed to provide that an individual's 'computation base years' may include only calendar years in the period after 1950 (or 1936 if applicable) and ending with the calendar year in which such individual attains age 65; and

"(II) the 'contribution and benefit base' (under section 230) with respect to remuneration paid in (and taxable years beginning in) any calendar year after 1981 shall be deemed to be $29,700.".

(d) CONFORMING AMENDMENT.—Section 215(a)(3)(A) of such Act (42 U.S.C. 415(a)(3)(A)) is amended in the matter following clause (iii) by striking "(4)" and inserting "(4) or (8)".

(e) EFFECTIVE DATE.—The amendments made by this section shall be effective as if included in the amendments made by section 201 of the Social Security Amendments of 1977, with respect to payments made on or after October 1, 1991.

(f) SHORT TITLE.—This section may be cited as the "Social Security Notch Adjustment Act".

Mr. HARKIN. Mr. President, I offer this amendment in behalf of myself and a number of other Senators whom I will name shortly.

Mr. President, for the benefit of those Senators present and watching, this is the notch amendment. This is the amendment for which approximately 10 million Americans have been waiting 13 long years for Con-

gress to address; that is, the issue of the Social Security notch, as it has been called. Let us review a little history of how we got to this position with this notch, the fairness of it, the equality of it, and what this amendment seeks to do.

As a result of the 1977 amendments to the Social Security Act, individuals born between 1917 and about 1926 received substantially lower benefits than individuals born in earlier years. Retirees in this age group are receiving from 10 to as much as 20 percent less, or up to as much as $1,800 a year less than those born earlier. They are getting substantially smaller Social Security checks simply because of their age—their year of birth.

This benefit inequity, which has caused hardship and very strong and ill feelings among many older Americans, violates the basic tenent of our Social Security System. That is, that benefits are tied to the amount you paid in during your working years, not arbitrarily based on what year you happened to have been born.

Let me give just a few examples from around the country of how the notch inequity really hurts people. Lucy and Joanna Tucci provide perhaps one of the most compelling examples of the notch. Lucy was born May 29, 1917. Her sister, Joanna, was born on April 24, 1915. Lucy, born in 1917, retired at age 66. Joanna, born in 1915, retired at age 67. Since Lucy had 17.5 percent more earnings over her lifetime, she paid about 17.5 percent more Social Security taxes than her sister. Even so Lucy's monthly benefits of around $500 are 15 percent less than her sister's because, under the transition benefit formula, Lucy's earnings after age 61 could not be used in figuring her benefits.

These stories are repeated countless times across the country. Mr. President, I have a series of different examples like the one I just gave using real people in real situations from around the country and how they are affected unfairly and inequitably by this notch. I ask unanimous consent, rather than reading them all, that they be printed in the RECORD.

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

NOTCH CASE HISTORIES OF MEMBERS OF THE NATIONAL COMMITTEE

Lucy and Joanna Tucci of Roselle Park, New Jersey:

Lucy born May 29, 1917; her sister Joanna on April 24, 1915. Lucy retired at age 66, Joanna at age 67, but since Lucy had 17.5 percent more earnings over her lifetime she paid about 17.5 percent more Social Security taxes than her sister.

Even so, Lucy's 1988 monthly benefits of $495 are 15.4 percent ($90 a month) less than Joanna's $585 because, under the transition benefit formula, Lucy's earnings after age 61 could not be used in figuring her benefits.

Ruby Ford of Chillicothe, Texas

Mrs. Ruby Ford, born February 11, 1917, is a classic example of the effect of the flawed transition on benefits to Notch babies.

Had she been born six weeks earlier, her monthly Social Security check in 1988 would be $678. She, too, worked until age 65, but since she was born in 1917, her earnings after age 61 could not be counted. Her monthly check is only $546, a 24 percent loss.

This year it will cost her $1,584 for having been born 42 days late!

Mrs. Hazel Kale of Charlotte, North Carolina

Mrs. Kale was born just nine days late. She will lose $1,296 in 1988 because she was born January 9, 1917, rather than December 31, 1916.

Mrs. Kale worked for modest wages in physically demanding jobs for over thirty years. Although she could have retired at age 62 in 1979, she continued working and paying Social Security taxes until she retired at age 65 in 1982. Since her earnings after age 61 were not used to determine her monthly Social Security benefits, she receives 21.7 percent less than she would have received if she had been born in 1916.

Her monthly check is $501—$108 a month less than the $609 she would be receiving if she had been born just those few days earlier.

Agnes Page of Goose Creek, South Carolina

Mrs. Agnes Page was born March 27, 1917. She, too, could have retired at age 62. Instead, she remained on the job paying Social Security taxes until after her 65th birthday. But those last three years of earnings could not be taken into consideration under the transition formula used to compute her Social Security benefits.

So Mrs. Page's 1988 Social Security benefit check is $549 each month—a 22.6 percent loss from the $674 she would be receiving had she been born in 1916.

If Mrs. Page had been born in 1916, she could have retired at age 62, taken a 20 percent reduction, and would receive only $10 less than she currently gets after retiring at age 65.

Alfred Carlson of Evansville, Indiana

Being born on October 19, 1917, instead of ten months earlier costs Alfred Carlson $224 a month in lost Social Security benefits—a 22.7 percent reduction from what he would be receiving if he had been born in 1916.

In spite of health problems, Mr. Carlson chose not to retire at age 62, but continued in the work force until age 65. But those additional years of earnings had no effect whatsoever on his benefits. Instead of receiving $859 a month in 1988—as he would be eligible to receive if he had reached age 65 a year earlier—Alfred Carlson receives $635 a month.

So the Notch will cost Mr. Carlson $2,688 in 1988.

Mr. HARKIN. Mr. President, in my State of Iowa alone there were about 170,000 people whose Social Security collections are lower because of the notch. This is an issue that I have been working on for over 6 years.

Since my years as a Member of the House, a notch correction has been a priority of mine for all these years. Since 1984, I have supported and cosponsored legislation, held hearings, and presented testimony trying to provide relief to those individuals in a fiscally responsible manner.

So today, on behalf of myself, my distinguished colleague from North Carolina, Senator SANFORD, as well as Senators REID, EXON, BRYAN, METZENBAUM, DECONCINI, PELL, HEFLIN, SHELBY, GRASSLEY, LUGAR, KASTEN, and PRESSLER, I am offering an amendment which is designed to finally bring some relief to all of these Americans affected by the notch.

The amendment we are offering is a slightly modified version of S. 1212, legislation authorized by my good friend from North Carolina, Senator SANFORD, and cosponsored by myself and a bipartisan coalition of 20 of our colleagues.

Mr. President, before I continue, I want to commend my colleague from North Carolina for his great leadership on this issue. He has been a tireless and fairminded spokesman for the millions of Americans caught in the Social Security notch. We all owe Senator SANFORD a great debt of thanks for his skillful and highly principled efforts on behalf of these people.

Our amendment achieves the goal of notch correction in a manner which is equitable and much less costly than previous proposals. Effective next fiscal year, a gradual phase-in of a stable level of Social Security benefits for individuals born between 1917 and 1926 will begin. This compromise would significantly reduce the vast discrepancy in benefits between notch babies and those born before 1917.

Mr. HARKIN. This amendment is designed to restore equity by providing higher benefit increases to those persons who lose the most under the current law. The amendment does not provide for the modest one-time adjustment of up to $1,000 per family for past losses due to the notch, a provision which was a part of S. 1212.

I must add, Mr. President, that this change was made with great reluctance, but it was made in an effort to meet the concerns of some and to show just how willing those pushing for notch correction are to compromise, in order to have this issue finally resolved. It has been approved by the National Notch Correction Task Force and the National Committee to Preserve Social Security and Medicare.

As I said, our proposal addresses the notch at substantially less cost than previous notch correction plans. Its cost is less than one-quarter that of measures offered in previous years. The bill's costs peak at $4.5 billion per year during the mid-1990's and begin declining in 1997. Our legislation in no way challenges the financial security of the trust funds. Because of the decreased costs of this compromise measure, the additional benefit payments it requires amount to a small, ever-decreasing percentage of mounting sur-

pluses in the Social Security trust funds.

So while, until recently, there were legitimate concerns about the impact of notch correction on the status of the trust funds, those concerns are no longer real.

Mr. President, there are strong feelings on both sides of this issue. All are, I am sure, held with conviction. Many people disagree with us about the need for adjustment or what form the adjustment should take. I am also certain, though, that those who disagree share the belief that, in America, everyone deserves a chance to be heard. And these people born during these years, these so-called notch babies, deserve that chance, and they deserve to finally have a vote on their concerns.

I believe that finding a solution to the notch is in the best interest of Congress, the best interest of the Social Security System and in the best interest of fairness and equity in our country. I urge my colleagues to support this effort to redress the grievances of millions of persons who have been unfairly penalized by the notch. Doing so will bring long awaited justice to these beneficaries and, I think, restore confidence in the Social Security system.

In closing, I want to offer my special thanks to Daryl Cooper and Joe Rodecap in Iowa and to all the activists in Iowa and across America who have kept correcting the notch in the forefront of political debate in our country.

Mr. President, I remember when this notch came through, I was in the other body in 1977. We were told we had to correct the Social Security System, or it was going to go bankrupt. I think that any person who was there at that time and looked at what was happening, thought that was true. We were told by the Social Security Administration at that time that the manner in which we were fixing the ever-increasing replacement rates on Social Security—we were told that the adjustment that we were making would amount to no more than a 5-percent reduction in any person's Social Security who was born after 1917, compared to those who were born before.

Well, I consulted with a lot of senior citizens groups, and they said, well, if that is what it takes to fix the Social Security System, less than 5 percent, that is not a heavy burden; we can bear it. So it passed overwhelmingly, this so-called correction. People on both sides of the aisle, Democrats and Republicans, supported it.

Well, it was not until just a few years after that that I received a letter, followed by a phone call, from an individual who lived in Council Bluffs, IA, talking about how she had received less Social Security than her sister because she was born in February, if I remember right, of 1917, and her sister was born just about 3 or 4 months before that, in 1916. They had both worked the same number of years, both had paid in about the same amount in Social Security. Yet, one person was receiving over 20 percent less in Social Security than the person who was born in 1916.

Well, my first reaction was that that cannot be true. We were told by the Social Security Administration it would not be any more than 5 percent. I began to look into it. I got their Social Security checks and looked at them. And my staff and I figured this out, and we found that it was true, that some individuals who had worked the same number of years and paid in about the same amount, were receiving upwards of 25 percent—I think the biggest amount I saw was almost 27 percent—less in their Social Security benefits, just because they happened to have been born after January 1917.

As you can imagine, this created a lot of hard feelings among a lot of people around this country. I must say it created hard feelings in this Senator, who was a Member of the other body at that time. I felt we had been given the wrong information by the Social Security Administration, and we had. We have been trying for a long time to make some changes.

As I said, bills have been introduced. I have held hearings, and I have cosponsored and sponsored legislation. The bill Senator SANFORD has introduced this year, S. 1212, takes us in the right direction. There are twenty cosponsors coming from both sides of the aisle. The one frustrating thing I keep hearing from my senior citizens, and the one thing that frustrates me more than anything else, is that we have not been able to get a vote on this, to express the will of this body or the other body as to how we should correct, if indeed we should correct, this notch inequity. So I have been waiting a long time for this opportunity to finally have a vote, to have a debate, and to see where the sentiments lie on correcting this notch problem.

As I said, our amendment is slightly different than S. 1212. We did away with the one-time lump sum payment. I can argue equitably that it ought to be in there, but I understand the fiscal constraints we are operating under. It takes an ever decreasing amount of the Social Security trust fund in the future, and so that is not a problem.

Finally, let me speak to one other thing that came up in the debate I heard earlier today. For the most part, the increased payments under this amendment will go to those individuals who right now are in their upper sixties, early seventies, the vast majority of whom are people of very modest means. Basically, they are living on their Social Security and precious little else.

Well, we know what is going to happen to the fuel bills this winter with the price of oil up and gasoline prices up. We know what the elderly are going to pay for those heating bills this winter, not to mention the other increased prices of everything else that the elderly have to pay for—rent, food, medical care, clothing, everything else to sustain life.

I believe that this amendment will provide to those elderly Americans who just happen to have been born between 1917 and 1926, who today live mainly on their Social Security and their individual incomes of very modest means, with some necessary resources they are going to need to make it through this winter.

Mr. President, let me make one other point. I have heard this time and time again about the people who fall in this notch group. The vast majority of the men who fall in this notch group are also World War II veterans and they are getting doubly hit. They are seeing their veterans' benefits being taken away, their medicine taken away, their travel so they can go to the veterans hospitals and be taken care of taken away. They now have a means test.

They were told after World War II that they were going to have health care available to them when they retired and now it has been yanked away from them. Then, to add insult to indignity or insult to injury, as the case may be, now they fall in the notch group and they are told they have to get less than someone who was born before them. Someone who may not have served in World War II.

I think if Senators will talk to those people, the men especially who fall in that notch, you will find these are veterans of World War II, by and large. As I said, they are people of modest means that thought they could rely on the health care from the VA. That has been taken away. Now on top of that, they are faced with the increased price of everything else, heat and everything else.

This is really an injustice that cries out for a modest correction. If I had it my way I would probably do even more than that.

I think we should go back and make up for some of that lost revenue. But being in a spirit of compromise and being judicious and understanding the fiscal restraint we are operating under, we do not have that one lump sum payment.

I wanted to make those remarks because I feel very strongly that the elderly who are asking for this would need to have those points made.

Mr. HARKIN. Mr. President, I also ask unanimous consent to add as a cosponsor of this amendment the

present President of the Senate, the distinguished Senator from Nebraska [Mr. KERREY].

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

Mr. DECONCINI. Mr. President, I rise in support of the amendment proposed by the Senator from Iowa. I have been a longtime supporter of legislation to correct the glaring inequity in our Social Security System known as the notch problem. In previous Congresses, I cosponsored legislation to address this notch disparity. I am a cosponsor of this legislation when it was originally introduced earlier in this Congress and I am pleased to cosponsor this amendment at this time. I commend Senator HARKIN for his leadership on this important issue.

In 1972, Congress changed the formula for determining Social Security benefits. Social Security payroll contributions and benefits are based upon wages earned. However, because of inflation, increases in benefits are needed to maintain an adequate standard of living for retirees. The Congress sought to ensure in 1977 that these increases would occur automatically in response to rising prices, rather than being dependent upon a mandate from Congress, which might reflect partisan politics. With this intention, Congress changed the formula used to calculate increases so that it would be based on prices, rather than wages. Economic theory suggested that wages tend to rise nearly twice as fast as prices. So if increases were based on prices, benefit levels would keep pace with inflation, but the contributions being paid into the trust funds would increase faster, keeping pace with wage levels. This would ensure the solvency of the trust funds.

Unfortunately, that wage-price economic theory failed. Wages were rising only slightly faster than prices and the Social Security pension fund began to pay out more than it had available and was in danger of bankruptcy. Congress soon realized its mistake and in 1977 it again adjusted the formula for calculating benefits to prevent the Social Security trust funds from going broke.

However, since the 1977 formula provides a lower benefit than the benefit provided by the 1972 formula, and since activating that change immediately would have caused a reduction in benefits for people already receiving Social Security, Congress provided for a period of transition to allow time for people to alter their retirement plans and make decisions based on knowledge of what their Social Security benefits would be.

To its credit, the 1977 law did present the Social Security trust funds from becoming insolvent. However, the current debate regarding the notch issue is over how much notice must be given to individuals before the new benefit levels are activated. I have maintained that the original transition period, 6 to 10 years, was far too short to give adequate notice to the people who had or were in the process of making retirement decisions. This short timeframe has worked to the detriment of those retirees who fall in the notch category and receive the middle benefit, but who at age 56 to 60 were too close to retirement to change decisions they had made based on their expected Social Security benefits.

Mr. President, the notch benefit level as it exists today is simply not fair. It is not fair to honest, hard working Americans who responsibly planned for their retirement, anticipating certain income levels from their Social Security benefits. We say over and over again that Americans must plan and save and invest for their future. We should not penalize them by turning the tables on them and changing the rules at what is essentially the last minute.

The amendment before us today corrects its grossly unfair situation by enhancing benefit levels during the transition years and extending the transition period to also protect anyone born between 1922 and 1929. It is a fair compromise and it is high time we face up to our mistakes and pass this important legislation.

Again, I thank Senator HARKIN for his leadership on this issue. His efforts are commendable, and I am pleased to support his amendment.

Mr. KASTEN. Mr. President, today I am pleased to join with several of my distinguished colleagues in introducing an amendment to correct the Social Security notch inequity. This amendment seeks to restore fairness to the Social Security benefit levels paid to millions of senior citizens born between the years of 1917 and 1926.

For years, these seniors have been discriminated against just because they were born during this time period. I think that this is extremely unfair, and it is time for us to correct this injustice.

In 1977 Congress acted to preserve the solvency of the Social Security System by changing the benefit formula. This action had, in my opinion, unintended consequences. Because of high inflation, and a short 5-year phase-in period, several million retirees received lower benefit levels than their peers who were born just a few years before or after them. These victims are often referred to as notch babies.

It is now up to Congress to correct this mistake that was made 13 years ago. This legislation will gradually phase-in benefits for those seniors who were born between 1917 and 1926. Benefits for individuals retiring at age 65 will be increased by an average of $550 per year. Additionally, this legislation provides for a lump sum payment of up to $1,000 per family in order to compensate for unfair benefit levels in the past.

These provisions would be financed from the surplus in the Social Security trust fund—at a cost that will not do damage to the fund. The Social Security trust fund is running at an all time high. At no other time since this discrimination began, have we had such surplus with which we could correct this injustice. Even after the enactment of Senator MOYNIHAN's plan to cut the payroll tax, the trust fund would have more than enough resources to cure the notch problem.

Mr. President, I believe that this is a balanced piece of legislation which uses our Social Security trust fund for its intended purpose—Social Security benefits. Legislation to correct the notch has been delayed for years. I believe that we owe it to our notch seniors to finally take action on this matter and resolve it. For that reason, I am pleased to join with my colleagues in bringing this important amendment to the floor. Fundamental fairness requires us to give the notch babies their fair share, and I ask my friends on both sides of the aisle to give this legislation their support.

Mr. HARKIN. Mr. President, I see my distinguished friend and colleague from North Carolina here. Again, I want to publicly express my thanks and the thanks of millions of Americans from all over this country for the leadership that Senator SANFORD has given to this issue. Tirelessly, he has worked on this issue to bring it to the forefront. I am privileged to be able to offer this amendment today with him as a cosponsor.

But I want the RECORD to clearly show that we worked side by side on this issue. We feel very strongly about it. I want to thank him again for all of his leadership in bringing this inequity, this injustice, to the public light and for his efforts ever since he first came to the Senate to make sure we reach this point—I hope we finally have—where we can get a vote on it.

I certainly urge all of my fellow Senators to support this modest amendment. It is not much. But, believe me, the effect it will have on those older Americans who fall in those notches, the effect it will have on them in terms of their pocketbooks and being able to help them out a little bit will be tremendous. And it will have the impact of bringing our elderly back together again so we do not have this split between those born after 1917 and those born before. It will bring them back together again as they should be.

So, Mr. President, I urge all Members and all Senators to help and ask their support for this amendment, and I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. SANFORD. Mr. President, today I rise to discuss legislation that I introduced last year. Senator HARKIN's amendment, similar to S. 1212, is designed to establish Social Security benefit equity for individuals born between 1917 and 1926. The issue here is fairness—fairness for these 8 million retirees, called notch babies, who have been subject to a burdensome gap in benefits.

There has been difficulty in getting a committee hearing and I commend Senator HARKIN for taking this initiative.

This gap is not due to any fault or shortcoming on the part of the beneficiary. It is not because these individuals paid any less to Social Security. It is simply the result of a difference in their date of birth.

The injustice, more specifically, is that these notch babies were stripped by Congress of their inflation adjustment—an adjustment that is received by those who are simply 1 year older than they are. This twist means that they receive as much as $150 less per month in Social Security benefits then if they had been born between 1910 and 1916.

Let me give you one example of the many unjust effects of the notch in Social Security payments. Audrey and Edith, two sisters living in Bell Gardens, CA, receive substantially different amounts in Social Security benefits. The sisters worked identical jobs in the same printing company in their hometown. Further, they started on the same day in 1957 and retired on the same day in 1982. Audrey, who was born in 1916, receives $735 per month, while Edith, born in 1917, receives only $583. No amount of persuasion or justification can convince us that it is equitable for one sister to receive $152 more a month in benefits.

This proposal will achieve benefit equity, and—perhaps more importantly now as we decide how to tackle the deficit—it does so at substantially less cost than other proposals. It also increases average benefits for those retiring at age 65 by $550 per year and by $144 annually for individuals retiring at age 62.

The provision would cost about $4.5 billion a year over 10 years and would be implemented at costs considerably less than most other notch proposals. It is as reasonably priced as we can make it, while still being fair to beneficiaries.

We can no longer ignore the injustice of the Social Security notch. The fact is that when my next door neighbor receives $700 a month and I receive only $500, and we worked the same number of years and retired at the same time, something is definitely wrong. We can do better than that. Many senior citizens have lost faith in the Social Security System because of this inequitable treatment. I urge you to join Senator HARKIN and all the cosponsors of his amendment in correcting this injustice in this most fair and inexpensive way.

Thank you, Mr. President. I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I see the Senator from Alabama on the floor. I wonder if the Senator from Alabama seeks recognition.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. MOYNIHAN. Mr. President, I see the Senator from Alabama has risen.

Mr. HEFLIN. Mr. President, I rise in support of Senator HARKIN's amendment to eliminate the injustice of the Social Security notch years babies, as they have been referred to, pertaining to our senior citizens. We know that back when the Social Security crisis was upon us, there was an effort made at that time to correct some provisions in the Social Security payment formula. But I think that the notch year situation arose without knowledge that a flaw would occur, that the graph line would have run from 1917 on through 1922 without having that notch in the graph.

But today we see people who are 73 years of age down to 68 years of age who are drawing on an average of about $100 less per recipient in regard to Social Security monthly payments. This is an injustice. It is really a discrimination and it ought to be corrected.

I have traveled over my State and in other States, and those people who have been affected by this notch problem all feel that the Government has been unfair to them, and I agree. I feel as though we ought to correct it. I have been a cosponsor of many resolutions and have introduced a resolution of my own in an effort to correct the inequity in the Social Security payment formulas.

We had problems for awhile there without having the support of some of the organizations representing senior citizens. The American Association of Retired Persons now, I understand, supports a remedy to the notch year problem. I think that this is an advancement and it gives us more support in our efforts to try to do something about it. I think that this is an injustice that should be cured.

I congratulate Senator SANFORD, who introduced a bill earlier this year in an effort to try to correct the Social Security notch. It got tied up in committee and was never reported for a vote in the Senate. Now Senator HARKIN has come along and is bringing this to our attention by an amendment on this bill. I fully endorse it and support it.

Thank you, Mr. President.

Mr. MOYNIHAN. Seeing no Senator seeking recognition, may I ask if the Senator from Iowa would wish the yeas and nays?

Mr. HARKIN. I thank the Senator from New York.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MOYNIHAN. Mr. President, I do not see any further Senator seeking recognition. We now have before us, in the reverse order, which we will attend to them, the bill, the amendment by the Senator from Minnesota, and the amendment by the Senator from Iowa. That is an amendment in the second degree, is it not?

Mr. HARKIN. Yes.

Mr. MOYNIHAN. So that would seem to be the business before us. But the Republican leader may not yet have returned to the Capitol, nor do I see the Democratic leader on the floor. It is clearly within the range that we would, in a very short order, proceed to conclude the day's legislative business. That being the case, 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. GRASSLEY. 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. MOYNIHAN. Mr. President, the distinguished chairman of the Committee on Foreign Relations is on the floor. I look forward to hearing from him.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I rise today in support of the amendment of the Senator from Iowa [Mr. HARKIN]. I am pleased to be a cosponsor of the Senator's amendment, and commend him for his leadership and commitment on this issue. I must also comment the Senator from North Carolina [Mr. SANFORD], for his hard work and leadership in introducing S. 1212, legislation upon which this amendment is based.

Mr. President, I have spoken before on the plight of a group we have come to know as the notch babies. By now, we all know why they have been nicknamed notch babies. They are senior citizens who receive lower Social Security benefits than some beneficiaries born before them. This was the result of a 1977 legislative correction of a 1972 formula error. What this boils down to is that the benefit level for some seniors depends more on the year thay were born than on their earnings history. This has undermined

the confidence of many seniors in the Social Security System, and has been a source of great anxiety and controversy.

While we all agree that the overpayment of benefits to those born in the years 1912-16 had to be corrected to protect the Social Security System from bankruptcy, we could not have anticipated how much our Nation's seniors would come to rely on these benefits.

As we all know, from a political viewpoint, it is very hard to take away benefits once accord.

Between 1977, when Congress corrected the formula, and now, we have had the 1980's—the years of Reagan conservatism—when the rich got richer, and the poor poorer.

Because of the concern of so many Rhode Island seniors, I joined with Senator SANFORD in introducing S. 1212, to provide additional benefits to those affected by the notch. I have also joined with Senators HARKIN and SANFORD in proposing today's amendment, which Senator HARKIN has already described in some detail.

In my view, Mr. President, this amendment reaches a fair compromise between those who favor and those who oppose correcting the notch. We need to pass this amendment for two reasons: to restore the confidence of America's seniors in the fairness of the Social Security System and to assist the many seniors affected by the notch who need additional help at this difficult time.

I urge my colleagues to support this amendment.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, it appears today's debate is drawing to a close. There is no Senator at this point seeking recognition. Shortly, the Republican leader and majority leader will be on the floor to announce the judgment, whether we should vote tonight or vote at some stated time tomorrow.

Might I then just use a moment to thank colleagues who have come from both sides of the aisle to discuss these large issues. We are talking about 132 million people who pay Social Security taxes; some 34 million who receive retirement benefits. We have 160 million people right there. With their relations, we are talking about the Nation. We have been talking about the Nation today.

Might I observe that no Senator has risen in opposition to the proposal to return Social Security to pay as you go. The elemental case of fairness in the tax system, and of the integrity of the trust funds, has been before us for the whole of the year from the very first day of this session to this closing month. No Senator has opposed the measure. I hope we might all support it. We will work it out.

The able, inspiring address of the Senator from Nebraska earlier pointed out that, when it comes to other measures, it was always assumed we will find the ways and means. When it comes to this measure, we ought to know, first of all, that the moneys we are talking about do not belong in the Treasury. They are trust funds. They are meant for benefits, retirements, and disability, and survivors. So the case for the integrity, the elemental integrity of what we do is so powerful.

If we start out this 2-week period with this action, we will end up with a much more equitable set for final resolutions on the reconciliation bill than we would ever do otherwise. If we start out with a note of equity, and of fairness, and respect for our institutions, that is not the worst basis from which to start an intensive 2-week quest for solutions not beyond our capacities. They have only, up to date, been beyond our will, possibly our imagination, certainly not our capacities.

So in this closing hour I say to those watching, we have heard the case made and have heard no contrary case made, Mr. President, because the contrary is not there. No one could defend what we are doing, and no one wants to see it institutionalized.

I began this morning, hours ago, describing how we made our way by a series of somewhat imperceptible steps to the point where we are now having to deal with the surplus in the terms we are doing; how the surplus, which was meant to be part of a retirement benefit system, has gradually become a source of general revenues, exacerbating the worst decade in American history with respect to the distribution of incomes.

We have seen those staggering numbers, and here is a chance to reverse them. It is small, but not inconsequential, and the principle is of enormous importance. Here is our chance. Do this and many more things will follow; all of them, I think, to the benefit of the body, the institution, and to the Nation.

I see no one rising. Those in support have spoken. If there are those in opposition, they have chosen not to speak. So, in the circumstances, as the hour of 6 p.m. approaches, we have had almost 8 hours of debate interrupted by the party caucuses; a good debate, all I would ask after 9 months of having mounted forces, and I accordingly suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. 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. MOYNIHAN. Mr. President, in order to record a matter of interest to all of us, but particularly to the junior Senator and former Governor of North Carolina, the person who introduced the Social Security Act of 1935 that passed, in response to the suggestion of Justice Stone to Frances Perkins, was indeed Robert L. (Bob) Doughton, Democrat of North Carolina. I do not think this day would be complete without that record being made. I thank the Chair, and I again suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. The pending business is the second-degree amendment by the Senator from Iowa.

Mr. SHELBY. Does that deal with the notch year?

The PRESIDING OFFICER. Yes.

Mr. SHELBY. Mr. President, since my election to the U.S. Senate, I have visited and held town meetings in each county in my home State of Alabama at least once a year. As I have traveled throughout my State of Alabama, and visited with thousands of constitutents during that 4 years, certainly I am confronted, like all of us, with a multitude of concerns and pleas that Congress address and act on certain issues before us.

Among the many requests, Mr. President, and concerns voiced by my constituents, no issue has been consistently on the mind of older Americans throughout Alabama and this country any more than the Social Security notch issue. I, too, am concerned about the Social Security notch issue.

Mr. President, I am concerned that of two individuals who may have worked side by side on a job, received the same salary, paid into the Social Security System throughout their working lives, one of these persons must receive a smaller benefit because he or she was born a year, perhaps a few months, or even a few weeks apart from his or her coworker.

Mr. President, I am concerned because the Government, I believe, has an obligation to Social Security recipients that must be honored, that should be honored. Most recipients have paid into the system throughout their working lives with justifiable expections of a reasonable and equitable return from that investment during their retirement years.

Granted, the 1977 changes in the benefit computation rules that resulted in the notch inequity were needed.

In 1972, Congress made a benefit computation which provided for automatic adjustments for inflation. Future benefits were actually double indexed for inflation. Due to the high inflation following 1972 in this country, many beneficiaries received well over the intended amount set by Congress. Had this trend continued, the Social Security trust fund would have been threatened. Thus, Congress decided in 1977 to make a readjustment in the formula. However, those persons reaching 62 years of age before 1979 continued to have their benefits calculated by the old formula, thereby receiving more than Congress intended, I believe.

I also believe that it was not the intent of the Congress that some 10 million older Americans born between the years 1917 and 1926 be penalized and workers born before 1917 and after 1926 receive a windfall.

Since Congress acted in 1977, 52 bills have been introduced in the Congress to correct this notch inequity. None of these bills have been acted upon on the Senate floor.

My distinguished colleagues, Senator HARKIN and Senator TERRY SANFORD, have taken leadership roles in adjusting the notch situation. I am proud to have cosponsored legislation in the past designed to correct the notch inequity and support this notch amendment today.

This amendment calls for a gradual phasing in of benefits more comparable to the benefits paid to beneficiaries born before 1917 and after 1926. The average benefit increase for those retiring at age 65 will be about $550 per year. Those retiring at age 62 would receive an annual increase of $144.

In the past, Mr. President, there has been some concern over the impact of corrective notch legislation on the security of the Social Security trust fund. However, over the past 7 years the Social Security System has been accumulating a substantial reserve to protect future beneficiaries. With the passage of this amendment, the Social Security reserves are still projected to be in excess of $2 trillion by the year 2000.

This amendment before the Senate today is compromise legislation that is more cost effective than any of the prior notch proposals. As Senator HARKIN has pointed out, the additional benefit payments required amount to a small and ever decreasing percentage of mounting surpluses in the Social Security trust fund and do not jeopardize the future well-being of the Social Security System.

The time has come for us to address this issue once and for all. We can no longer afford to evade our responsibility in this matter. We must act now to restore the confidence in Government of a generation of Americans who believe that Congress would see to it that the commitment to Social Security recipients be honored fairly and not in a manner that leaves one group less well off than another simply because of when they were born.

Mr. President, I yield the floor.

Mr. MITCHELL. Mr. President, following consultation with the distinguished Republican leader, I have determined that there will be no rollcall votes this evening. We have had several extremely long days in the Senate. These are important matters. Therefore, while the Senate will remain in session now while we organize to prepare for the schedule tomorrow—and I am very grateful to the distinguished Senator from New York who has presented his legislation very persuasively and effectively today—to accommodate the interests of many Senators there will be no rollcall votes this evening, and I will shortly announce the schedule for tomorrow.

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. PRESSLER. 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. PRESSLER. Mr. President, I have long supported repeal of the Social Security earnings limitation and am pleased to be a cosponsor of this amendment to accomplish that.

Many elderly citizens cannot afford to withdraw from the work force, or simply wish to remain actively employed. Some need additional earnings to meet living and health care expenses at a time when their principle sources of income are fixed. Approximately 30,000 South Dakotans could benefit from the enactment of this amendment to repeal the earnings limitation. That is a lot of people. It would help them maintain a better standard of living.

Why should our senior citizen population be penalized for their economic productivity and their desire to make worthwhile contributions to society? The earnings test subjects senior citizens who earn as little as $10,000 to effective marginal tax rates of anywhere from 56 to 90 percent. Those older Americans who want or need to work should be able to do so without losing Social Security benefits and paying burdensome levels of taxes. The earnings test simply encourages dependence and is bad public policy.

Repeal of the earnings test also would benefit the economy by creating higher tax revenues and substantially increasing the output of goods and services. According to an estimate by former Treasury economists Gary and Aldona Robbins, repeal of the limitation would result in a net increase of $140 million in Federal revenues. Thus, by repealing this limitation we could actually increase Federal revenues.

The Labor Department has warned us of shortages in our country's work force and of the need for America to remain competitive in the world marketplace. Senior citizens could help meet this need but they are discouraged from doing so by the high taxation of their earnings under the earnings limitation provision.

The issue of prime concern to me is the welfare of our senior citizen population. The earnings limit is an example of blatant discrimination against the elderly. It is extremely important that we repeal the earnings test. This action would indicate to senior citizens that their role as experienced and dependable workers in our labor force is valuable to all of us.

Mr. President, I have been fighting since 1975 for the removal of the Social Security earnings limitation. I urge my colleagues to join me in this effort to repeal the earnings limitation and recognize the important role of senior citizens in our economy and our society.

Mr. President, this earnings limitation is something that is very important to our senior citizens. They should have a right to work if they want to work. We need them as workers.

We now have a situation in our society where there are many jobs that we need to have filled by senior citizens. Senior citizens are good workers. They are skilled. They are experienced. They are compassionate. For example, in caring for children at a day care center, senior citizens services are very useful because of the experience and compassion that they have. As teachers and teachers aides, they are very useful because of the experience they have.

When you stop and think about it, a worker can impart a lot of knowledge to younger workers. As a teacher, what better worker could we have than a senior citizen? Yet our law effectively deters them from working.

Our economy would flourish with more competition—with more workers available to carry out the tasks. Indeed, in some areas in my State of South Dakota, economic growth has been such that people are encouraged to move to certain cities to fill jobs. That is not true in all parts of the country. But as our economy changes it has been true in some parts of the country.

Also let me touch briefly on the notch amendment that has been offered to this bill. My mother is a notch baby. Every time I go home she says. "Why do you not do something about the notch baby problem?" The notch

babies are those born between 1917 and 1921 and they are in a situation in which they receive less Social Security than people born before them because of a mistake in the benefits calculation formula.

Why is it that we cannot take care of the notch babies? We keep talking about taking care of the notch babies. We keep talking about repealing the earnings limitation. Indeed, as I have mentioned, we have talked about repealing the earnings limitation since 1975 when I first started working on it. We have not done it.

Senior citizens are getting very disgusted with Congress about these issues. Indeed, I am one of those who believe we should be able to address issues in Congress better than we are able to. I am not satisfied with the way Congress has functioned on this budget. But I also think these issues are two additional examples of where Congress has not functioned well.

By the way, notch babies are not babies. They are senior citizens who were babies during that particular period of time. We are faced with two positive amendments here which would address very important problems. We should take action now. The notch issue has been bottled up in the Finance Committee for far too long.

The Social Security trust fund has a surplus. We could use part of that surplus to address the needs of these senior citizens. But the repeal of the earnings limitation would not cost anything. It would bring revenue into our Treasury. It would provide jobs for our senior citizens. It would provide productivity for our country. It would provide greater experience in our work force.

Mr. President, I am firmly for the repeal of the earnings limitation and have worked for it ever since I entered Congress in 1975. I hope that we will finally take a step toward solving that problem.

Once again we are in a situation at the end of the session where we are dealing with legislation that is in danger of not becoming law. I hope that is not the case. It is not fair to our senior citizens to have Members of Congress go home and say that they are for repealing the earnings limitation and that they are for fixing the notch, and then take no action. Congress is so ineffective that nothing ever happens.

We have to start being responsive to the people of the country. For instance, everybody is wondering what is the matter with the current budget deal. Why can't Congress reach a decision by October 1? Then we go on to October 9. Now last night we extended it to October 20.

I would predict—I hope it is not the case—that on October 20 there is going to be another continuing resolution prolonging this for a couple of months and taking us into a lame duck session. Everybody is optimistic now. But we cannot seem to get things done around here. The people of this country are restless and they want action. They want to see a Congress that can act and that can produce.

Mr. President, this is a classic example. Can we repeal the earnings limitation and really get it done because the people of this country want it? Can we fix the notch problem?

Most Members of Congress out on the stump are committed to doing something about it but nothing happens here. What is going to happen? How can we move this body? This week is a test. I hope there is a big vote on both of these amendments. They are vitally important.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. 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.

ORDERS FOR TOMORROW

Mr. MITCHELL. Mr. President, I ask unanimous consent that at 11 a.m. on Wednesday, October 10, the Senate resume consideration of S. 3167; that there be 1 hour for debate on amendment No. 2942 offered by Senator HARKIN; that the amendment be considered a first-degree amendment; and that no amendment to that amendment be in order; that time on the amendment be equally divided and controlled in the usual form; that no motion to commit be in order; and that when all time is used or yielded back, the Senate will vote on the Harkin amendment.

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

MORNING BUSINESS

(During the course of the session today, the following Morning Business was transacted by unanimous consent:)

THE 1990 12-DAY PRE-GENERAL REPORTS

The filing date of the 12-Day Pre-General Report required by the Federal Election Campaign Act, as amended, is Thursday, October 25, 1990. The mailing date for the aforementioned report is Monday, October 22, 1990, if postmarked by registered or certified mail. If this report is transmitted in any other manner it must be received by the filing date. All principal campaign committees supporting Senate candidates in the 1990 races must file their reports with the Senate Office of Public Records, 232 Hart Building, Washington, DC 20510-7116. You may wish to advise your campaign committee personnel of this requirement.

The Public Records office will be open from 8 a.m. until 9 p.m. on Thursday, October 25, to receive these filings. In general, reports will be available 24 hours after receipt. For further information, please do not hesitate to contact the Office of Public Records on (202) 224-0322.

WORLD HEALTH ORGANIZATION REFUGEE REPORT

Mr. HATFIELD. Mr. President, recently, the World Health Organization [WHO] conducted a study of the mental health and psychosocial problems of the Khmer displaced persons living in camps along the Thai-Cambodia border. Because of the importance of this issue, my colleague from Minnesota, Senator BOSCHWITZ, and I commend this study to our colleagues.

The WHO report documents the tremendous mental and psychosocial strain this population is under. Many Khmer have been living in these camps for a decade. Because of the increasing militarization of the border camps, along with the crowded and unsanitary conditions, the lack of security, and the dearth of education and employment opportunities, a sense of hopelessness among the civilians pervades the camps.

Cases of suicide attempts, domestic violence, sexual and physical abuse, apathy, hopelessness, and depression are common. And, as world leaders focus their attention on the plight of the world's children, it is important that we not forget the 100,000 children living in these camps. Because of camp conditions, the development and education of these children is severely impaired. Many are at the mercy of the various military factions and face forced conscription and physical and sexual abuse by the military.

We are all hopeful that peace will return to Cambodia in the near future and that the Khmer can return home. Until this happens, however, it is essential that we do what we can to address the needs of the Khmer on the Thai-Cambodia border and the needs of other refugee and displaced person populations around the world.

Following our remarks will be a summary of the WHO report. We request that our colleagues review it carefully.

Mr. BOSCHWITZ. Mr. President, as the only refugee serving in the U.S. Senate, I have deep concerns about the 15 million refugees throughout the world. My distinguished colleague from Oregon, Senator HATFIELD, shares those concerns and has been a

real leader here in the Senate on refugee issues.

Southeast Asia in particular is a continuing problem. Some in this region do not meet the legal definition of a refugee; they are termed displaced persons and therefore are not eligible for refugee resettlement to third countries like the United States. Sadly, their fate is unknown. Many of those in the region have been living in camps for more than a decade—thousands of children know a camp as their only home.

A fellow Minnesotan, Dr. Carolyn Williams, participated in a World Health Organization [WHO] mission to Thailand to evaluate the mental health and psychosocial problems of the Khmer displaced persons. The only American on the team, Dr. Williams focused primarily on the concerns and needs of the women and children residing in the camps.

The team's report contains some disturbing information. The conditions within the camps could certainly stand some improvement. Indeed, the WHO mission team sets forth several important and imperative public health recommendations.

I ask unanimous consent that a summary of the report be printed in the RECORD. We urge our colleagues to review this important report about the mental health of the Khmer living in camps along the Thai-Cambodia border.

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

SUMMARY OF THE WORLD HEALTH ORGANIZATION ASSESSMENT OF THE MENTAL HEALTH OF THE KHMER LIVING IN CAMPS ALONG THE THAI-CAMBODIAN BORDER

BACKGROUND OF WORLD HEALTH ORGANIZATION MISSION TO KHMER BORDER CAMPS

Approximately 300,000 Khmer are confined in a number of border camps receiving humanitarian assistance from the United Nations Border Relief Operation (UNBRO), partially supported by the United States for almost a decade. In recent years UNBRO headquarters, UNBRO field staff, and voluntary agency personnel observed a substantial increase in the extent of mental health and psychosocial problems in the camps. For example, cases of suicide attempts (often among women victims of sexual assaults), domestic violence, apathy, hopelessness, and depression were either observed in the population or recorded at treatment facilities. Field staff also reported an increase in antisocial behavior (i.e., thefts and robberies) and the emergence of increasing problems among the large number of adolescents living in the camps.

These problems led UNBRO to request the World Health Organization (WHO) to organize a mission to Thailand and evaluate the mental health and the psychosocial problems of the Khmer displaced persons. An initial visit was conducted in September, 1988 by Dr. R. F. W. Diekstra, at the time Senior Scientist in the Division of Mental Health, WHO, Geneva. Dr. Diekstra led a subsequent international team of experts for a more intensive evaluation of the camps. These experts included Dr. Diekstra, now professor and chairman of the Department of Clinical and Health Psychology, University of Leiden, the Netherlands; Dr. G. de Girolamo, Associate Professional Officer, Division of Mental Health, WHO, Geneva; Dr. Stein Bastiansen, Psychiatrist, Intergovernmental Committee for Migration, Bangkok; Dr. Denis Top, a Khmer physician living in Bangkok; and Dr. Carolyn L. Williams, Associate Professor and Clinical Psychologist, Division of Epidemiology, School of Public Health, University of Minnesota. Dr. Williams, the only American on the team, was asked to focus on the concerns and needs of the women and children living in the camps. The Mission lasted from the 27th of February until the 13th of March, 1989. A report was prepared at the end of 1989 and sent to UNBRO.

DUAL NATURE OF THE CAMPS: MIXING HUMANITARIAN AND MILITARY GOALS

The WHO report documented a number of major problems experienced by the civilian population, predominately women and children, that were linked to the political reality in the camps. There was consensus among the WHO team members that their dual nature (i.e., humanitarian asylums for displaced civilian populations and bases and support sites for resistance fighters) contributed to their severe problems. Because they are used by resistance fighters, the camps frequently are the target of military action, resulting in substantial civilian deaths and injuries. Increased shelling and fighting caused relocation of part of one of the camps during the Mission, resulting in Site 2 closing to voluntary agency personnel, and their supplies of water, and food, and medical services. Events like this are likely contributors to the strong feelings of hopelessness of many Khmer, expressed by one as "no war, no peace" and another as "I am Khmer. I have no power. Only the barang (foreigner) can change."

All the UNBRO border camps share many similarities, but also have remarkable differences. First, they are different in terms of population size: Site 2, with an approximate population of 176,000 displaced people constitutes the second largest Khmer city in the world after Phnom Penh. Site B has a population around 53,166, and Site 8 a population around 33,365. Site 2 is located in a barren, desolate area with no electricity and no natural source of water. Overcrowding is a more serious problem in Site 2 than in Sites 8 or B. Other basic distinctions among the camps have to do with the political, administrative, and military situations existing in them. A more intense situation of political pressure and propaganda existed in Site 8, the Khmer Rouge camp. The WHO team could not visit the other more remote Khmer Rouge camps receiving UNBRO humanitarian assistance.

SEXUAL AND PHYSICAL ASSAULT

Women revealed considerable mental and physical problems because of lack of security, most noticeably a problem at Site 2, but not irrelevant at Site B or Site 8. Many women reported living in constant fear of physical or sexual abuse. Their abusers often times sought shelter in the various military units in Cambodia after serious transgressions.

INEQUITIES IN SOCIAL CONTROL

At the time of the visit no formal legal or law enforcement system existed in any of the camps. Mission team members received complaints that crimes committed by soldiers were dealt with in ways very different than those committed by civilians, leading to feelings of injustice and lack of safety. Women reported that they were often jailed for behaviors, such as adultery, that were "forgiven" when exhibited by men. Police and jailers were almost exclusively men, a situation that created a risk of abuse for women inmates.

Many displaced people indicated that they were not members of any of the resistance armies located in the camps, and were fearful of becoming victims of forced conscription to fight in Cambodia. In Site B individuals indicated that they would be jailed for revealing such information to outsiders. Interestingly, the Site B administrators denied the existence of a jail in the camp to one of the team members who wished to visit it.

HARM TO CHILDREN

Approximately 100,000 school-aged childrens' development and education are severely impaired by the breakdown of family ties, harshness of daily life, lack of adequate educational facilities, and shelling. Orphans are among the most exploited. For example, military factions within the camps used orphanages as recruiting centers and/or barracks for soldiers returning after 5:00 p.m. when the relief workers were required to leave. This was observed at Sites 2 and B. Children in these orphanages are at greater risk for military retaliation, sexual and physical abuse, and forced conscription to participate in the fighting. Because of the substantial unemployment in the camps, with the exception of resistance fighters, children grow up without role models of occupations other than resistance fighters.

DIFFICULTY IN KHMER SELF-MANAGEMENT

Problems in implementing the goal of Khmer self-management of the camps may be due, in part, to the current procedures of forcing Khmer with limited English language skills to communicate solely in English in meetings, rather than using technically skilled interpreters. This results in a strong sense of distrust and frequent misunderstandings among the Khmer and the UNBRO and voluntary agency personnel there to serve their needs.

NEED FOR POLITICAL SOLUTIONS

Members of Congress must be aware of the importance of finding political solutions to the problems affecting the lives of civilians in these humanitarian camps:

(a) The unclear perspective for the political settlement of the Cambodian crisis, including specific plans for repatriation.

(b) The unresolved problem of the official status of the Khmer living on the border, who are still unrecognized as refugees and therefore do not have the rights which are dependent upon official refugee status.

PUBLIC HEALTH RECOMMENDATIONS

The WHO mission team members also stressed the public health significance of:

(1) Informing the international community, donor countries, and the Royal Thai government of the tremendous psychological, social, and family problems arising in camps of asylum for the vast majority of their inhabitants.

(2) Finding a solution which will allow civilians who seek refugee status to be moved from camps in the war zone along the border and given the protection linked to refugee status. In view of the serious mental health and psychosocial problems resulting from the current unclear situation, a UN review of the present status of Khmer is urgent because it is a first step towards instituting procedures for determining who in these camps are refugees, entitled as such to

certain rights and protection, and who are resistance fighters.

(3) Creating as safe an environment as possible for the civilians in the camps. Until most vulnerable groups (e.g., children, women, the physically disabled, elderly) are removed from the active war zone, 24-hour supervision by UNBRO security in all border camps, including those controlled by the Khmer Rouge, seems essential, as does the development of adequate police protection and a fair judicial process. The elimination of inequity in laws which put women in prisons (with no women guards) for crimes that are not crimes for men (e.g., adultery), and the provision of sufficient emergency shelters for battered women and children in all the camps, are of great importance.

(4) Planning in a manner which will ensure a good balance between activities and proposals which fit with the current situation and activities and proposals which are also feasible for the future situation of these displaced populations.

(5) Improving basic physical aspects of life: lack of nutrition, water, space, and security. Problems in these areas can affect the mental health of displaced people by causing mental and neurological impairment and related disabilities, by inducing a general dissatisfaction and hopelessness among displaced people, or by acting as a major source or stress. Improvements in these areas likely would result in the prevention of a number of mental health and psychosocial problems.

(6) Setting specific and clear targets for employment.

(7) Improvement of educational programs for young people through plans which place more emphasis on the acquisition of skills which could help the displaced people find a significant role after their return to Cambodia.

The WHO team members made a number of more specific clinically-orientated recommendations including the establishment of a position of mental health coordinator to oversee the development and implementation of a system of mental health services. The WHO report lists another 15 specific recommendations for alleviating the mental health and psychosocial crisis of the Khmer living on the border. The full report can be obtained from Dr. Norman Sartorius, Division of Mental Health, WHO, Geneva.

MEDICARE HANDBOOK FOR CHILDREN OF AGING PARENTS

Mr. HEINZ. Mr. President, Medicare is very much on the mind of this Congress and this Nation right now. For the past several days we have been deliberating a budget summit proposal that would ask our senior citizens to pay more out of their own pockets for physician visits and other outpatient services covered under part B of the program.

I personally have some very real concerns about this method of deficit reduction, concerns that center on aged Americans who even now hover at the poverty line. What may be a modest and manageable monthly expense for a middle-income couple, can be a financially devastating additional slice out of an already meager budget of those less fortunate. We must not sign off on any budget agreement that commits this most vulnerable segment of our Medicare population to yet a deeper rung in the purgatory of poverty. I want to go on record as one Senator who will fight to prevent this outcome.

There is another segment of Americans who also need help when it comes to Medicare, Mr. President. And that is the adult children of beneficiaries who are increasingly called upon to provide financial, physical, and emotional support for their aging parents.

I do not know how many of my colleagues have ever tried to articulate the differences in parts A and B of the program, much less traverse the intricacies of benefit periods, copayments, and deductibles. Believe me, it is not easy. As chairman and now ranking member of the Special Committee on Aging, I consistently receive requests for an "English language" explanation of how the program works.

Today, I would like to share with my colleagues a booklet that is just that: A simply written, straightforward, and comprehensive guide to our Nation's health insurance program for seniors.

"Understanding Medicare: A Guide for Children of Aging Parents," was prepared by the Republican staff of the Aging Committee with the assistance of experts in the field. I ask unanimous consent that the complete text be printed in the RECORD immediately following my remarks, Mr. President. Unfortunately, the limitations on printing enforced by the Government Printing Office allowed the committee to produce only about 3,200 copies of this booklet for public distribution. My hope is that by putting it in the RECORD, other Senators will be able to reprint it for distribution in their States.

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

UNDERSTANDING MEDICARE: A GUIDE FOR CHILDREN OF AGING PARENTS

FOREWORD

Medicare is the single largest health insurance program in the United States. Although it provides direct health insurance coverage to cover over 30 million elderly beneficiaries, Medicare touches more than just the lives of older America. Medicare affects, in one way or another, nearly one-half of our population, many the adult children of aging parents.

This brochure is for those adult children who are increasingly called upon to provide financial, physical, and emotional care and support for their aging parents. With health care costs increasing, many elderly Americans are confused by what Medicare will and will not pay for. This brochure will help you, the children of aging parents, and your parents better understand how Medicare works and how to make the program work best for them.

This brochure was prepared by the Republican Staff of the U.S. Senate Special Committee on Aging. I want to thank Jeffrey Lewis, Staff Director, and Isabelle Claxton, Director of Communications and Public Policy, and, in particular, David Barnhart, a Congressional Fellow on detail from the Social Security Administration. This project would not have been possible without Mr. Barnhart's expertise, research, and writing.

I would also like to recognize and thank those people who assisted my Committee staff in preparing this brochure: Celinda Franco of the Congressional Research Service (CRS); Richard Getrost, John Thomas, Winona Hocutt, and Bill Ullman of the Health Care Financing Administration (HCFA); and Michael Diebert of the Pennsylvania Department of Aging. And, I would especially like to thank Louise Fradkin of Children of Aging Parents (CAPS) in Pennsylvania and Kristin Lund and Mary McKeown of the Dakota Area Resources and Transportation for Seniors (DARTS) in Minnesota.

JOHN HEINZ,
U.S. Senator.

MEDICARE—AN INTRODUCTION

If your parents are 65 or older and eligible for Social Security benefits, they are entitled to Medicare.

Medicare has two types of insurance:

Part A, Hospital Insurance

Part B, Supplemental Medical Insurance

When your parents are enrolled in Medicare, they are covered by Part A and Part B. While your parents have the option to drop Part B, most people don't because Part B currently pays a large portion of physician and outpatient medical services.

Medicare Part A pays a portion of the medical services provided a patient during a hospital stay, including a semi-private room, meals, and routine nursing care. Medicare Part A also pays a portion of the cost for skilled nursing facility care, home health care, and hospice care.

Part B pays a large portion of a doctor's bill wherever those services are provided, including surgical fees and hospital and office visits. Part B also pays a hospital or by medical providers outside the hospital and a portion of the costs for durable medical equipment.

MEDICARE—WHO TO CALL IN PENNSYLVANIA

If you have a question about Medicare benefits and coverage or other elderly health care issues, don't hesitate calling one of the following agencies and organizations in Pennsylvania:

For questions about Medicare Part A, the hospital insurance covering inpatient hospital care, you can contract Pennsylvania's Keystone Peer Review Organization, Inc. (KEPRO), at 1-800-322-1914.

For questions about Medicare Part B, the supplemental insurance which covers physician and other outpatient services, you can contact Pennsylvania Blue Shield at 1-800-382-1274.

For questions about doctors, laboratories, and medical suppliers who accept Medicare assignment, you can contact also Pennsylvania Blue Shield at 1-800-382-1274.

For questions bout Medigap insurance, you can contact Pennsylvania's Department of Insurance, Accident and Health Rates Bureau in Harrisburg at 1-717-783-2101. The Department also has regional offices in:

Pennsylvania at 1-215-560-2630;

Erie at 1-814-871-4466; and

Pittsburgh at 1-412-565-5020.

For complaints about Medigap insurance, you can contact the Department's Bureau of Consumer Affairs in Harrisburg at 1-717-

787-2317 or one of the regional telephone numbers listed above.

For information on your community's Area Agency on Aging or other local senior services, you can contact the Pennsylvania Department of Aging at 1-717-783-3126.

For questions about home health care in your area, you can contact the Pennsylvania Department of Health at 1-800-692-7254.

For questions about how your parents are being treated in a nursing facility or home, you can contact Pennsylvania's Nursing Home Ombudsman under the Department of Aging's Bureau of Advocacy at 1-717-783-7247.

Contact Children of Aging Parents (CAPS) at 1-215-945-6900 for information on membership in their organization and services they provide on eldercare. If they do not answer, leave a message with your telephone number and area code, if long distance, CAPS will return your call, paying the cost of the call if it is long distance.

To receive a Medicare application and find out information on Medicare, you can call the Social Security Administration's toll-free number 1-800-2345-SSA. The best times to call are between 7:00 a.m.-9:00 a.m. and 4:00 p.m.-7:00 p.m.

DEFINITIONS

Let's define some words frequently used in any type of health insurance program, including Medicare.

PREMIUM

Premiums are a fee you pay to maintain your health insurance.

Premiums for Medicare's Part A, the hospital insurance, were paid through payroll taxes during a person's working years if that person also paid Social Security taxes. Therefore, under Part A, there are NO premiums to be paid by Medicare recipients.

Medicare Part B, the supplemental medical insurance, however, has a premium. In 1990, the monthly premium is $28.60 per person. If both your parents are living and insured under Medicare, their combined monthly premium for Part B is $57.20 (2 × $28.60). *If your parents are receiving Social Security, the premium for Part B is automatically taken out of their check.*

DEDUCTIBLE

A deductible is what you pay out-of-pocket for hospital, doctor, and other medical services before Medicare begins to pay. Once the deductible is paid or "met," Medicare will pay the Government's share of expenses. But keep in mind, Medicare has different deductibles for Part A and Part B. These are discussed in greater depth later in this pamphlet.

COPAYMENT

Also called coinsurance, a copayment (or copay) is what remains for you to pay after any health insurance has paid its share of your medical expenses. As with other health insurance programs, your parents share responsibility with Medicare for paying medical expenses. Your parent's share of the expenses is his copayment.

BENEFIT PERIOD

Medicare Part A pays benefits based on the number of days spent in a particular health care setting during a benefit period. Benefit periods apply to inpatient care at a hospital and skilled nursing facility, and outpatient and respite care from a hospice.

For *inpatient hospital care,* the benefit period begins when the patient enters the hospital and ends after the patient has been out of the hospital for at least 60 days in a row.

For *skilled nursing facility care,* the benefit period begins when the patient enters the hospital from which he then was transferred. The patient's benefit period ends 60 days after he stops receiving *daily skilled care* in the nursing facility.

For *hospice care* there is a one-time benefit period of 210 days.

There are no benefit periods for Home Health Care under Part A and physician health provider care under Part B.

MEDICARE APPROVED CHARGES

Medicare has established standard payment limits for all physician and medical service charges and for medical supplies and durable equipment costs. Medicare's approved charges are based primarily on the "usual and customary" charges for services or supplies in your community. Under Part B, Supplemental Medical Insurance, Medicare will pay 80 percent of the "approved charges" for medical services and supplies. The remainder of the charges are considered the Medicare patient's copayment.

ACCEPTING ASSIGNMENT

This means that a doctor, laboratory, or medical supplier has agreed to accept what Medicare pays for services they have provided and *WILL NOT* charge your parent more than 20 percent of Medicare's "approved charge" for that service.

Accepting assignment does not restrict the doctor from charging more than Medicare's approved charge. Rather, accepting assignment limits the doctor to only charging your parent *20 percent* of Medicare's approved charge. Regardless of the cost, if the doctor accepts assignment for a billed service, your parent only has to pay *20 percent* of Medicare's approved charge for that service, nothing else. Any charge above Medicare's limit must be absorbed by the doctor.

The following example will clarify this point:

As Medicare's insurance carrier in the State, Pennsylvania Blue Shield is billed $125 by a doctor who *accepts Medicare assignment* for your parent's office visit. Medicare's approved charge for this visit, however, is $100. Pennsylvania Blue Shield will pay the doctor $80—80 percent of Medicare's approved charge. Although $45 remains, *the doctor can only bill your parent $20—the other 20 percent of Medicare's approved charge.* The remaining $25 *must* be absorbed by the doctor; it *cannot* be added to your parent's bill.

Your parents can obtain a list of doctors and other medical providers who accept assignment from Pennsylvania Blue Shield at 1-800-382-1274.

MEDICARE BENEFICIARY

Also known as "insured," a Medicare Beneficiary is a person who is enrolled in Medicare and receives benefits from the program.

MEDICARE PART A: HOSPITAL INSURANCE

Part A is the Hospital Insurance portion of Medicare. Part A pays for a portion of the health care provided in several kinds of institutional and outpatient settings: inpatient hospital and skilled nursing facility care, home health care and hospice care.

INPATIENT HOSPITAL CARE

When your parent enters a hospital, Medicare's Part A pays for most of the cost of care received. Remember, however, that your parent must first pay a hospital deductible at the beginning of a benefit period before Medicare will start paying for anything. Although Medicare Part A pays a portion of inpatient hospital care, it only pays benefits up to the time your parent no longer needs to stay in the hospital.

Part A of Medicare doesn't pay for doctor services or visits in the hospital. These services are covered by Part B.

Medicare *will pay* the approved charges for the following hospital medical services:

A semiprivate room.

All meals, including special diets.

Regular nursing services.

Drugs furnished by the hospital during the hospital stay.

Cost of special care units such as intensive care.

Lab tests.

X-rays and radiation therapy supplied in the hospital.

Medical supplies provided during the hospital stay.

Operation and recovery room costs.

Rehabilitation services such as physical, occupational, or speech therapy.

Certain medical equipment used by the patient in the hospital such as wheelchairs and walkers.

Medicare will *not pay* for the following hospital services:

The first three pints of blood (although your parent will not be charged if he belongs to a blood transfusion program or he makes arrangements to replace the three pints of blood).

Private nurses and the extra charges for a private room unless medically necessary.

Personal comfort items such as a television and telephone.

Drugs not deemed "safe and effective" by the U.S. Food and Drug Administration. Your parent should ask his doctor if the drugs he has prescribed meet this requirement.

BENEFIT PERIODS

Most adult children and their aging parents are introduced to Medicare Part A's complicated coverage during or after hospital visits. Much of the confusion centers around the benefit period, deductible, and copayment. Let's look at benefit periods first.

Benefit period begins

A benefit period begins when a person has not been in a hospital or received skilled care services in a skilled nursing facility for at least 60 days in a row.

"Your father is admitted to the hospital. He hasn't been in a hospital for over 10 years and has never been in a skilled nursing facility. With this admission, *your father is beginning a benefit perid.*"

Benefit period continues

If a person is admitted to the hospital within 60 days of a prior hospitalization, he is in the same benefit period as the previous hospital stay. Although a benefit period can last indefinitely, Medicare will only pay for 90 days of hospital care during the same benefit period. And, these don't have to be 90 consecutive days. Medicare will not pay any benefits in the same benefit period after 90 days. And, a new benefit period will not begin until your parent has been out of the hospital for at least 60 days in a row.

"Your father is admitted to the hospital. He just left the hospital 20 days ago. In this case, *no new benefit period begins.* He is still under a previous benefit period because he hasn't been out of the hospital for at least 60 days in a row before this current admission."

Benefit period ends

A benefit period ends when your parent has not been in a hospital or received skilled

care services in a skilled nursing facility for at least 60 days in a row.

"Your father is admitted to the hospital. He was previously discharged from the hospital 3 months ago. In this case, *your father is beginning a new benefit period* because he's been out of the hospital for over 60 consecutive days."

DEDUCTIBLE AND COPAYMENTS

When your parent enters a hospital at the beginning of a new benefit period, she must pay a Medicare Part A deductible. This means that in 1990 your parent must pay for the first $592 of her hospital bill, the Part A deductible, before Medicare pays hospital benefits. *There is only one deductible per benefit period*—there is no deductible for other hospital stays in the same benefit period.

After your parent pays the deductible, Medicare will pay for approved inpatient medical services through the *60th day* of hospital care. These do not have to be 60 consecutive days.

"Your mother hasn't been in a hospital for at least 60 days when she's admitted for surgery. Your mother's stay is short, she's discharged from the hospital after 10 days. Because this is the beginning of a benefit period, your mother will have to pay a deductible before Medicare begins to pay the remaining approved inpatient charges. In most cases, after your mother "meets" her deductible, she will pay nothing else for this hospital stay except for comfort items such as a television. If your mother doesn't reenter the hospital for any medical reasons for at least 60 days after her discharge, the benefit period will end. Any future hospital stay will result in a new benefit period and another deductible."

With the *61st day* of hospital care in a benefit period, your parent *will have to pay* a copayment, a portion of the cost for his hospital care. In 1990, your parent's copayment is $148 per day; Medicare Part A pays the remainder of the daily hospital costs.

"Your father hasn't been in a hospital for at least 60 days when he's admitted for surgery. He is in the hospital for 10 days. Your father is responsible for the $592 deductible before Part A begins to pay. As in the first example, your parent will probably pay nothing else during this 10-day stay except for personal comfort items.

"Your father is discharged from the hospital but returns in 4 weeks for more surgery. This second visit lasts 20 days. Because your father's second hospital visit is within 60 days of his first visit, your father is not required to pay another deductible—he is still under his original benefit period.

"After being discharged from his second hospital stay, your father returns for a third hospital visit 10 days after the second visit ended. The third visit lasts 40 days. There is no deductible for the third visit because it is still within the original benefit period. *But an important change occurs.*

"Your father will begin paying a copayment of $148 per day after his 60th cumulative day of hospital care within this benefit period. In this example, your father will exceed the 60-day limit three-quarters of the way through his third hospital stay. Your father will have to pay a copayment charge for the 10 remaining days. At $148 per day, your parent's copayment is $1,480 (10 × $148). Medicare will pay any of the remaining approved hospital charges for these 10 days after the copayment is deducted."

After 90 days of inpatient hospital care, Medicare generally stops paying its portion of hospital care until a new benefit period begins. However, if needed, a Medicare beneficiary has 60 days of lifetime reserve available.

60 days—Lifetime reserve

Each Medicare beneficiary has 60 days of lifetime reserve for inpatient hospital care; these reserve days do not apply to skilled nursing facility or hospice care. These reserve days are available if your parent's inpatient hospital care extends beyond 90 days in a benefit period. Lifetime reserve days are used on a *one-time only* basis. Once a reserve day is used, it is never available for use again, *ever.* Therefore, your parent's lifetime reserve should be used only when absolutely necessary: When extended hospital care is your parent's only health care option; when such a stay is not covered by any other health insurance; and when your parent does not have the private resources to pay for his extended stay.

Your parent also has an out-of-pocket copayment charge for each lifetime reserve day used. This copayment is equal to one-half of the Medicare Part A deductible for a particular year. In 1990, your parent's copayment would be $296 a day if he used any of his lifetime reserve days ($592×½).

"Your mother needed to stay, off and on, in the hospital for 110 days in one benefit period. Medicare would normally stop paying any hospital benefits after 90 days. Your mother, however, decides to use 20 of her lifetime reserve days. She has been told that once these 20 reserve days are used, her supply of lifetime reserve days will drop to 40 days (60 less 20). She will never have these 20 reserve days available again for inpatient hospital care. Your mother also knows that she will have an out-of-pocket copyament of $5,920 for these 20 reserve days ($296×20)."

SKILLED NURSING FACILITY CARE

Medicare does not pay for what we traditionally think of as long-term, custodial care in a nursing home. Rather, Medicare limits reimbursement to skilled care services provided by a skilled nursing facility. These services include both skilled nursing care and skilled physical and speech therapy.

Skilled services:

Require the skills of qualified technical or professional health personnel such as registered nurses, licensed practical nurses, physical or occupational therapists, and speech pathologists; and

Must be provided directly by or under the supervision of the facility's skilled nursing or skilled rehabilitation staff.

To qualify for Medicare benefits, your parent's skilled nursing and/or skilled therapy must be provided either separately or in combination on a *daily basis.*

"Your father has broken his hip. After a stay in the hospital, your father is ready to be released. Your father's doctor determines that your father needs skilled nursing care on a *daily basis* and physical therapy for 3 days a week to recover from the hip injury. Your father is admitted to a Medicare-certified skilled nursing facility. If he qualifies, he will receive Medicare Part A benefits for his stay as long as he receives skilled care 7 days a week. Medicare will stop paying benefits when your father no longer receives either skilled nursing care or physical therapy every day."

Medicare Part A will pay for up to 100 days of skilled nursing facility care in addition to the 90 days of hospital care in the same benefit period (However, in most cases, Medicare coverage ends well before the 100 days. Medicare paid for only an average of *26 days per person* of skilled nursing facility care in 1988.) There is no deductible for skilled nursing facility care during a benefit period.

For Medicare to pay for services in a skilled nursing facility, the following requirements must be met:

Your parent must be in the hospital for at least 3 consecutive days prior to entering a skilled nursing facility. These 3 days do not include the day your parent is released from the hospital.

Although your parent does not have to enter the skilled nursing facility immediately upon release from the hospital, he must be admitted within 30 days of his release from the hospital.

Your parent must enter the skilled nursing facility to treat the condition for which he was originally admitted to the hospital.

Your parent's doctor and the skilled nursing facility must certify that your parent's medical condition can be improved by the nursing facility's rehabilitation services and that the rehabilitation is "reasonable and necessary".

The skilled nursing facility must be Medicare certified. That is, the skilled nursing facility must comply with certain standards of care set by the Federal Government.

Skilled nursing facility services covered by Medicare include:

Semiprivate room and meals, including special diets.

Skilled nursing care, medical social services, and rehabilitation services by licensed nurses, therapists, and nursing facility staff.

Prescription drugs, medical supplies, and durable medical equipment ordinarily used for patient care and treatment in a skilled nursing facility.

Other services that are routinely provided by the skilled nursing facility for the health and well-being of the patients, including but not limited to:

Intravenous, intramuscular, or subcutaneous injections; application of dressings involving prescription medications; and insertion, sterile irrigation, and replacement of catheters.

Skilled nursing facility services not covered by Medicare include:

Intermediate or custodial care *when your parent IS NOT receiving daily skilled nursing facility or skilled therapy.* Custodial care typically includes help in walking, getting in and out of bed, eating, dressing, bathing, using the toilet, and taking medicine. Custodial care essentially is personal care that *does not* require the continuing attention of trained medical or paramedical personnel.

Private room charges (unless medically necessary) and personal comfort items such as televisions.

Doctor services (which are covered under Medicare Part B).

A stay in a skilled nursing facilit is covered by the same benefit period that covers your parent's stay in the hospital from which he was transferred. A benefit period ends when your parent is either:

Out of a *hospital* for at least 60 days in a row; or

Not receiving *daily* skilled nursing or rehabilitative therapy in a *skilled nursing facility* for at least 60 days in a row.

"In March 1989, your mother was admitted to a skilled nursing facility directly from the hospital. She had entered the hospital in late February for a broken hip. This was her first and only, hospital and skilled nursing facility stay in 1989.

"After 1 week in the skilled nursing facility, she no longer required skilled care on a daily basis—her condition had improved to where she only needed physical therapy *3 days a week.* Your mother stayed another 5 weeks, receiving this part-time physical therapy. Your mother was in the skilled nursing facility for a total of 6 weeks. She did not return to a hospital or a skilled nursing facility for the rest of 1989.

"In our example, your mother's benefit period for Medicare's Part A began when she entered the hospital in February. This benefit period included her stay in the skilled nursing facility. *Your mother's benefit period ended 60 days after the daily skilled care ended in the skilled nursing facility, not 60 days after she left the skilled nursing facility.* This means the benefit period ended 60 days after the first week rather than after the sixth week of skilled nursing facility care.

"Your mother's Medicare benefits also ended after her first week in the skilled nursing facility because she no longer required *daily* skilled nursing care or skilled rehabilitative therapy. She only needed part-time skilled therapy for the remaining 5 weeks."

You must remember that once her need for *daily* skilled care ends, Medicare will no longer pay for your parent's stay in a skilled nursing facility.

Of the various levels of nursing home care, skilled nursing care is the most expensive and medically intensive. Although your parent's rehabilitation and recovery is the main goal of any care, you may want to investigate other options, including home health care, which may be less expensive and allow your parent to recover at home. Medicare pays for various approved home health care services, including part-time and intermittent skilled nursing care and physical, speech, and occupational therapy. These benefits will be discussed in detail in the next section.

If your parent's physician or discharging hospital believe that a skilled nursing facility is the best recovery site, your parent can be referred to a skilled nursing facility. Your parent's physician or the hospital discharge plan must certify that your parent's condition will be improved by a level of care available only from a skilled nursing facility. Although finding bedspace may be difficult, *your parent must insist upon being admitted to a Medicare-certified skilled nursing facility ONLY.* If a parent is unable to act on his own behalf, adult children should act as their parent's health advocate, making sure the parent is admitted to a Medicare-certified skilled nursing facility.

Medicare will never pay for daily skilled care from a skilled nursing facility that is not approved by Medicare. Medicare certification, however, does not guarantee that Medicare will pay for your parent's stay at a skilled nursing facility. Your parent must also require daily skilled care to qualify for Medicare benefits.

If Medicare approves the claim for your parent's stay, Medicare will reimburse 100 percent of approved services during the first *20 days* of the skilled nursing facility care.

Beginning with the *21st day,* the patient pays out-of-pocket a copayment of $74 per day. Medicare pays the remaining approved daily medical expenses.

"Your father is hospitalized for a serious accident. After 2 weeks in the hospital, he's discharged. To help your father recover from his accident, his physician prescribes physical rehabilitation at a local skilled nursing facility that is Medicare certified. The facility's director agrees with the physician that the institution's rehabilitation services can improve your father's condition.

"Your father enters the skilled nursing facility the day after he leaves the hospital. He stays in the facility for 30 days. Medicare approves the claim for your father's stay in the skilled nursing facility and pays for 100 percent of his approved expenses for the first 20 days of this skilled care. Beginning with the 21st day of skilled care, your father starts to pay a copayment.

"In 1990, your father's copayment for skilled nursing facility care would be $74 a day. In our example, his out-of-pocket expenses for these 10 days would be $740 (10 × $74)."

After *100 days* of skilled nursing facility care in a benefit period, Medicare coverage ends. These do not have to be 100 consecutive days.

Medicare will also stop paying benefits for skilled nursing facility care if your parent's rehabilitation program is determined to be no longer improving his condition; he has reached a plateau where no more improvement can be expected.

HOME HEALTH CARE

Medicare Part A pays for some of the cost of home health care for homebound Medicare patients. Home health care coverage, however, is limited to short-term, intermittent or part-time care for a parent whose condition is expected to improve or change. Medicare home health care benefits pay for patient recovery from an *acute* illness or injury. Medicare generally *does not* pay home health benefits for *chronic* conditions. In most cases, when a person's condition stabilizes, the treating doctor will no longer will no longer recommend home health care. At this point, Medicare's coverage, and most Medigap insurance's coverage, will cease paying home health care benefits. Under Medicare, home health care must not be viewed as long-term, in-home care for a chronic condition. On average, homebound patients only receive 23 home health visits under Medicare's coverage.

"Homebound" does not mean "bedbound'

To be considered homebound, your parent must have a physical or mental condition that severely restricts his ability to leave the house. Your parent's condition must be such that leaving the home requires considerable and taxing effort, or his condition requires special equipment to leave the home: wheelchairs, crutches, or walkers; special transportation; or the aid of another person when in a wheelchair or using a walker.

Homebound does not mean your parent cannot leave his home. He can leave, but only for a short periods of time on an infrequent basis. If your parent, however, can leave his house on a daily basis, he will not qualify for Medicare's home health care benefits. *This requirement does not apply to leaving the home for prescribed medical treatment.*

To see if your parent can receive Medicare's home health care coverage, ask his physician to refer your parent to a Medicare-certified Home Health Agency. The Home Health Agency will schedule a free home visit to assess your parent's health care needs and determine if he qualifies for Medicare's home health care benefits. *Home Health Agencies must provide this home assessment for free to maintain their Medicare certification.*

Home health care benefits are almost always provided under Medicare Part A. However, home health care benefits can be provided under Medicare Part B if your parent does not have Medicare's Part A coverage.

To qualify for Medicare's home health care benefits:

Your parent must be homebound.

Your parent must be under a plan of care prepared by a doctor who must then periodically review your parent's plan of care to see if the home health care is still necessary.

Medicare's home health care benefits only covered skilled nursing care or physical or speech therapy when these services are expected to improve your parent's condition over a limited or predictable period of time. Medicare does not generally reimburse for home health care over an open-ended period of time when there is literally "no end in sight" for the need of such care.

The Home Health provider must be Medicare-certified and provide these services at a reasonable cost. To find a Medicare-certified Home Health Agency, contact the Pennsylvania Department of Health at 1-800-692-7254.

Your parent needs intermittent skilled nursing care *or* physical or speech therapy.

Intermittent is defined as needing skilled nursing care for 4 days, or less, per week. And, this intermittent nursing care cannot exceed 35 hours per week. (If your parent needs skilled nursing care for more than 4 days per week *and* does not require physical or speech therapy, (he *will not* qualify for Medicare's home health care benefits.)

There are no restrictions on the number of days or hours per week of physical or speech therapy. The physical or speech therapy must be provided, however, on a "necessary and reasonable" basis.

There is *no deductible* for Medicare's home health care benefits. Your parent is not required to have a hospital stay before home health services are covered by Medicare. There are no benefit periods or limits on the number of days within a calendar year for Medicare's home health care benefits.

If your parent qualifies for Medicare coverage of home health care benefits, Medicare Part A *will pay* for:

The intermittent or part-time services of a skilled nurse and home health care aide. There are limitations on the visits by skilled nurses and home health care aides:

Intermittent or Part-time limits the visits by a skilled nurse to 4 days, or less, per week; and

Intermittent or Part-time limits the visits by a skilled nurse *and* home health care aide (combined) to 35 hours per week with no visits exceeding 8 hours a day.

Medical social services.

Medical supplies and a portion of the cost of durable medical equipment.

A physical and speech therapist when prescribed by your doctor and provided by a Medicare-certified home health care agency.

Medicare will only pay for occupational therapy when it is part of a physical or speech therapy program. If approved, however, Medicare will continue paying occupational therapy benefits even after physical or speech therapy ends.

Medicare Part A home health care benefits will NOT pay for:

Full-time nursing care.

Self-administered prescription drugs.

Meals delivered to your parent's home.

Transportation.

Homemaker services that primarily assist your parent in personal care or housekeeping.

Doctor bills, these are covered under Medicare Part B.

HOSPICE CARE

A hospice is an organization that provides a program of inpatient, outpatient, and home care for teminally ill patients. Hospice care includes medical and social services for patient and family counseling, symptom control, and pain reduction. These services include physician and nursing care, medical appliances and supplies, outpatient drugs for managing symptoms and pain, short-term in-patient respite care, counseling, therapy, and home health care aide and homemaker services.

Medicare will pay for hospice care from a Medicare-approved hospice. Medicare beneficiaries certified as terminally ill may elect hospice care benefits under Part A in place of regular Medicare. When your parent chooses hospice care, his other Medicare benefits which cover the terminal illness stop except for doctor services. If your parent does need medical care for reasons unrelated to the terminal illness, regular Medicare benefits are available to pay for these services.

Part A can pay for two 90-day benefit periods and one 30-day benefit period for a total of 210 days of hospice care. Hospice care benefits are not available beyond the 210-day limit.

To receive Medicare hospice care benefits, the following conditions must be met:

Your parent's doctor and the hospice medical director must certify that your parent is terminally ill.

Your parent must state, *in writing*, that he wants Medicare hospice benefits in the place of regular Medicare benefits.

A plan of care must be prescribed before your parent begins hospice care.

The hospice must be Medicare-approved.

Part A has no deductible for approved hospice care, only a small copayment for prescription drugs and respite care. A beneficiary pays 5 percent of the cost for outpatient, prescription drugs to manage symptoms and pain with a copayment limit of $5 for each prescription. A beneficiary also pays 5 percent of the cost of inpatient respite care with a copayment limit of $592 for each benefit period. Medicare covers up to 5 days at a time of respite care in an approved facility. Respite care allows the patient's caregivers time to rest while the patient receives care elsewhere.

MEDICARE PART B: SUPPLEMENTAL MEDICAL INSURANCE

Medicare Part B has an annual deductible of $75 per person. Once this deductible is met, Part B pays 80 percent of Medicare's approved "reasonable" charge, a payment limit, for approved physician and medical services. The Medicare patient pays the remaining 20 percent copayment and any medical costs above Medicare's approved charge.

Physicians, laboratories, and medical suppliers who accept Medicare assignment agree to accept Mediare's payment limit as payment for their services. "Participating Physicians" have agreed to accept assignment for all their services. Other physicians may accept assignment on a case-by-case basis.

"A doctor, who accepts assignment, charges your mother $100 for an approved office visit, the Medicare payment limit. Medicare will pay $80 (80 percent) of the doctor's charge. Your mother will pay the other $20 (20 percent). If your mother has other health insurance, such as a Medigap policy, which pays Part B copayment charges, the health insurer will pay the $20."

A physician who accepts assignment can charge more than Medicare's limit, but can only collect Medicare's payment limit.

"A doctor, who accepts assignment, charges your mother $125 for an office visit. However, Medicare's approved limit for this visit is $100. Medicare will pay $80 of the doctor's charge, 80 percent of the Medicare approved limit. Athough that leaves $45, your mother will not have to pay for any charge which exceeds Medicare's payment limit when the medical service is provided by a doctor who accepts Medicare assignment for that service."

Physicians who do not accept assignment may charge more than Medicare's payment limit. Congress, however, limits the amount a physician can collect to 15 percent above Medicare's approved limit.

"Your mother's doctor accept assignment. Your mother is billed $135 for her recent office visit. Medicare's payment limit for this visit is $100. The doctor's charge is 35 percent above Medicare's approved limit for this service. The physician, however, is limited to colllecting only 15 percent above Medicare's payment limit. Although the doctor has charged $135, the doctor can only collect $115 from Medicare and your parent. In this case, the additional $15 is 15 percent of the Medicare's payment limit.

"Medicare will pay $80 (80 percent) of their limit. Your mother will have to pay the $35 copayment: the remaining 20 percent of Medicare's limit plus the doctor's additional $15 charge. If your mother has health insurance which supplements Medicare coverage, the insurer may pay part or all of the copayment charges. Medicare, however, will only pay 80 percent of their payment limit regardless of whether or not your mother's physician accepts assignment."

Medicare Part B covers part of the costs of physician services, laboratory services, outpatient care, and durable medical equipment. (Medicare will not pay for medical services, diagnostic tests, or durable medical equipment from laboratories or suppliers who are not Medicare-approved.)

After your parents have "met" their $75 deductible for the year, Medicare Part B will pay part of the charges for:

Doctor services in the hospital, doctor's office, or at home. Medicare Part B covers medical supplies furnished as a part of the doctor's service, including surgical dressings, splints, casts, and similar medical supplies ordered by a doctor.

Physical or occupational therapy and speech pathology services in a doctor's office, as an outpatient, or in the home.

A portion of the rental, lease, or purchase cost of durable medical equipment used in the home from Medicare-approved suppliers, including oxygen tanks, hospital beds, and wheelchairs.

Currently, Medicare pays 80 percent of these charges for new durable medical equipment. On the other hand, Medicare will pay 100 percent of the cost of approved equipment which is used rather than new.

Eye care, other than eye examinations and eyeglass fittings, from licensed doctors of optometry. Medicare only covers the eye care for which the optometrist is licensed by the state to perform.

Diagnostic, X-ray, laboratory and other tests. Medicare will pay for laboratory tests conducted by independent, Medicare-approved laboratories which accept assignment. Tests conducted by a doctor, rather than a laboratory, are covered by Medicare *only when the doctor accepts assignment for these tests.*

Artificial replacements for all or part of an internal body organ, including heart pacemakers, colostomy bags and supplies, and artificial limbs and eyes; and, braces for limbs, backs, or neck.

Drugs that cannot be self-administered, blood-clotting factors for hemophilia, and immunosuppressive drugs used during the first year after an organ transplant.

X-ray, radium, and radioactive-isotope therapy (including technician services).

Ambulance services (excluding service between a patient's home and his doctor's office).

Medicare Part B will NOT pay for the following medical services:

Health care and services Medicare doesn't consider medically "reasonable or necessary."

Physician charges above Medicare's approved amount.

Regularly scheduled physical examinations.

Teeth cleaning and dentures.

Foot care, unless prescribed by a doctor because of a medical condition, such as diabetes, which affects the legs and feet.

Eye and hearing examinations, and examinations to prescribe or fit eyeglasses and hearing aids.

Most outpatient, self-administered prescription drugs and immunizations, unless needed to prevent infection.

Cosmetic surgery, unless needed because of an injury or to improve the function of a malformed body part.

The first three pints of blood (though your parent will not be charged if he belongs to a blood transfusion program or makes arrangements to replace the three pints of blood).

Acupuncture.

Medical care outside of the United States except under limited circumstances in Canada and Mexico.

Medicare Part B is optional. Your parents can decide to drop Part B at anytime. If your parents do drop Part B and want to re-enroll later, they have to wait until the annual enrollment period, January 1 through Mach 31. If your parents re-enroll, they will be subject to higher premiums. In addition to their monthly premium, your parents will pay an extra 10 percent of their monthly premium for each 12-month period they're not covered by Part B. And, this *re-enrollment charge is permanent.*

Your parents have not been enrolled in Medicare Part B for 2 years. If your parents enroll in Part B during the enrollment period in 1990, they will pay the monthly premium plus an additional 10 percent of that premium for each 12-month period they weren't enrolled. Because your parents weren't covered by Part B for two 12-month periods, they will pay the monthly premium plus a 20 percent re-enroillment charge.

For 1990, the monthly premium is $28.60 for each Medicare beneficiary, $57.20 for a couple. When you add a 20 percent re-enrollment charge of $5.72 per person, a parent's 1990 monthly premium will increase to $34.32. For both parents, the monthly premium for 1990 will increase to $68.64. Although monthly premiums may increase in the future, the re-enrollment charge will always remain the same amount. That is, regardless of premium increases, the $5.72 per

person re-enrollment charge will *never* increase.

FILING MEDICARE BENEFIT CLAIMS

To receive reimbursement from Medicare, a claim must be filed for the health care provided. Claims are filed by a hospital or skilled nursing facility, a physician, other health care providers, or by the Medicare beneficiaries themselves.

Part A claims are processed by a Medicare *intermediary;* Part B claims are processed by a Medicare *carrier.* After a claim has been processed, the Medicare beneficiary will receive a letter or form which explains what health care was covered by Medicare and the amount Medicare paid for the approved care.

Your parents should keep a record of all health insurance claims in case they need to inquire about their claim or to appeal a claim decision.

MEDICARE PART A

Under Part A, Medicare makes payments to hospitals based on the average cost for treating a particular illness or injury. A patient's condition is categorized under a group of related illnesses or injuries called a "diagnosis related group," or DRG. Based on a patient's DRG, the hospital receives a predetermined payment from Medicare for the beneficiary's illness or injury.

Participating hospitals, skilled nursing facilities, home health care agencies, and hospices submit Part A claims directly to one of three Medicare intermediaries in Pennsylvania.

MEDICARE PART B

Doctors, laboratories, and medical suppliers who accept assignment submit their claims directly to Pennsylvania Blue Shield, the State's Medicare carrier for Part B payments.

If the doctor or medical supplier doesn't accept assignment, the Medicare beneficiary must submit his own Part B claims to the Pennsylvania Blue Shield until September 1990.

Beginning September 1, 1990, Federal law will require all doctors to file Part B claims with their State's Medicare carrier, whether the doctor accepts assignment or not. After September 1, your parents will no longer have to file their own Medicare Part B claim with Pennsylvania Blue Shield for any doctor's services.

However, until September 1, if your parents must submit their own Part B claims, they should use a *Patient's Request for Medicare Payment* form. Most doctors' offices, all Social Security offices, and Pennsylvania Blue Shield have copies of this form. When submitting, any insurance claim, your parents must include the itemized bills for all medical services for which they are claiming payment.

DISPUTING MEDICARE BENEFIT CLAIMS

Your parents have the right to dispute the denial of any Medicare benefit. Part A disputes generally concern the denial of admission to a hospital or skilled nursing facility, or denial of continued stays at a hospital or skilled nursing facility. Part B disputes generally concern medically "necessary and reasonable" physician, home health care, laboratory, and other health care provider services and durable medical equipment costs.

If your parent is denied Medicare benefits, he will receive a letter or form which tells him why the benefits are denied. If your parent disagrees with the denial, he can request a reconsideration of the decision. This request can be filed on a HFCA Form 2649 which is available from any Social Security office, the State's Medicare intermediary or carrier, or the State's Peer Review Organization. Your parent has 60 days to request a reconsideration. Your parent's request should focus on the nature of the denial and the "*medical necessity*" for the institutional, physician, or outpatient care.

If your parent's reconsideration is denied, he has the right to request a hearing before an Administrative Law Judge. Although your parent can appeal any denial claim, for an appeal to go beyond the reconsideration stage to the Administrative Law Judge level, the disputed amount must be:

At least $200 in the case of Peer Review Organization (PRO) denials of hospital services;

At least $200 in the case of denials made by a hospital's Utilization Review Committee;

At least $100 in the case of skilled nursing facilities and home health care agencies; or

At least $500 for physician services under Part B. Beneficiaries may lump together several disputed claims to reach the $500 minimum.

MEDICARE SUPPLEMENT INSURANCE

(Better Known as Medigap)

Although we cannot recommend one Medigap policy over another, there are some things your parents should look for when reviewing an insurance policy to supplement their Medicare health insurance.

Your parents should look for a Medigap policy that:

Covers their Medicare Part A and Part B deductibles and copayment charges.

Covers prescription drugs since, in most cases, Medicare doesn't.

Automatically covers increases in their Medicare copayment and deductibles.

Requires that they pay by a check made out to the insurance company, not the insurance agent.

Your parents should avoid a Medigap policy that:

Duplicates any supplemental health insurance that they may already have.

Is nonrenewable or has very restrictive renewal clauses.

Limits their total annual payment and sets a lifetime limit under $500,000.

Doesn't cover services for a condition that has preexisted for over 6 months (a pre-existing condition).

Your parents should ask the insurance agent:

What the average policyholder pays in out-of-pocket medical expenses annually including deductibles, premiums, copayments, and noncovered service charges.

To clearly identify what benefits they are getting and what medical expenses they will be responsible for.

Finally, your parents need to be sure:

The insurance benefits meet their needs;

They can afford the premiums; and

They understand and accept the policy's limitations and exclusions.

Your parents should read any sales brochures carefully before buying Medigap insurance. And, if they purchase any Medigap insurance, they should read their policy carefully after they receive it. The provisions written in the Medigap policy determine the supplemental coverage, nothing else.

If your parents have any questions concerning duplicate coverage, they can contact their local Area Agency on Aging or the Pennsylvania Department of Insurance to find out about organizations which can compare their current health insurance coverage with Medigap policies that they are considering.

(Remember, Medicare Supplement Insurance (Medigap) does not cover long-term, custodial care in a nursing home. If your parent's are interested in long-term care insurance, there are insurance programs specifically designed to cover long-term care.)

THINGS TO REMEMBER

Your parents should participate in *all* decisions regarding their medical services and treatment. To learn more about their health situation, your parents should ask questions. When their doctor recommends a medical or surgical procedure, your parents should ask:

Is the procedure necessary? Can I live a relatively healthy life without it?

Is there another procedure that's equally effective yet less expensive?

What health benefits can I expect from this procedure, and what are the potential side effects?

If your parents are not comfortable asking these questions or they are unable to due to a physical or mental condition, you should make an effort to ask these questions of your parent's doctor.

If your parents have any doubt about the need for a proposed procedure, they should seek a second opinion. Although Medicare pays a large share of most medical bills, your parents will have to pay a part of almost any medical care and service they receive. So your parents need to be sure they are paying for something that is really needed.

Though your parents may already have a doctor, they should ask if the doctor accepts Medicare assignment. If the doctor doesn't, your parents may want to either negotiate or shop around. Medicare/Pennsylvania Blue Shield has a list of doctors who accept assignment.

If your parents want to remain with a doctor who doesn't accept Medicare assignment, they should first ask the doctor if he would begin accepting assignment. If the doctor won't, your parents should then ask that the doctor's charges be kept within Medicare's assigned limits. (If your parents and Medicare pay more than $1,000 a year to the same doctor, your parents are an important customer for that doctor.)

If they decide to look for a doctor who accepts assignment, your parents should look for one who promotes good nutrition, physical exercise, and other types of wellness activities. The doctor should be a good listener; discuss medical problems openly; and spend enough time with your parents to develop a comfortable one-on-one relationship with them. Your parents should be partners with the doctor in their medical care, not merely observers.

Before your parents have an illness or an accident, locate Medicare approved home health care, outpatient hospital services, and other medical and social services available to senior citizens in the community. These services include senior centers, Meals on Wheels, group homes, church volunteer groups, companion services, and congregate meal services.

You can get information on the availability of these services by calling the local Area Agency on Aging or contacting the Pennsylvania Department of Aging at 1-717-783-3126.

You can get a list of Medicare approved skilled nursing facilities and hospices from Pennsylvania Blue Shield at 1-800-382-1274

or Pennsylvania Department of Aging at 1-717-783-3126.

You can get a list of approved medical and social services, laboratories, and medical suppliers from Pennsylvania Blue Shield at 1-800-322-1914.

Becoming familiar with these services in advance will prevent unnecessary aggravation during a time when your parents may be ill and you have more important things to concentrate on.

Remember, Medicare generally provides for short-term, acute care hospitalization only. Your parents and you must realize that approved hospital care will only be for a limited time. Your parents long-term medical care will be provided outside the hospital by doctors, skilled nursing facilities, home health care specialists or through other medical or social service organizations.

Finally, your parents should be their own health care advocate, with some help from you.

In most instances, your parents can manage their own health care situation easily. However, there may be times when your parents are unable to cope with, understand, or control their health care circumstances. They may then need your assistance during hospital and outpatient care.

You can also help your parents understand the Medicare program better: What medical services and costs Medicare does cover and what medical services and costs Medicare doesn't cover; what copayments your parents will be responsible for; and what your parent's rights are under the Medicare program.

THE END OF THE SUPPLY-SIDE LIE

Mr. HOLLINGS. Mr. President, with the budget resolution passed by Congress yesterday, the bell tolls for the grand, reckless, indulgent spree called supply-side economics. Yes, President Bush now appears likely to win some form of capital gains tax reduction, but this looks to be one final swig from a now empty and discredited bottle. With the real deficit—including the S&L bailout costs and excluding the trust funds—soaring past $400 billion in the current fiscal year, we are forced to confront the utter bankruptcy and destructiveness of this Government's supply-side hoax.

In 1980 and 1981, our former President, Mr. Reagan, did a marvelous sales job for his tax-cutting elixir. He assured us that citizens would save more and invest more. He guaranteed us that productivity and GNP growth rates would take off. He promised us a balanced budget by 1984.

Well, the President got his radical tax cuts. The result was that savings and investment plummeted, productivity slowed to a crawl, and budget deficits soared to record levels. GNP growth did indeed continue, but this was the predictable effect not of supply-side magic, but of a classic Keyenesian goosing of the economy. With some $2 trillion in deficit spending injected into the economy during the 1980's, we experienced a paper prosperity that was as predictable as it was unsustainable.

Mr. President, this past Sunday's Washington Post included a brilliant autopsy of the supply-side corpse by Lester Thurow, the distinguished dean of the MIT's Sloan School of Management. Professor Thurow is a cold shower and a stiff cup of coffee—just what this Government needs if it is going to sober up. I urge my colleagues to read his Post piece, and to that end I request that it be reprinted in the RECORD in its entirety.

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

[From the Washington Post, Oct. 7, 1990]

THE BIG LIE THAT CAUSED THE BUDGET CATASTROPHE

(By Lester C. Thurow)

In 1980 the American electorate embarked on a grand experiment—supply-side economics. Ten years later, that experiment continues to warp the political process. Its enduring influence explains why Congress and President Bush found it so difficult to reach any budget agreement at all; why the failed agreement was so peculiarly shaped; and why the public, nourished on a decade of false promises, seems unwilling to make even modest sacrifices to assure the nation's economic future.

In the current economic climate almost any solid deficit-reduction package would be welcome. Still it is remarkable that the initial deal struck last week would aggravate the very features of the current tax system that seemed most generally objectionable to tax experts and the public: Its "small business growth incentives" would offer new tax dodges to the wealthy—who had supposedly traded away their shelters for the much lower tax rates provided by the 1986 tax reform; its tax-deduction limit would worsen, rather than eliminate, the disreputable "bubble" feature which grants the very, very rich lower marginal income tax rates, and hence lower capital-gains tax rates than those faced by the merely well-to-do taxpayers; and it would increase the relative tax burden borne by low- and moderate-income taxpayers. All this in a package endorsed by Democratic leaders who claimed to have tax fairness as their top concern.

What explains the persistence of supply-side mythology? From where comes its power to so constrain American politics?

When America first jumped on the supply-side bandwagon, people felt, rightly, that the economic performance of the 1970s was unacceptable. The political and military affronts in Tehran were compounded by the vision of a chained economic giant wilting in the face of Japanese and German competition.

A GNP growth rate of 2.8 percent was unacceptable when compared with the 4.1 percent growth rate of the 1960s. That dismal record was compounded by an even more important measure of economic performance, productivity growth—the rate at which a nation is becoming more efficient and hence more affluent. The 1960s' growth rate of 2.9 percent had fallen to only 1.4 percent in the 1970s. Such a decline meant that instead of doubling every 24 years, American's standard of living would take 50 years to double—each generation could no longer expect to have a standard of living twice that of its parents. Facing these facts Americans were willing to try something new and different.

Supply-side economics, as enunciated by President Reagan and later embraced by Bush, promised that lower taxes on upper income groups would stimulate savings and hence permit more investment—the argument used by Bush to advance his capital-gains tax cut proposals in the recent budget summit. Higher investment would lead to higher growth. In addition to restoring economic vigor and rebuilding international competitiveness, higher growth would accomplish two other important objectives—without asking for painful sacrifice from anybody.

First, with a larger economy, government tax revenue could go up even though tax rates had been reduced. In 1981 Reagan promised that the federal budget would be balanced in 1985 without having to make significant spending reductions. Second, although most of the tax cuts would go to high-income individuals (it was they who had the capacity to save more), higher growth would lead to better paying jobs for middle- and low-income Americans. In the short run their total tax rates would go up—for 80 percent of the population the extra payroll taxes they would be asked to pay to fund Social Security would be larger than the income tax cuts they would get. But with higher earnings they would in the end benefit. All gain, no pain.

Politically supply-side economics delivered the goods—three presidential elections have been won using it—but economically it has not delivered on any of its promises.

Where higher GNP growth was promised, lower growth was delivered—2.6 percent over the decade of the 1980s. In 1990 the economy is stalled on the lip of a recession, just where it was in 1980. Because of the debt and banking problems built up during the 1980s, any recession in the 1990s will produce levels of bankruptcy not seen since the Great Depression. Even without a recession, middle-class wealth is melting away as housing prices fall in much of the nation in reaction to the debt excesses of the 1980s.

Instead of growing faster, productivity slowed down—1.2 percent during the 1980s. In 1989 productivity actually declined. There is only darkness visible at the end of the productivity tunnel.

Savings rates plunged. In the last four years of the 1970s, American families saved 7 percent of their disposal income; in the last four years of the 1980s, they saved only 4 percent. The rich saved nothing from their tax cuts. In contrast, the Japanese saved 15.7 percent of their income in the past 12 months.

If total national savings (a measure that includes corporate savings and government dissavings) is examined, savings fell from 17.4 percent of the GNP in the last four years of the 1970s to 11.3 percent of GNP in the last four years of the 1980s. As a result, in 1989 Japanese investments in plant and equipment per worker were three times as large as those in the United States.

At the beginning of the decade the United States had a small surplus in its trading accounts ($1.5 billion in 1980 and $8.2 billion in 1981). At the end of the decade it recorded a current-account deficit of $129 billion in 1988 and $110 billion in 1989. What was a competitive problem at the beginning of the decade was a competitive disaster at the end of the decade.

In 1981 the United States was the world's largest creditor nation with net assets total-

ing $141 billion. Every year the rest of the world paid interest, dividends, and profits to Americans. By 1989 the United States had become the world's largest net debtor nation with debts totaling $620 billion. Where Americans used to get, they now give.

The federal deficit did not, of course, vanish in 1985. In the year ahead, the deficit is estimated to be $254 billion and rising if last week's deficit reduction proposals are passed by Congress ($294 if they are not) and over $300 billion if the Social Security surpluses are excluded from the totals, as they ought to be. A budget summit that reduces the deficit by $40 billion is essentially the equivalent of Nero fiddling while Rome burns. The difference is that Nero wanted to burn Rome so that he could rebuild it—the Roman Colosseum was his. Unfortunately there is no evidence that the current fiddlers have any real rebuilding in mind.

President Bush is fond of saying that "we have more will than wallet." He has it exactly backwards. Our GNP after correcting for inflation is four times as large as it was in 1947 when we were paying to rebuild the world after World War II. Our per capita GNP is 2.3 times as large. We can afford to do what must be done abroad; we can afford to do what must be done at home.

America is not an over-taxed country. In 1989, Americans paid fewer taxes as a percentage of GNP (about 30 percent) than the citizens in any other industrial country. Taxpayers in 22 industrial countries, including the Japanese and the Germans, paid more. Morever, there are places where the budget can be cut without harm. Based on the performance of other countries (far lower spending levels; far better performances when it comes to health and longevity), substantially less could be spent on health care if the system were fundamentally reorganized. The events in Eastern Europe mean that big defense cuts can occur while still maintaining our ability to fight wars in the Third World. America has more than 2 million troops; fewer than 200,000 are in the Middle East.

The American problem is will—not wallet. In a democracy, will depends upon leadership and in the United States that means presidential leadership. It isn't leadership to spend months arguing that a capital-gains tax cut is the most important issue facing the American economy.

Whatever one believes about the growth-enhancing aspects of a capital-gains tax cut—or other "tax incentives"—everyone agrees that they leave more after-tax income in the hands of the wealthiest. In the last decade America has already had a heavy dose of that kind of "sacrifice."

Recently the U.S. Census Bureau confirmed that inequality in the distribution of income had increased substantially in the last decade. Every statistic points in the same direction. In the decade of the 1980s, the average real income of the top 5 percent of the population rose from $120,253 to $148,438. At the same time the average real income of the poorest 20 percent fell from $9,990 to $9,431. After-tax measures of income would report an even wider gap. As the income share of the top 20 percent rose in the 1980s, the income share of each of the bottom four quintiles was falling—the lower the quintile the bigger the decline. Despite a 21-percent rise in the real per capita GNP, the average real hourly wages of rank-and-file workers fell 5 percent. Those promised good jobs for middle- and low-income Americans did not appear.

If the income share of the rich is rising at the expense of the rest of the population (it is), if government is directly altering its policies to augment the income share of the rich (it has), if the campaign contributions of special interests increasingly dominate the political process (they do), if fewer and fewer middle- and lower-income individuals vote (it's happening), America is, under the cover of supplyside economics, rapidly moving towards becoming (dare we say it openly?) a plutocracy.

Unfortunately history tells us that as a social and governmental system, plutocracy does not for long work.

COLLECTION OF BACK TAXES

Mr. LIEBERMAN. Mr. President, I thank the Senator from New York for allowing me to proceed in this way.

I rise to indicate to my colleagues that I have introduced legislation that, I am proud to say, is consponsored at this point by Senators GLENN, LEVIN, AKAKA, KOHL, and DODD, that would extend the Internal Revenue Service statute of limitations on collecting assessed taxes.

That sounds like a pretty dry, arcane, and technical subject, Mr. President, but the intent of the bill, which is Senate bill 3165, is to enable the Internal Revenue Service to collect literally hundreds of millions of dollars in taxes that are owed to the Government but have not been paid. These are not taxes that are part of the so-called underground or hidden economy. These are taxes that the taxpayer knows he or she owes and the Government knows he or she owes, but simply have not been collected. In fairness to all of the honest taxpaying citizens of this country, we must not let our rights to collect these overdue taxes slip through our fingers because of a technical legal detail.

Mr. President, the events of the last days and weeks have demonstrated the importance of this change in the law. We are obviously in a budget crisis so grave that we are taking the drastic step of increasing Federal taxes to help make ends meet. In these circumstances, I think few things could be more important than our ability to collect the taxes that are admittedly owed to the Federal Government but are not being paid.

Mr. President, these are not really taxes owed to the IRS. These are taxes that are owed to the American people, because when somone's taxes go uncollected, honest taxpayers inevitably end up paying for it and that is not right.

In August, the Governmental Affairs Committee of this Senate, under Senator GLENN's chairmanship, examined the growing backlog of IRS accounts receivable; that is, the backlog of uncollected taxes. These accounts receivable have grown from $26 billion in fiscal year 1983 to over $60 billion in fiscal year 1989.

I realize that some of these accounts are mistakenly included, but it is clear that we are simply not collecting tens of billions of dollars in taxes that are indisputably owed the Government, and the amount is growing.

When accrued interest and penalties are included, current IRS accounts receivables are over $95 billion. That is more than twice the amount of new revenue that we are attempting to raise in this coming fiscal year. They are expected to go over $100 billion by the end of 1991.

One of the most disturbing consequences of this growth in accounts receivable is that more and more delinquent taxes become uncollectable each year as the applicable statute of limitations expires. Under current law, once an assessment of taxes is made, the Government has 6 years to initiate collection proceedings or it can lose its right to collect. In 1989, which is the last year for which numbers are available, more than $2 billion in accounts receivable became uncollectible because that statute of limitations had expired.

According to GAO, when interest and penalties are included, the amount lost in 1989 was almost $6 billion because the statute had runout. While those conducting the budget negotiations struggled desperately to find ways to raise $1 or $2 billion, over $5 billion is owed to the Government and is simply out of our reach because of the expiration of this statute of limitations. How can we ask honest, hard-working, taxpaying Americans to pay their taxes when every year the Government is losing its right to collect billions of dollars owed by people who have not paid their taxes?

Mr. President, the bill I am introducing has a very simple purpose. It would extend the statute of limitations for collection of assessed taxes from 6 years to 10 years. That would help the IRS stop the hemorrhaging of expiring accounts. The IRS itself has unofficially estimated that extending the statute of limitations by these 4 additional years would enable collection of $532 million in the coming 5 years, which is the period of the budget agreement—one-half billion dollars additional could be raised as a result of this simple legal change in the statute of limitations. In fact, the GAO thinks that the IRS figures are underestimated. They assume a growth number that is more significant. They estimate that over $600 million in additional revenues could be collected by fiscal year 1995.

Mr. President, this bill is fair. Extending these limitations as they run out would not hurt any taxpaying citizen.

I hope my colleagues will support this legislation. It has been referred to the Committee on Finance. I hope the

committee might incorporate it into its reconciliation package. The bill would enable the Government once again to collect over $500 million in overdue taxes in the next 5 years that otherwise would be out of our Government's reach.

Mr. President, I ask unanimous consent that the text of the bill and related tables be printed in the RECORD.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. 10-YEAR PERIOD OF LIMITATION ON COLLECTION AFTER ASSESSMENT.

(a) IN GENERAL.—Subsection (a) of section 6502 of the Internal Revenue Code of 1986 (relating to collection after assessment) is amended—

(1) by striking "6 years" in paragraph (1) and inserting "10 years", and

(2) by striking "6 year period" in paragraph (2) and inserting "10 year period".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to levies made, proceedings begun, or agreements made after the date of the enactment of this Act, with respect to assessments made after such date or assessments pending on such date (determined without regard to the amendments made by this section).

Revenue Effect of Provision to Extend the Statute Expiration Date to 10 Years for Collection of Assessments.

Revenue effect

Fiscal year:	*Million*
1991	43
1992	79
1993	114
1994	145
1995	152

Methodology: Using the ARDI amount written off for 1989 due to statute expiration—$1.77 billion, the estimated portion of tax which could be recovered is based upon percentages derived from a study of amounts in deferred status, currently not collectible, TDA and other. The attached table illustrates how amounts in these categories might be recovered in FY90 through FY93.

Using the above mentioned table, we calculated the potential recovery of amounts which would have been written off in FY91-FY95, assuming a 5 percent per year increase in the amount which would have otherwise been written off.

					Total
Fiscal year:					
1991	$42.8				$42.8
1992	35.5	$44.9			79.4
1993	29.3	37.3	$47.1		113.7
1994	25.1	30.8	39.2	$49.4	144.5
1995		26.4	32.3	41.2	151.8

PROJECTION OF ADDITIONAL COLLECTIONS IF STATUTE EXTENDED TO 10 YRS BASED ON DIFFERENT ASSUMPTIONS OF INCREASES IN STATUTE EXPIRATION

[In millions of dollars]

	IRS estimates with 5-percent increases	Percent—			
		10	15	20	25
Year:					
1991	43	43	43	43	43
1992	79	83	85	87	89
1993	114	120	127	134	141
1994	145	157	171	185	201
1995	152	173	197	222	251
1996	159	190	226	267	314

KUWAIT AND ISRAEL

Mr. GRASSLEY. Mr. President, on August 2, 1990, Saddam Hussein attacked and invaded the sovereign nation of Kuwait. Saddam Hussein's actions violated all standards of international law and civilized behavior.

In 1967, the State of Israel was attacked on all sides by Arab armies. In defending its very existence, Israel repelled the invading troops and captured territories including the West Bank, Gaza, and East Jerusalem.

I rise today because I am compelled—in the midst of efforts to link the Iraqi occupation of Kuwait and the Palestinian issue—to state that I believe those who link the two issues are wholly lacking in historical perspective. To do so fuels the propaganda and rhetoric of Saddam Hussein and terrorists.

In fact, if any comparisons are to be drawn, they should be drawn between Kuwait and Israel; both of these countries were the innocent victims of attack. Of course the difference between them is that in 1967, Israel was able to defend itself. Yes, we must address the Palestinian issue. Yes, we must continue our efforts in the peace process. But we must do so with a complete perspective on the problems. And the problems are much broader than finding a solution to the Palestinian issue. Any complete solution must also address the heart of the problem raging in the region as far as Israel is concerned: Israel's neighbors' refusal to recognize her right to exist.

For we know that long before 1967, even before Israel captured the territories in defense in the 1967 war, the Syrians were taking pot-shots at Kibbutzim from the Golan Heights, terrorist gangs roamed the Egyptian Gaza Strip, holy sites were desecrated and there was no freedom of religion reigning in Jordanian-controlled East Jerusalem, and the Jordanian-controlled West Bank saw no Palestinian autonomy.

There were wars in 1948 and 1956, long before the West Bank, Gaza, and East Jerusalem were an issue. Prior to 1967, there was no peace. Lest we forget that the war of 1967 was launched to destroy Israel.

In fact, in 1967, Israel assured the King of Jordan that it would not attack Jordan if Jordan stayed out of the war. But despite Israeli assurances and appeals, Jordan joined the war. Two days later, Jordan lost control over East Jerusalem and the West Bank.

So to suggest that the current crisis raging in the Persian Gulf has any analogy, let alone correlation to the Palestinian issue, is to disregard history and give credence to the propaganda that is being used by Saddam Hussein and others to detract from the cause of the Persian Gulf crisis.

Indeed, the Persian Gulf crisis has everything to do with Saddam Hussein—who thinks nothing of murdering his own people, supporting terrorism, threatening to burn other nations, and overrunning his neighbors.

Saddam Hussein is no stranger to brutality. He has executed thousands of Iraqis; gassed the Kurdish people; and amassed an arsenal of chemical and biological weapons, long before his invasion of Kuwait and continued threats to Saudi Arabia.

As a way out of this self-inflicted cataclysm, Saddam Hussein has seized upon the idea of linking the withdrawal of Iraqi troops from Kuwait with the withdrawal of Israel from the West Bank, Gaza, and East Jerusalem. It would be a clever propaganda coup, indeed. What a way for Saddam to reunite much of the Arab world—fractured by his destruction of Kuwait—around the one issue they never seem to disagree on: Israel.

Our official policy is not to reward terrorists for their atrocities. Terrorists cannot be rewarded in any way for his crimes against his fellow Arabs. The United States has not sent over 100,000 troops to Saudi Arabia and has not put American lives at risk, in order to make a hero of the butcher of Baghdad.

I therefore, applaud President Bush's statement that we will not tolerate any link to be drawn between the issues. I call upon the leaders of the United States and leaders around the world to condemn any attempts to make a liberator out of Saddam Hussein by legitimizing his actions. The American troops and troops from around the world, risking their lives in the Persian Gulf, deserve no less.

There is only one solution to the crisis: complete withdrawal of Iraqi troops from Kuwait. That is the only moral solution and the only response Saddam should be hearing from the world.

TRIBUTE TO PAUL R. FROMER

Mr. D'AMATO. Mr. President, I rise today to recognize the accomplishments of Mr. Paul R. Fromer, who is retiring from the Valley Stream Union

Free School District 13 Board of Education after 36 years of service.

Mr. Fromer's record of service to the children and the community of Valley Stream is outstanding. Over the last three decades, he has led the board of education into a new tradition of community involvement and interaction. Mr. Fromer instituted open board meetings, and made the minutes of these meetings available to the public. He has been active in raising funds for education, improving registration and voting procedures, and promoting many other educational programs.

The education of our Nation's children is one of the most vital issues of our time. Paul Fromer's efforts on behalf of this cause are both commendable and inspiring. His dedication and commitment to the students and community of Valley Stream serve as a shining example of the role of school board members as representatives of the community and guardians of the welfare and education of our Nation's youth.

BUDGET AGREEMENT

Mr. ADAMS. Mr. President, the American people have a right to know why the Congress of the United States is in session on a national holiday, more than a week after the beginning of the new fiscal year, with headlines in every local newspaper in the country proclaiming that the Government has had to shutdown because we are out of money. After months of negotiations with the White House, our bipartisan leadership brought back a budget package that sufficiently angered the public to cause its rejection in the House of Representatives last week.

Events last week made clear why the notion of a budget summit is an exercise in misspent energy. There can be little doubt why last week's budget agreement was rejected. The outcry from our senior citizens, our farmers, and from the middle-class, wage earners of this land reached a deafening roar, and rightly so. In a democracy, you cannot achieve a majority consensus behind closed doors.

I was not in Government in the 1980's but during those years, Ronald Reagan led this Nation on a wild spending spree, buying every piece of military hardware that had ever been invented—and some that hadn't even been thought of yet. And how did Mr. Reagan pay the bills? By cutting the Federal budget receipts nearly $200 billion per year, and mortgaging the future of a generation of Americans not yet born. Borrow and spend instead of tax and spend.

I did not have the opportunity to vote against the budget agreement rejected by the House last week, but I would have, because what was missing from that package was the critical element of basic fairness and equity our constituents have a right to demand.

After a decade of watching the rich get richer, the poor getting poorer, and the middle-class carrying an ever increasing share of the cost of Government, we saw and heard democracy in action. And as we now pickup the pieces of that shattered agreement, we must build a fair deficit reduction package. The American people want a fair deal from Congress.

This new effort at a budget agreement paves the way for Congress to develop a budget that does not contain those objectionable features that the American people rejected last week.

As a former Budget Committee chairman, before Stockman and Reagan destroyed the original process in the 1980's, I know we can do better. We do not need to punish our elderly by doubling their Medicare deductions and increasing their monthly payments: An additional $100 per month to that bill is too much to ask. We shouldn't provide the wealthiest Americans additional unproductive tax breaks, while we are cutting the social programs poor children depend on. And no, we do not need to strike children with multiple disabilities from the Social Security rolls in the name of budget responsibility.

This budget agreement is an outline which moves the process foward and allows us to stop the devastation of a Gramm-Rudman-Hollings sequester. While the locked gates and closed doors of our Federal parks, monuments and museums were annoying and inconvenient this past weekend that inconvenience is nothing compared to the havoc a more than 30 percent sequester would cause throughout our Nation. For example, without this agreement—unless the process is allowed to move forward—Federal employees will be furloughed; prison guards and Federal prosecutors would be layed off; Head Start, school lunches, anti-drug efforts, and school aid for disadvantaged and handicapped children would be cut. Recession would turn into depression.

I voted for the new agreement in the Senate because I want to see the U.S. Congress do what it was elected to do: Develop a fair and honest budget that recognizes the serious condition produced by the deficits, but also recognizes that the rich people who feasted at the banquet table during the last 10 years should pickup their fair share of the bill. Likewise, I reserve the right to vote against any final package which abdicates those responsibilities.

TECHNICAL CORRECTIONS TO CUSTOMS AND TRADE ACT OF 1990

Mr. BENTSEN. Mr. President, on Friday, October 5, 1990, I introduced S. 3163, a bill to make technical corrections to the Customs and Trade Act of 1990 (Public Law 101-382). The text of the bill was inadvertently omitted from the RECORD at the time of introduction. I therefore ask unanimous consent that the text of S. 3163 be printed in the RECORD.

There being no objection, the order to be printed in the RECORD, as follows:

S. 3163

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TECHNICAL AMENDMENTS TO THE HARMONIZED TARIFF SCHEDULE.

(a) REDESIGNATIONS.—Each subheading of the Harmonized Tariff Schedule of the United States that is listed in column A is redesignated as the subheading listed in column B opposite such column A subheading:

Column A	Column B
5111.20.60	5111.20.90
5111.30.60	5111.30.90
5111.90.70	5111.90.90
5112.19.10	5112.19.20
5112.19.60	5112.19.90
5112.90.60	5112.90.90
6116.10.50	6116.10.40
6116.93.20	6116.93.30
6116.99.60	6116.99.90
6216.00.23	6216.00.25
6216.00.29	6216.00.30
6216.00.47	6216.00.45
6702.90.40	6702.90.35
6702.90.60	6702.90.65
8712.00.10	8712.00.15
8712.00.20	8712.00.25
8712.00.30	8712.00.35
8714.94.20	8714.94.15
8714.94.50	8714.94.60
9022.90.80	9022.90.90
9603.10.20	9603.10.25
9603.10.70	9603.10.90

(b) MISCELLANEOUS AMENDMENTS.—The Harmonized Tariff Schedule of the United States is further amended as follows:

(1) The article descriptions of subheadings 6116.10.10, 6116.92.10, 6116.93.10, 6116.99.30, 6216.00.10, 6216.00.34, and 6216.00.44 are each amended to read as follows: "Other gloves, mittens, and mitts, principally designed for sports use, including ski and snowmobile gloves, mittens, and mitts".

(2) The superior heading to subheadings 8712.00.25 and 8712.00.35 (as redesignated by subsection (a)) is amended by striking out "65" and inserting "63.5".

(3) Heading 9902.30.07 is amended by striking out "2929.90.10" and inserting "2929.10.40".

(4) Heading 9902.30.08 is amended by striking out "2907.29.30" and inserting "2907.19.50".

(5) Heading 9902.30.42 is amended by striking out "19532-03-07" and inserting "19532-03-7".

(6) The article description for heading 9902.30.56 is amended by striking out "hydroxethyl" and inserting "hydroxyethyl".

(7) Heading 9902.30.83 (as enacted by section 338 of the Customs and Trade Act of 1990) is redesignated as heading 9902.31.11 and, as so redesignated, is amended by striking out "piperadinyl" and inserting "piperidinyl".

(8) Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"9902.70.20 Fiberglass tire cord fabric woven from electrically nonconductive continuous fiberglass filaments 9 microns in diameter or 10 microns in diameter and impregnated with resorcinol formaldehyde latex treatment for adhesion to polymeric compounds (provided for in subheading 7019.20.10, 7019.20.20, or 7019.20.50) ...	Free	No change	No change	On or before 12/31/92".

(9) Heading 9902.84.83 is amended by striking out "(A,C,E,IL)" and inserting "(A,C,CA,E,IL)".

(10) Heading 9902.87.14 is amended by striking out "brakes," the first place it appears.

(c) EFFECTIVE DATE.—

(1) Subject to paragraphs (2) and (3), the amendments made by subsections (a) and (b) apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after October 1, 1990.

(2) Any amendment made by subsection (a) or (b) to a provision of the Harmonized Tariff Schedule of the United States that was the subject of an amendment made by title III of the Customs and Trade Act of 1990 shall—

(A) be treated as applying to that provision as established or amended by such title III; and

(B) if the amendment made by such title III has retroactive application under section 485(b) of such Act, be treated as applying with respect to entries made after the relevant applicable date (as defined in paragraph (2)(A) of such section 485(b)).

(3) Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon proper request filed with the appropriate customs officer before April 1, 1991, any entry—

(A) which was made after December 31, 1988, and before October 1, 1990; and

(B) with respect to which there would have been a lesser duty if any amendment made by subsection (b)(1) applied to such entry;

shall be liquidated or reliquidated as though such amendment applied to such entry.

SEC. 2. TECHNICAL AMENDMENTS TO CERTAIN CUSTOMS LAWS.

(a) CUSTOMS FORFEITURE FUND.—

(1) Paragraph (5) of section 121 of the Customs and Trade Act of 1990 is repealed and subsection (f) of section 613A of the Tariff Act of 1930 shall be applied as if the amendment made by such paragraph (5) had not been enacted.

(2) Paragraph (2) of such section 613A(f) (as in effect after the application of paragraph (1)) is amended to read as follows:

"(2)(A) Subject to subparagraph (B), there are authorized to be appropriated from the Fund not to exceed $20,000,000 for each fiscal year to carry out the purposes set forth in subsections (a)(3) and (b) for such fiscal year.

"(B) Of the amount authorized to be appropriated under subparagraph (A), not to exceed the following shall be available to carry out the purposes set forth in subsection (a)(3):

"(i) $14,855,000 for fiscal year 1991.

"(ii) $15,598,000 for fiscal year 1992.".

(b) CERTAIN ENTRIES.—Section 484 of the Customs and Trade Act of 1990 (Public Law 101-382) is amended by striking out "1801-000027" and inserting "1801-7-000027".

(c) EFFECTIVE DATE.—The provisions of this section take effect August 21, 1990.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 2,033d day that Terry Anderson has been held captive in Beirut.

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 sundry nominations which were referred to the appropriate committees.

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

MESSAGES FROM THE HOUSE RECEIVED DURING RECESS

Under the authority of the order of the Senate of January 3, 1989, the Secretary of the Senate, on October 9, 1990, during the recess of the Senate, received a message from the House of Representatives announcing that the House agrees to the amendments of the Senate to the joint resolution (H.J. Res. 666) making further continuing appropriations for the fiscal year 1991, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the following enrolled bills and joint resolution:

H.R. 4522. An act to improve the information available to emergency response personnel on the field; and for other purposes;

H.R. 4593. An act to transfer to the Secretary of the Interior the administration of the surface rights in certain lands presently within the boundaries of the San Carlos Indian Reservation, Arizona, and managed by the Forest Services as part of the Coronado National Forest, and for other purposes;

H.R. 4985. An act to designate the Federal building located at 51 Southwest 1st Avenue in Miami, Florida, as the "Claude Pepper Federal Building"; and

H.J. Res. 666. Joint resolution making further continuing appropriations for the fiscal year 1991, and for other purposes.

Under the authority of the order of the Senate of October 9, 1990, the enrolled joint resolution was subsequently signed by Mr. Bryan.

The enrolled bills, H.R. 4522, H.R. 4593, and H.R. 4985 were subsequently signed by the Acting President pro tempore [Mr. KOHL].

MEASURES PLACED ON THE CALENDAR

The Committee on the Judiciary was discharged from the further consideration of the following concurrent resolution; which was placed on the calendar:

H. Con. Res. 172. Concurrent resolution expressing the sense of the Congress that, for purposes of determining child custody, credible evidence of physical abuse of one's spouse should create a statutory presumption that it is detrimental to the child to be placed on the custody of the abusive spouse.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, October 9, 1990, he had presented to the President of the United States the following enrolled bills:

S. 247. 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;

S. 830. An act to amend Public Law 99-647, establishing the Blackstone River Valley National Heritage Corridor Commission, to authorize the Commission to take immediate action in furtherance of its purposes and to increase the authorization of appropriations for the Commission; and

S. 2437. An act to authorize the acquisition of certain lands in the States of Louisiana and Mississippi for inclusion in the Vicksburg National Military Park, and for other purposes.

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-3676. A communication from the Director of the Office of Management and Budget transmitting, pursuant to law, certification that the amounts appropriated for the Board for International Broadcasting for grants to Radio Free Europe/Radio Liberty are less than needed to maintain the budgeted level of operation because of exchange rate losses in July and August; to the Committee on Appropriations.

EC-3677. A communication from the Director of the Defense Security Assistance Agency transmitting, pursuant to law, a report on the Department of the Air Force's proposed letter of offer to Turkey for defense articles estimated to cost in excess of $50 million; to the Committee on Armed Services.

EC-3678. A communication from the Secretary of the Treasury, the Chairman of the Securities and Exchange Commission, and the Chairperson of the Board of Governors of the Federal Reserve System, transmitting jointly, pursuant to law, a report entitled "Study of the Effectiveness of the Implementation of the Government Securities Act of 1986"; to the Committee on Banking, Housing, and Urban Affairs.

EC-3679. A communication from the Administrator of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, a report of progress on developing and certifying the Traffic Alert and Collision Avoidance System; to the Committee on Commerce, Science, and Transportation.

EC-3680. A communication from the Chairman of the National Transportation Safety Board transmitting, pursuant to law, the budget request of the Board for fiscal year 1992; to the Committee on Commerce, Science, and Transportation.

EC-3681. A communication from the Secretary of the Interior transmitting, pursuant to law, the 1989 Report on National Natural Landmarks that have been damaged or to which damage is anticipated; to the Committee on Energy and Natural Resources.

EC-3682. A communication from the Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, the report for the second quarter of 1990 on U.S. coal imports; to the Committee on Energy and Natural Resources.

EC-3683. A communication from the Assistant Secretary of Energy (Conservation and renewable Energy) transmitting, pursuant to law, notice of a delay in the submission of a report on Federal Energy Management and Conservation Programs; to the Committee on Energy and Natural Resources.

EC-3684. 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-3685. 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-3686. 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-3687. 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-3688. A communication from the Administrator of General Services transmitting, pursuant to law, a report of building project survey which evaluates the Federal space situation in Elberton, Georgia; to the Committee on Environment and Public Works.

EC-3689. A communication from the Secretary of Health and Human Services transmitting, pursuant to law, the Department's annual report on Medicare for fiscal year 1987; to the Committee on Finance.

EC-3690. A communication from the Secretary of Health and Human Services transmitting, pursuant to law, a report entitled "Medicare Therapeutic Shoe Demonstration"; to the Committee on Finance.

EC-3691. A communication from the Secretary of Health and Human Services transmitting, pursuant to law, a final report entitled "Disenrollment Experience in the Medicare HMO and CMP Risk Program: 1985-1988"; to the Committee on Finance.

EC-3692. A communication from the Acting Chairman of the United States International Trade Commission transmitting, pursuant to law, the report on the operation of the United States trade agreements program for calendar year 1989; to the Committee on Finance.

EC-3693. A communication from the Acting Chairman of the United States International Trade Commission transmitting, pursuant to law, the fifth annual report on the impact of the Caribbean Basin Economic Recovery Act on U.S. industries and consumers; to the Committee on Finance.

EC-3694. A communication from the Under Secretary of the Treasury transmitting, pursuant to law, notification that the temporary debt limit will expire at midnight on October 6, 1990; to the Committee on Finance.

EC-3695. A communication from the Secretary of Health and Human Services transmitting, pursuant to law, the second annual report on Indian Sanitation Facility Deficiencies dated May 1990; to the Select Committee on Indian Affairs.

EC-3696. A communication from the Secretary of Health and Human Services transmitting, pursuant to law, a report entitled the "The Public Health Implications of Medical Waste"; to the Committee on Labor and Human Resources.

EC-3697. A communication from the Secretary of Health and Human Services transmitting, pursuant to law, a report on the expenditures of amounts appropriated for the preceding fiscal year with respect to AIDS; to the Committee on Labor and Human Resources.

EC-3698. A communication from the Secretary of Labor transmitting, pursuant to law, a report on the labor market situation for veterans; to the Committee on Veterans' Affairs.

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-591. A joint resolution adopted by the Legislature of the State of California; to the Committee on Armed Services.

"ASSEMBLY JOINT RESOLUTION NO. 93

"Whereas, the Cold War is over—brought to a dramatic end by prodemocracy movements throughout the Soviet Union and Eastern Europe; and

"Whereas, the situation in Europe offers Americans the best opportunity in 50 years to build a peace-based economy to provide peace, prosperity, and justice; and

"Whereas, the cost of waging the Cold War has devastated our country: at present, more than 37,000,000 Americans are without health insurance, 60,000,000 Americans are illiterate or semi-literate, and more than 1,000,000 Americans are homeless; furthermore, the impact of the drug abuse problem costs American communities billions of dollars each year while more of our neighborhoods are unsafe; and

"Whereas, roads, sewers and water treatment facilities, dams, levees, and water delivery systems are in need of rehabilitation, replacement, or reconstruction; and

"Whereas, the test scores of America's children rank at the bottom of major industrial countries in mathematics and science, and vocational training has lagged behind the needs of American industry while college costs have skyrocketed, becoming unaffordable to many; and

"Whereas, the key obstacle to addressing these issues by making the shift from a Cold War economy to a peace-based economy is fear on the part of the American people that such a shift will mean the loss of jobs; and

"Whereas, in fiscal year 1987, approximately $37,800,000,000 of federal tax funds were expended in California for military purposes, and Californians therefore have much at stake during this transition period; and

"Whereas, enactment of a Dollar for Dollar Act would mean that, for each base closing or weapons contract canceled, the dollars originally allocated to those projects would remain in the same county to retrain and place affected workers and to rebuild the community; and

"Whereas, a Dollar for Dollar Act would be thus designed to protect those communities that would bear the immediate brunt of military spending reductions and to assuage local residents' fear of economic dislocation; and

"Whereas, a Dollar for Dollar Act would contain the following provisions:

"(1) For 10 years from the time that any federal funds are cut from military spending in a country, a percentage of those funds equivalent to the percentage of total funds cut from the military budget that are not being applied directly to the reduction of the federal budget deficit would be shifted, dollar for dollar, into an Economic Security Fund for that county.

"(2) The Economic Security Fund would be controlled within each county and would be spent to meet the costs of education, job training and placement, health care, housing, environmental health, infrastructure, technology transfer, and public works projects.

"(3) These spending shifts would be intended to include adjustment assistance to military-related workers, including support services, retraining, and relocation during the transition from a military-based economy to a peace-based economy.

"(4) For the purposes of a Dollar for Dollar Act, 'military spending cuts' would mean funding cuts either from cutbacks or closures of local military installations or from cancellations of military contracts held by local enterprises.

"(5) Funds originally allocated to overseas projects that are not applied directly to the reduction of the federal budget deficit would be shifted, dollar for dollar, into a National Economic Security Fund for national initiatives relating to job training and placement, health care, housing, environmental health, infrastructure, technology transfer, and public works projects; now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California, jointly, That the

Legislature of the State of California hereby memorializes the Congress and President of the United States to enact, as set forth in this resolution, a Dollar for Dollar Act, which would enable communities to shift from a military-based economy to a peace-based economy that meets urgent domestic security needs; and be it further

"Resolved, That the California legislative advocate is hereby directed to work on behalf of the concept of a Dollar for Dollar Act; and be it further

"Resolved, That the Chief Clerk of the Assembly shall transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives of the United States, and to each Senator and Representative from California in the Congress of the United States."

POM-592. A joint resolution adopted by the Legislature of the State of California; to the Committee on Commerce, Science, and Transportation:

"ASSEMBLY JOINT RESOLUTION NO. 65

"Whereas, on October 17, 1989, broadcasters did not provide open captions or visual display during television broadcasts of the earthquake disaster to California's 1,837,645 deaf and severely hard of hearing residents; and

"Whereas, deaf and hard of hearing persons in the community had no idea what was happening during the earthquake disaster, and they were not provided with any instructions to follow for their own safety and the safety of others; and

"Whereas, hearing impaired residents were in need of access to vital emergency information concerning where to go for food and shelter, Red Cross services, and medical or hospital services; information on fire warnings, transportation and the freeway collapse, gas leakage areas, contaminated water supplies and the necessity to boil water; and how to report missing persons; and

"Whereas, because many hearing impaired individuals do not understand sign language, visual communication, especially open captions which are an accurate written description of a dialogue that is electronically transmitted by a television broadcaster, and which is seen on a television screen without the aid of a decoder device, would serve not only the deaf, but also the hearing impaired, including many elderly persons; and

"Whereas, organizations and individuals representing deaf and hearing impaired persons should be involved with the planning for emergencies and disasters at the national level; and

"Whereas, the Legislature finds and declares that current rules of the Federal Communications Commission require that emergency information must be broadcast visually and that this resolution in no way intends to change the mandatory nature of that requirement; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature memorializes Congress and the President of the United States to require the Federal Communications Commission to develop voluntary guidelines for commercial television broadcasters which clarify the steps that can be taken to provide vital information to deaf and hearing impaired persons during emergencies and disasters; and be it further

"Resolved, That the Secretary of the Senate transmit a copy of this resolution to the Chairperson of the Federal Communications Commission 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-593. A joint resolution adopted by the Legislature of the State of California; to the Committee on Commerce, Science, and Transportation:

"ASSEMBLY JOINT RESOLUTION NO. 100

"Whereas, a California Department of Transportation (Caltrans) document entitled "California's Recommendations for a Post-Interstate National Surface Transportation Program" was not approved or reviewed by the Legislature prior to publication and is in conflict with a number of longstanding transportation policy objectives of this state; and

"Whereas, California voters on June 5, 1990, approved a number of ballot measures which emphasize expanded rail transit, congestion management, and better urban and suburban land-use planning as solutions to traffic gridlock, in accordance with intelligently planned improvements to the highway system, in order to build a functioning multimodal transportation system rather than increasing dependency solely on the highway mode; and

"Whereas, the Legislature, by the passage of this resolution, intends to convey to the Congress an analysis of the inconsistencies between the Caltrans document and California policy as adopted by the Legislature and approved by the people; 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 of the United States to consider the following transportation policies in developing new multiyear transportation reauthorization legislation:

"(1) Urban mass transportation and intercity rail transportation: Continue existing funding levels both for capital outlay and operations, provide new sources of funding which can be matched by the states in order to accelerate development of a balanced multimodal transportation system, and provide funding for intermodal rail connections directly serving major airports and for the acquisition of available existing rail corridors which otherwise may be lost to nontransportation-related development.

"(2) Flexible funding: Provide the states with as much flexibility as is possible, consistent with the goals of Congress, in order to allow federal transportation funds to be used for highway, transit, or local road improvements; establish more uniform policies with respect to required nonfederal matching shares, to avoid distortions in decision-making on modal choice; continue a major, proactive federal role in transportation funding in rural and urban settings.

"(3) Alternative fuels: Continue and expand favorable tax treatment for alternative fuels to encourage their use as an alternative to more polluting conventional fuels.

"(4) Air quality: An aggressive strategy to combat deteriorating air quality is essential. Transportation strategies should focus on more efficient movement of people, rather than vehicles, and highway expansion in urban areas needs to be consistent with air quality goals and should emphasize high-occupancy vehicle lanes.

"(5) Revenue equity: In establishing revised revenue structures, ensure that large trucks pay their fair share of highway cost responsibility.

"(6) State control over vehicle size: Continue to maintain the maximum federal highway vehicle weight limit of 80,000 pounds and continue to authorize the states to make decisions on the size, weight, and length of commercial vehicles, since populous urban states such as California cannot safely accommodate the large vehicle combinations which operate in some rural western states; 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, to each Senator and Representative from California in the Congress of the United States, to the chairperson of every congressional committee having jurisdiction over transportation and interstate commerce, and to the Director of Transportation and the Chairperson of the California Transportation Commission."

POM-594. A resolution adopted by the Puerto Rico Manufacturers Association calling for information on the status formulas for Puerto Rico before a vote is held; to the Committee on Energy and Natural Resources.

POM-595. A joint resolution adopted by the Legislature of the State of California; to the Committee on Foreign Relations.

"ASSEMBLY JOINT RESOLUTION NO. 109

"Whereas, The sovereign nation of Kuwait has been ruthlessly invaded by the armed forces of Iraq for purposes of annexation and seizure of its assets, without justification, provocation, or warning; and

"Whereas, The United Nations has quickly and unanimously moved to adopt measures to restore the sovereignty of Kuwait, and there is overwhelming international condemnation of the senseless loss of the innocent lives and continuing reports of atrocities by the Iraqi invaders against the Kuwaiti people; and

"Whereas, United States President George Bush has acted quickly to protect the people of Middle Eastern countries against further aggression by the armed forces of Iraq, and has formed a multilateral international armed force to stop the unprovoked aggression of Iraqi forces and induce President Saddam Hussein of Iraq to withdraw and negotiate a peaceful settlement to this confrontation; and

"Whereas, American armed forces have been sent to the Middle East to support international military forces and protect Middle Eastern, American, and European civilians who live and work in Kuwait, Iraq, and neighboring countries; and

"Whereas, President Bush has demanded the immediate protection and release of all American and other hostages held by Iraqi forces in Kuwait and Iraq, since many of those hostages have been relocated to serve as a "shield" for Iraq's strategic and military targets; and

"Whereas, The California Legislature supports all of the initiatives by the United States to find a peaceful resolution to this confrontation, and prays for the safety of all American and other hostages held by Iraq, the people of the Middle East, and all American and international military forces deployed to the Middle East; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California supports the actions of the President and the Congress of the United States in deploying the armed forces of the United States to the Middle East in an effort to resolve the crisis caused by the invasion and annexation of Kuwait by Iraq and to restore peace to the region; 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-596. A concurrent resolution adopted by the Legislature of the State of Michigan; to the Committee on the Judiciary:

"HOUSE CONCURRENT RESOLUTION No. 862

"Whereas, On April 18, 1990, the United States Supreme Court in *Missouri* v. *Jenkins* ruled that a United States District Court Judge had the power to order local officials in Missouri to raise taxes to finance several specific improvements in schools in Kansas City. In effect, the United States Supreme Court has opened up the possibility of federal courts taking on authority in policy matters and taxation that has always been the concern of the legislative branch of government; and

"Whereas, As has been cited by many critics of the ruling, permitting courts jurisdiction in matters of taxation represents a serious threat to the delicate balance of powers that is among the most important elements of our system of self-rule. In his dissenting opinion, Justice Anthony M. Kennedy expressed his concern that taxation imposed by unelected, life-tenured federal judges ". . . begins a process that over time could threaten fundamental alteration of the form of government our Constitution embodies . . ."; and

"Whereas, With federal judges making policy decisions, especially in the area of taxation, the citizens are, in effect, disenfranchised. Without the ability to express themselves at the ballot box by voting for or against officials on the basis of their actions, citizens can hold no one accountable; and

"Whereas, In response to this genuine threat to the concept of separation of powers and a representative democracy, legislation is presently before the Congress of the United States proposing an amendment to the *United States Constitution.* These measures, which include SJR 295 and HJR 560, would prohibit judicially imposed taxation. The proposed amendment reads as follows: 'Neither the Supreme Court nor any inferior court of the United States shall have the power to instruct or order a State or political subdivision thereof, or an official of such State or political subdivision, to lay or increase taxes.'; now, therefore, be it

"Resolved by the House of Representatives (the Senate concurring), That we hereby memorialize the United States Congress to adopt a proposed amendment to the *United States Constitution* to prohibit judicially imposed taxation; and be it further

"Resolved, That copies of this resolution be transmitted to the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Michigan congressional delegation."

POM-597. A joint resolution adopted by the Legislature of the State of California; to the Committee on Labor and Human Resources:

"ASSEMBLY JOINT RESOLUTION No. 108

"Whereas, The National Collegiate Athletic Association (NCAA) is a national unincorporated association consisting of public and private colleges and universities, and it is a private monopolist that controls intercollegiate athletics throughout the United States; and

"Whereas, The NCAA adopts rules governing member institutions' admissions, academic eligibility, and financial aid standards for collegiate athletes; and

"Whereas, An NCAA member institution must agree contractually to administer its athletic program in accordance with NCAA legislation; and

"Whereas, NCAA rules provide that association enforcement procedures are an essential part of the intercollegiate athletic program of each member institution; and

"Whereas, The NCAA exercises great power over member institutions by virtue of its monopolistic control of intercollegiate athletics and its power to prevent a nonconforming institution from competing in intercollegiate athletic events or contests; and

"Whereas, Substantial monetary loss, serious disruption of athletic programs, and significant damage to reputation may result from the imposition of penalties on a college or university by the NCAA for what the association determines to be a violation of its rules; and

"Whereas, Because of such potentially serious and far-reaching consequences, all proceedings which may result in the imposition of any penalty by the NCAA should be subject to the requirements of due process of law; and

"Whereas, Without due process, it is inevitable that the enforcement mechanism used by the NCAA will result in unjust punishment; and

"Whereas, The handling of the case of University of Nevada at Las Vegas and its basketball coach, Jerry Tarkanian, who is one of the finest basketball coaches in the nation and who led the Running Rebels to a national championship in 1990, is one example of where the absence of due process has resulted in an unfair result; and

"Whereas, Legislation has been introduced in the Congress of the United States by Senator Harry M. Reid and Representative James H. Bilbray of Nevada which would require the NCAA to adopt procedures to provide due process of law in dealing with athletic teams, coaches, and students; 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 requests the President and the Congress of the United States to pass legislation which would require the National Collegiate Athletic Association to adopt procedures to guarantee due process to member schools and their students and coaches; and be it further

Resolved, That the Chief Clerk of the Assembly shall transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, and to the National Collegiate Athletic Association."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 2602. A bill to amend the Public Health Service Act to provide assistance for biomedical and health services research, treatment programs and for other purposes relating to Alzheimer's disease and related disorders (Rept. No. 101-512).

S. 3006. A bill to amend the Federal Food, Drug, and Cosmetic Act to make improvements in the regulation of medical devices, and for other purposes (Rept. No. 101-513).

By Mr. BIDEN, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

H.R. 3134. A bill for the relief of Mrs. Joan R. Daronco.

By Mr. BIDEN, from the Committee on the Judiciary, with an amendment in the nature of a substitute and an amendment to the title:

S. 682. A bill to amend chapter 33 of title 18, United States Code, to prohibit the unauthorized use of the names "Visiting Nurse Association", "Visiting Nurse Service", "VNA", "VNS", or "VNAA", or the unauthorized use of the name or insignia of the Visiting Nurse Association of America.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PELL, from the Committee on Foreign Relations:

Treaty Doc. 99-14. Bilateral Investment Treaty With Panama (Exec. Rept. No. 101-34).

Treaty Doc. 101-18. Business and Economic Relations Treaty With Poland (Exec. Rept. No. 101-34).

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 incidicated:

By Mr. HEFLIN:

S. 3172. A bill to authorize a certificate of documentation for the vessel CAPTAIN DARYL; to the Committee on Commerce, Science, and Transportation.

By Mr. HATFIELD:

S. 3173. A bill to amend the Internal Revenue Code of 1986 to provide a preferential capital gains rate for domestically proceessed timber; to the Committee on Finance.

By Mr. BENTSEN (for himself, Mr. MOYNIHAN, Mr. RIEGLE, and Mr. CHAFEE):

S. 3174. A bill to amend title IV of the Social Security Act to establish a program to fund innovative child welfare and family support services, and for other purposes; to the Committee on Finance.

By Mr. PRYOR: (for himself, Mr. ADAMS, Mr. RIEGLE, Mr. GRAHAM, and Mr. BURDICK):

S. 3175. A bill to amend titles XVIII and XIX of the Social Security Act to provide for certain nursing home reform provisions; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENTSEN (for himself, Mr. MOYNIHAN, Mr. RIEGLE, and Mr. CHAFEE):

S. 3174. A bill to amend title IV of the Social Security Act to establish a program to fund innovative child wefare and family support services; to the Committee on Finance.

IMPROVEMENTS TO CHILD WELFARE AND FOSTER CARE PROGRAMS

● Mr. BENTSEN. Mr. President, over the last 2 years, the Finance Committee and other committees of Congress have studied the Nation's child welfare system and how it can be strengthened. The bill I am introducing today reflects many of the insights that have been gained through hearings, site visits, and consultation with child welfare experts and advocates who are knowledgeable about the problems of families and children.

When we look closely at what is happening to America's children today, we see a picture that is deeply disturbing. As families disintegrate, and the use of drugs becomes ever more pervasive, more and more children are coming under the care of our child welfare and foster care systems. Regrettably, these systems are ill-equipped to handle the burden that has been thrust upon them.

The child welfare system has been described as a system under seige. Last year, there were more than 2.4 million reports of abuse and neglect—and increase of 118 percent since 1980. According to unofficial estimates, at the end of 1989 there were 360,000 children living in foster care, 80,000 more than in 1986.

Individual States are experiencing even more alarming increases. New York's foster care caseload increased by 80 percent betweeen 1983 and 1989. California's caseload nearly doubled over the last 5 years, growing from 37,000 children in 1985 to more than 67,000 in 1989. History tells us that soon other States across the Nation may be sharing the foster care explosion that these two bellwether States are already enduring.

The children entering the child welfare system today are not only more numerous, they are more troubled and more seriously abused than a decade or even 5 years ago. They are the victims of serious drug abuse, sex abuse, deprivation, and neglect. Many suffer from physical and mental disabilities as well.

According to the American Public Welfare Association, children from families with drug and alcohol problems and babies and infants with drug-addicted mothers pose the most serious problem facing child welfare agencies today. Because of lack of resources, and lack of qualified staff, these agencies are incapable of providing the comprehensive services and more specialized skills that are needed.

A study by the GAO done earlier this year at my request found that the phenomenon of "boarder babies"—babies exposed to drugs during pregnancy and left in hospitals by parents unwilling or unable to care for them—is having a profound impact on the child welfare system. Thirty percent of the infants identified by the GAO as drug exposed were placed in foster care.

And those infants who go home from the hospital with their drug-abusing parents are at risk of future abuse and neglect. New York estimates that 57 percent of foster care children come from families that are abusing drugs. In Illinois, the number of substance affected infants involved in child abuse and neglect reports increased by more than 400 percent between 1986 and 1988. In California, the number of children with parental alcohol or drug dependency involved in child protective services cases increased from 67,000 in 1986 to 122,000 in 1988, an 83 percent increase in 3 years.

Statistics such as these demonstrate the enormous strain that State child welfare programs are facing today. Unfortunately, they face the strain at a time when resources are also seriously deficient.

Federal appropriations for the child welfare services program increased from $164 million in 1981 to $253 million in 1990, a growth in inflation-adjusted dollars over this 9-year period of only 6 percent. At the same time, the social services block grant, which States have traditionally depended on for a signficant part of their funding for child welfare services, has declined in real terms by 47 percent. And although Federal matching for foster care placement and administrative costs grew signficantly from $30 million in 1981 to $353 million in 1988, States have been using these new 50 percent matching funds to implement the requirements imposed by the 1980 child welfare reform legislation, a process that is still incomplete. These requirements are both stringent and comprehensive. They include periodic case reviews by State agencies or by courts of all children in foster care to make sure that they are not "lost" in the system, but receive the services needed to return them to their homes or find other permanent placement. In addition, child welfare agencies must make reasonable efforts to prevent a child's removal from the home, and to make it possible for the child to return home.

Today, the child welfare, foster care, and adoption assistance programs are funded mostly by dollars from State and local government. According to data developed by the American Public Welfare Association, the Federal Government's contribution to child welfare services this year will be about 40 percent.

While additional funding is a critical need for most States, there is a growing consensus that reform of the system is needed as well.

As Charles Hayward, secretary of the Delaware Department of Services for Children, Youth, and Their Families, recently told the Committee on Finance:

Child welfare programs "have become little more than emergency rooms responding—as we will continue to do—to reports of child abuse and neglect. We are using our limited resources to provide the most expensive treatment and intervention approaches in acute family crisis. In short, we are doing too little too late. We need to do more. The future of America's families is at stake."

Across the country, State and local child welfare agencies have begun to develop and test new programs that try to help families before serious trouble occurs. The focus is not just on children, but on the family as a whole.

One example is Maryland's Family Support Centers, where young men and women who want help in becoming better parents may come to receive health and nutrition counseling, encouragement and assistance in completing their education, training in job skills, and guidance in child-rearing skills.

In Texas, Oregon, Iowa, Tennessee, New York, Missouri, Michigan, Pennsylvania, and a number of other States, child welfare agencies are trying out service programs that shift the emphasis from child rescue to preserving the family. When the agency receives a report about child neglect or abuse, it will immediately provide intensive services to the family to try to prevent the need for placement in foster care. These family preservation services may include practical concrete services, parent education and skills training, referral for other services, family therapy, and individual psychological support and counseling. Although further evaluations are still needed to determine which programs are most effective, there is growing consensus that family preservation programs can help to prevent family disruption, and can be less costly than removing children from their homes and placing them in foster care.

Mr. President, one of the major goals of the bill we are introducing today is to enable States to develop and implement these and other kinds of innovative programs to strengthen families, and prevent family disruption.

Over the next 5 years, our bill will provide $1.5 billion in additional Federal funding to enable States to plan,

develop, and expand innovative services for families. The bill is written so as to give States broad flexibility in designing their services program. I anticipate that both the Secretary of Health and Human Services and the States will use the funds provided in the bill to rigorously evaluate these new programs, so that at the end of this 5-year period we will have the kind of evidence necessary to design even more effective strategies to protect families and children.

A second major goal of our bill is to improve coordination of services for families and children. The child welfare, AFDC, Medicaid, mental health, education, and juvenile justice systems all share responsibility for children. But too often they fail to talk to one another, and children fall through the cracks.

Programs often have different reporting and data collection requirements, eligibility rules, and administrative procedures, all of which can needlessly hinder effective and cost-efficient delivery of services. Some of these differences result from legislative requirements, but frequently the barriers are administrative in nature and could be overcome with strong executive leadership.

I hope the Governors, who played such an instrumental role in welfare reform, will now turn their attention to the child welfare and foster care systems, and, by their example, will show the way to reform of these systems as well.

As an incentive, our bill provides up to $3 million a year for up to 15 States to conduct pilot projects to improve the coordination of assistance for families and children. I ask the Governors, in submitting their applications for grants, to look toward integrating the child welfare, foster care, and adoption assistance programs with the many other programs that provide funding for services for children.

Many, if not most, families receiving child welfare services also receive welfare assistance through the Aid to Families With Dependent Children Program. The Family Support Act of 1988 made a wide variety of services available to these families, and I hope States will look for ways to link these systems. States should also look toward coordinating drug treatment, mental health, developmental disabilities, and other medical services with their child welfare systems. I believe much could be achieved by better integration of these and other services at the State and local level.

At the Federal level, the bill requires the Secretaries of HHS, Agriculture, and Education, and the Attorney General, to review departmental policies and to recommend to the Congress both legislative and nonlegislative changes that can be made to improve program coordination.

Back in 1986, I introduced an amendment to require the establishment of a national foster care and adoption information system. That amendment addressed a problem, not yet corrected, of an almost total lack of data that can be used in making decisions about national policy. Regulations to implement the amendment have been held up by OMB because of concerns about cost. The administration and the States have been arguing over how the system should be paid for.

In order to end the debate, and implement this essential information system as soon as possible, our bill provides 90 percent Federal matching on a time-limited basis for the costs of planning, designing, developing, and installing a data information system that meets the requirements of the 1986 legislation, and that can be used to administer the child welfare, foster care, and adoption assistance programs. The 90 percent matching rate is the same matching rate that States have received for their AFDC, child support, and Medicaid information systems.

This bill also makes significant improvements in the Independent Living Program, which is designed to help teach youths in foster care how to live on their own. The bill would allow States to continue independent living services for youths up to age 21, instead of putting them out into the world completely on their own at age 18, as is the case under present law.

It would allow youths who are participating in independent living programs to accumulate enough in savings to enable them to set up their own households without losing eligibility for foster care payments or Medicaid; and it would allow States to continue to provide foster care maintenance payments for youths up to age 21 who are participating in an independent living program and in a full-time education or training program.

Many of these young people are troubled, particularly those who have spent many years in foster care. A recent study by Westat, Inc., found that in their study group, two-thirds of 18-year-olds did not complete high school or a GED, and 61 percent had no job experience. In addition, 38 percent had been diagnosed as emotionally disturbed, and 17 percent had a drug abuse problem.

The group also lacked placement stability. During the time they were in foster care 58 percent experienced at least three living arrangements and approximately 30 percent of the youth had been in foster care for an average of 9 years.

Housing for these young people is a particularly serious problem. According to a 1985 study, an estimated 7,500 youth who were discharged from foster care were homeless in New York City.

Mr. President, I believe that the changes in the Independent Living Program contained in this bill will enable States to provide assistance to foster care youths in addressing these and other serious problems that they commonly encounter.

The bill also tightens up funding procedures for the foster care program. Under current law, States may claim reimbursement for foster care expenditures, including child placement and administrative costs, for a period of 2 years. Our bill would require States to submit all claims within 1 year of expenditure. Any claims submitted after the 1-year limit would not receive Federal matching.

In addition, the bill amends the statute to make clear that the Federal funds that States now draw down as matching for administrative costs also include child placement costs. This provision does not expand the scope of allowable Federal matching under the title IV-E Foster Care Program, but merely provides more accurate terminology for what the States may already claim under the rubric of administrative costs.

The Child Welfare Amendments of 1990 also include a number of other significant improvements. There are several provisions aimed at facilitating adoption, and current law provisions relating to funding child welfare training are strengthened. These and other changes are described more fully in the summary description of the bill, which I ask unanimous consent to have placed in the RECORD.

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

BILL TO IMPROVE CHILD WELFARE/FOSTER CARE PROGRAMS

SUMMARY DESCRIPTION

Innovative Services to Strengthen Families.—Federal matching funds will be provided under title IV-B of the Social Security Act to enable States to plan, develop, and expand innovative programs of services to strengthen families, thereby avoiding family disruption and placement in foster care. States will be entitled to their share of $150 million in FY91, $300 million in FY92, and $400 million in FY93, FY94, and FY95. Funds will be allotted on the same basis as under the current child welfare program (reflecting the size of the State's population under age 21 and per capita income). Matching will be at the Medicaid rate (varying from 50 to 83 percent, depending on State per capita income).

Funds may be used for the following services: intensive family preservation, reunification, and followup services designed to enable children to remain or be reunited with their families; services for families at risk because of substance abuse; respite care for families of children with special needs, including foster care families and families receiving adoption assistance; and family support services to strengthen family functioning, including services to help parents improve their parenting skills. Federal funds will also be provided to enable the

Secretary of Health and Human Services to evaluate the effectiveness of these new services.

Measures to Improve Coordination of Services.—Up to 15 States will be allowed to conduct 3-year pilot projects to improve the coordination of the delivery of services for families and children. Federal matching for each project cannot exceed $3 million a year. Applications for projects must be submitted by the Governor. States conducting projects must conduct an evaluation and report the results to the Secretary.

In addition, the Secretaries of HHS, Agriculture, and Education, and the Attorney General, will be required to review Departmental policies to determine what changes in regulations and procedures can be made without legislative changes to improve coordination of services at the Federal, State, and local levels. They must issue a joint report including recommendations for both legislative and nonlegislative changes by July 1, 1991.

Independent Living.—The independent living program, designed to assist foster care youth in making the transition from foster care to independent living, will be modified to: (1) allow States to continue independent living services for youths up to age 21 (rather than age 18 as in current law); (2) allow youths in independent living programs to accumulate assets sufficient to enable them to establish their own households; and (3) allow States to continue to provide foster care maintenance payments for certain youths up to age 21, provided they are actively participating in the independent living program and in a full-time education or training program.

Provisions to Facilitate Adoption.—The bill includes three provisions aimed at facilitating adoption:

(1) In conducting a periodic case review of a child who is legally free for adoption, a court (or administrative review) must determine and document for the child the specific steps being taken by the State child welfare agency to find an adoptive family for the child, or must make a finding that adoption placement would be inappropriate for the child.

(2) States will be allowed to claim Federal matching (title IV-E) in the case of a child who has previously been determined to be eligible for adoption assistance payments under title IV-E, but who has returned to foster care because the adoption has been set aside by the court. The child will be eligible for foster care maintenance payments, as well as for adoption assistance to facilitate adoption by a second family.

(3) States will be allowed to disregard adoption assistance payments in determining a family's eligibility for AFDC.

Data Collection and Information Retrieval System for the Foster Care and Child Welfare Programs.—States will be allowed to claim 90 percent Federal matching for the costs of planning, designing, developing, or installing a statewide data collection and information retrieval system for purposes of administering the title IV-B child welfare and title IV-E foster care and adoption assistance programs. The system must meet the specifications of amendments enacted in 1986 requiring States to implement a data collecting system, and must be approved by the Secretary as likely to provide more efficient, economical, and effective administration of the child welfare, foster care and adoption assistance programs. This enhanced matching will terminate September 30, 1993.

Limit Federal Matching for Foster Care Placement and Administrative Costs.—Beginning with fiscal year 1992, States will be required to submit all claims for Federal reimbursement for title IV-E foster care expenditures within one year of the expenditure, rather than within two years, as under current law.

In addition, the bill amends the statute to make clear that the Federal funds that States now draw down as matching for "administrative costs" also include child placement costs. This provision does not expand the scope of allowable Federal matching under the title IV-E foster care program, but merely provides more accurate terminology for what the States may already claim under the rubric of "administrative costs."

Study of "Reasonable Efforts."—The Secretary of HHS is required to establish an Advisory Committee to study the implementation of the current law requirement that States make "reasonable efforts" to prevent the need for removal of a child from his home, and to make it possible for the child to return home. A report with recommendations to improve the implementation of the requirement must be submitted to the Congress by April 1, 1992.

Require Placement in Least Restrictive, Most Appropriate Setting.—Language will be added to the statute to assure that a child who is placed in foster care is placed in a setting that is most appropriate for the child.

Strengthen Child Welfare Training Provisions.—Current law authority for Federal funding for child welfare training would be strengthened by (1) requiring students receiving stipends to participate in a related field placement and to commit to full-time post-graduation employment in a public or private non-profit child welfare agency; (2) requiring institutions receiving funds to have or develop curricula reflecting current knowledge about best practices in delivering child welfare services, to consult with child welfare agencies in developing such curricula, and to track students who receive training to determine how many secure and retain employment in the child welfare field; and (3) allowing those already working in the child welfare system to be eligible for stipends in order to complete degree requirements.

Other provisions.—Other provisions in the bill include: (1) allowing up to 6 States to conduct demonstration projects to test and evaluate whether family reunification can be facilitated by allowing a family to receive AFDC for the month prior to the month in which a child returns home from foster care; (2) allowing States to disregard foster care maintenance payments funded by States and localities in determining a family's AFDC benefits; and (3) a provision giving up to 10 States more flexible spending authority to establish and evaluate specified types of demonstration projects.●

By Mr. PRYOR (for himself, Mr. ADAMS, Mr. RIEGLE, Mr. GRAHAM, and Mr. BURDICK):

S. 3175. A bill to amend titles XVIII and XIX of the Social Security Act to provide for certain nursing home reform provisions; to the Committee on Finance

NURSING HOME REFORM IMPROVEMENTS ACT

● Mr. PRYOR. Mr. President, today I am pleased to be joined by Senators ADAMS, RIEGLE, GRAHAM, and BURDICK in introducing a package of technical corrections to the nursing home reform provisions contained within the Omnibus Budget Reconciliation Act of 1987 [OBRA 1987]. This package represents what I consider to be a fair balance of the interests and priorities of the various provider, consumer, and aging advocacy groups, and I want to commend them for their willingness to work with me to develop it.

OBRA 1987 created the legislative basis for the most comprehensive overhaul of nursing home care and government regulation since the enactment of the Medicare and Medicaid programs in 1965. These reforms represent the culmination of over 30 years of effort to improve the quality of care in our Nation's nursing homes. OBRA 1987 is a remarkable achievement in many ways, but primarily because it represents a legislative consensus of Congress, consumers, providers, State and Federal regulators, and others involved in the delivery of nursing home care.

I want to recognize my distinguished colleagues who were involved in the drafting and passage of this legislation—Senators MITCHELL and HEINZ, and Congressmen WAXMAN, DINGELL, and STARK—for their foresight and attention to the intricacies of nursing home care. OBRA 87 is an incredibly ambitious piece of legislation, and they are to be commended for their success in tackling what are often very complex and contentious issues.

Implementation of OBRA 1987 presents an enormous challenge. Recognizing the complexity of the law and the difficulties States and providers face in converting to a new system of regulation and enforcement, Congress laid out a sequence of deadlines for the Department of Health and Human Services, the States, and providers to meet, staged in over a period of several years. Concerns have been raised about the Health Care Financing Administration's [HCFA] role in the implementation of OBRA. It has been the contention of many providers, States, and consumers that HCFA has been remiss in carrying out the law's mandates. To date, HCFA has missed every deadline imposed by OBRA—with the exception of one, which it exceeded by well over one year. Because OBRA requires States to carry out implementation even in the absence of guidance from the Federal Government, HCFA's actions have caused a great deal of confusion and frustration.

In addition, no law, no matter how conscientiously drafted, can anticipate every situation or circumstance. The nursing home provisions of OBRA 1987 are no exception to this. As a result, there are technical corrections and some fine-tuning that needs to be done to facilitate smooth implementation of OBRA 1987. I am introducing a

package of technical corrections to OBRA 1987 that are largely noncontroversial in nature, and have little or no cost associated with them.

The Senate Special Committee on Aging has a long history of involvement with quality of care in nursing homes. In fact, what was to eventually become the Senate Aging Committee was established in the late 1950's to investigate problems in nursing homes. From 1963 to 1965, the Aging Committee, under the chairmanship of Senator Frank Moss, held a series of hearings on State nursing home standards and enforcement efforts. The committee held another series of hearings from 1969 to 1973 that resulted in 3,000 pages of testimony. My own involvement with these issues began in the late 1970's, when I, as a freshman Member of the House of Representatives, went undercover as an orderly in several nursing homes in my home State of Arkansas. My experience solidified my commitment to improving the quality of care in our Nation's nursing homes.

Over the next several years, as interest in increasing the Federal role in the oversight of nursing homes increased, the Congress and the various administrations took action to accomplish this, with varying degrees of success. In 1981, the Department of Health and Human Services initiated efforts to diminish regulatory oversight of the nursing home industry. In 1982, HHS published proposed revisions to the nursing home survey and certification regulations that would substantially weaken Federal involvement in nursing homes. The Senate Aging Committee held a hearing on the implications of this action in the summer of 1982.

In the summer of 1983, Congress reached a compromise with HHS whereby HHS agreed to postpone all regulatory changes involving nursing homes and contract with the Institute of Medicine of the National Academy of Sciences to conduct a study of Federal nursing home law. This report, entitled "Improving the Quality of Care in Nursing Homes," was released in 1986, and formed the basis for the provisions that would ultimately make their way into OBRA 1987. In May 1986, the committee held a hearing entitled "Nursing Home Care: The Unfinished Agenda" to examine the quality of care problems that continued to exist in nursing homes.

In many ways, OBRA 1987 marks the beginning, rather than the end, of our work with improving the quality of care—and the quality of life—for nursing home residents. I have submitted much of what is included in the legislation that I am introducing today to the Senate Finance Committee for possible inclusion in the 1991 budget reconciliation bill. I am working closely with Senator BENTSEN and his staff, who have been extremely helpful and receptive in this endeavor. I urge my colleagues to support his important legislation.●

ADDITIONAL COSPONSORS

S. 1860

At the request of Mr. BOREN, the names of the Senator from New York [Mr. D'AMATO], the Senator from Arizona [Mr. DECONCINI], and the Senator from Florida [Mr. GRAHAM] were added as cosponsors of S. 1860, a bill to amend title 38, United States Code, to require the Secretary of Veterans Affairs to furnish outpatient medical services for any disability of a former prisoner of war.

S. 2158

At the request of Mr. PRYOR, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of S. 2158, a bill to direct the Secretary of Health and Human Services to promulgate regulations to require that an individual telephoning the Social Security Administration has the option of accessing a Social Security Administration representative in a field office in the geographical area of such individual, and for other purposes.

S. 2653

At the request of Mr. BURNS, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of S. 2653, a bill to permit States to waive application of the Commercial Motor Vehicle Safety Act of 1986 with respect to vehicles used to transport farm supplies from retail dealers to or from a farm, and to vehicles used for custom harvesting, whether or not such vehicles are controlled and operated by a farmer.

S. 2754

At the request of Mr. BIDEN, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of S. 2754, a bill to combat violence and crimes against women on the streets and in homes.

S. 2796

At the request of Mr. COHEN, the name of the Senator from California [Mr. WILSON] was added as a cosponsor of S. 2796, a bill to amend title IV of the Higher Education Act of 1965 to allow resident physicians to defer repayment of their title IV student loans while completing a resident training program accredited by the Acccreditation Council for Graduate Medical Education or the Accreditation Council for Graduate Medical Education or the Accrediting Committee of the American Osteopathic Association.

S. 2809

At the request of Mr. SIMON, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 2809, a bill to amend the National Trails System Act to provide for the study and designation of the Underground Railroad Historic Trail.

S. 2819

At the request of Mr. MOYNIHAN, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of S. 2819, a bill to amend title XVIII of the Social Security Act to provide coverage of services rendered by community mental health centers as partial hospitalization services, and for other purposes.

S. 2901

At the request of Mr. PRYOR, the name of the Senator from Washington [Mr. GORTON] was added as a cosponsor of S. 2901, a bill to amend the Internal Revenue Code of 1986 to simplify the application of the tax laws with respect to employee benefit plans, and for other purposes.

S. 3042

At the request of Mr. COHEN, the name of the Senator from Wisconsin [Mr. KASTEN] was added as a cosponsor of S. 3042, a bill to establish a uniform minimum package and claim procedures for health benefits, provide tax incentives for health insurance purchases, encourage malpractice reform, improve health care in rural areas, establish state uninsurable pools, and for other purposes.

S. 3047

At the request of Mr. DECONCINI, the name of the Senator from Tennessee [Mr. SASSER] 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. 3102

At the request of Mr. DOLE, the name of the Senator from Texas [Mr. GRAMM] was added as a cosponsor of S. 3102, a bill to amend title XVI of the Social Security Act to permit disabled and elderly people to maximize their independence.

At the request of Mr. DOLE, the name of the Senator from Florida [Mr. GRAHAM] was withdrawn as a cosponsor of S. 3102, supra.

S. 3148

At the request of Mr. DIXON, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 3148, a bill to condition funding for coproduction with South Korea of the F/A-18 aircraft on receipt by Congress of the relevant memorandum of understanding [MOU] and to extend the 30-day congressional review period until the MOU is received.

S. 3165

At the request of Mr. LIEBERMAN, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 3165, a bill to amend the Internal Revenue Code of 1986 to extend to 10 years the period of limitation on collection after assessment.

S. 3168

At the request of Mr. BREAUX, the name of the Senator from Texas [Mr. BENTSEN] was added as a cosponsor of S. 3168, a bill to amend the Natural Gas Pipeline Safety Act; the Hazardous Liquid Pipeline Safety Act of 1979; and the Ports and Waterways Safety Act to establish permanent offshore pipeline inspection and burial requirements which will improve navigational safety in coastline waters.

SENATE JOINT RESOLUTION 263

At the request of Mr. HELMS, the name of the Senator from Wyoming [Mr. WALLOP] was added as a cosponsor of Senate Joint Resolution 263, a joint resolution to designate October 11, 1990, as "National Society of the Daughters of the American Revolution Centennial Day."

SENATE JOINT RESOLUTION 364

At the request of Mr. REID, the names of the Senator from South Carolina [Mr. HOLLINGS], the Senator from Mississippi [Mr. LOTT], the Senator from California [Mr. CRANSTON], the Senator from Michigan [Mr. RIEGLE], and the Senator from Wisconsin [Mr. KOHL] were added as cosponsors of Senate Joint Resolution 364, a joint resolution to designate the third week of February 1991, as "National Parents and Teachers Association Week."

SENATE JOINT RESOLUTION 375

At the request of Mr. BOSCHWITZ, the names of the Senator from Alaska [Mr. STEVENS], the Senator from Indiana [Mr. COATS], and the Senator from Ohio [Mr. METZENBAUM] were added as cosponsors of Senate Joint Resolution 375, a joint resolution to designate October 30, 1990, as "Refugee Day."

AMENDMENTS SUBMITTED

SOCIAL SECURITY PAY-AS-YOU-GO FINANCING

BOSCHWITZ (AND OTHERS) AMENDMENT NO. 2941

Mr. BOSCHWITZ (for himself, Mr. MCCAIN, Mr. GORTON, Mr. LOTT, Mr. MACK, Mr. MCCONNELL, Mr. COATS, Mr. MCCLURE, Mr. KASTEN, Mr. BURNS, Mr. PRESSLER, Mr. HATCH, Mr. WILSON, Mr. D'AMATO, Mr. COCHRAN, Mr. GRAMM, Mr. HELMS, Mr. JEFFORDS, Mr. NICKLES, Mr. SHELBY, Mr. SIMPSON, Mr. SYMMS, Mr. THURMOND, Mr. WARNER, Mr. HEFLIN, Mr. GRASSLEY, Mr. DURENBERGER, Mr. ROTH, Mr. STEVENS, and Mr. HATFIELD) proposed an amendment to the bill (S. 3167) to cut Social Security contribution rates and return Social Security to pay-as-you-go financing, and for other purposes, as follows:

TITLE —SOCIAL SECURITY EARNINGS TEST ELIMINATED

SEC. . SHORT TITLE.

This title may be cited as the "Older Americans' Freedom to Work Act of 1990".

SEC. . ELIMINATION OF EARNINGS TEST FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.

Section 203 of the Social Security Act is amended—

(1) in paragraph (1) of subsection (c) and paragraphs (1)(A) and (2) of subsection (d), by striking "the age of seventy" and inserting "retirement age (as defined in section 216(l))";

(2) in subsection (f)(1)(B), by striking "was age seventy or over" and inserting "was at or above retirement age (as defined in section 216(1)";

(3) in in subsection (f)(3), by striking "33⅓ percent" and all that follows through "any other individual," and inserting "50 percent of such individual's earnings for such year in excess of the product of the exempt amount as determined under paragraph (8)," and by striking "age 70" and inserting "retirement age (as defined in section 216(1))";

(4) in subsection (h)(1)(A), by striking "age 70" each place it appears and inserting "retirement age (as defined in section 216(1))"; and

(5) in subsection (j), by striking "Age Seventy" in the heading and inserting "Retirement Age", and by striking "seventy years of age" and inserting "having attained retirement age (as defined in section 216(1))".

SEC. . CONFORMING AMENDMENTS ELIMINATING THE SPECIAL EXEMPT AMOUNT FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.

(a) UNIFORM EXEMPT AMOUNT.—Section 203(f)(8)(A) of the Social Security Act is amended by striking "the new exempt amounts (separately stated for individuals described in subparagraph (D) and for other individuals) which are to be applicable" and inserting "a new exempt amount which shall be applicable".

(b) CONFORMING AMENDMENTS.—Section 203(f)(8)(B) of such Act is amended—

(1) in the matter preceding clause (i), by striking "Except" and all that follows through "whichever" and inserting "The exempt amount which is applicable for each month of a particular taxable year shall be whichever";

(2) in clause (i), by striking "corresponding"; and

(3) in the last sentence, by striking "an exempt amount" and inserting "the exempt amount".

(c) REPEAL OF BASIS FOR COMPUTATION OF SPECIAL EXEMPT AMOUNT.—Section 203(f)(8)(D) of such Act is repealed.

SEC. . ADDITIONAL CONFORMING AMENDMENTS.

(a) ELIMINATION OF REDUNDANT REFERENCES TO RETIREMENT AGE.—Section 203 of the Social Security Act is amended—

(1) in the last sentence of subsection (c), by striking "nor shall any deduction" and all that follows and inserting "nor shall any deduction be made under this subsection from any widow's or widower's insurance benefit if the widow, surviving divorced wife, widower, or surviving divorced husband involved became entitled to such benefit prior to attaining age 60."; and

(2) in subsection (f)(1), by striking clause (D) and inserting the following: "(D) for which such individual is entitled to widow's or widower's insurance benefits if such individual became so entitled prior to attaining age 60, or".

(b) CONFORMING AMENDMENT TO PROVISIONS FOR DETERMINING AMOUNT OF INCREASE ON ACCOUNT OF DELAYED RETIREMENT.—Section 202(w)(2)(B)(ii) of such Act is amended

(1) by striking "either"; and

(2) by striking "or suffered deductions under section 203(b) or 203(c) in amounts equal to the amount of such benefit".

(c) CONTINUED APPLICATION OF RULE GOVERNING ENTITLEMENT OF BLIND BENEFICIARIES.—The second sentence of section 223(d)(4) of such Act is amended by inserting after "subparagraph (D) thereof" where it first appears the following: "(or would be applicable to such individuals but for the amendments made by the Older Americans' Freedom to Work Act of 1990)".

SEC. . EFFECTIVE DATE.

The amendments made by this title shall apply only with respect to taxable years beginning on or after January 1, 1992.

HARKIN (AND OTHERS) AMENDMENT NO. 2942

Mr. HARKIN (for himself, Mr. SANFORD, Mr. REID, Mr. EXON, Mr. BRYAN, Mr. METZENBAUM, Mr. DECONCINI, Mr. PELL, Mr. HEFLIN, Mr. SHELBY, Mr. GRASSLEY, Mr. LUGAR, Mr. KASTEN, and Mr. PRESSLER) proposed an amendment to the bill S. 3167, supra, as follows:

At the end of the amendment add the following new section:

SEC. . SOCIAL SECURITY NOTCH ADJUSTMENT.

(a) EXPANSION OF PERIOD OF TRANSITION.—Section 215(a)(4)(B)(i) of the Social Security Act (42 U.S.C. 415(a)(4)(B)(i)) is amended by striking "1984" and inserting "1989".

(b) ESTABLISHMENT OF NEW TRANSITIONAL FORMULA.—Section 215(a) of such Act (42 U.S.C. 415(a)) is amended by adding at the end thereof the following new paragraph:

"(8)(A) Paragraphs (1) (except for subparagraph (C)(i) thereof) and (4) do not apply to the computation or recomputation of a primary insurance amount for an individual who had wages or self-employment income credited for one or more years prior to 1979, and who was not eligible for an old-age or disability insurance benefit, and did not die, prior to January 1979, if in the year for which the computation or recomputation would be made the individual's primary insurance amount would be greater if computed or recomputed under subparagraph (B).

"(B) The primary insurance amount computed or recomputed under this subparagraph is equal to—

"(i) the excess of—

"(I) the amount computed or recomputed under this subsection as in effect in December 1978 (for purposes of old-age insurance benefits in the case of an individual who becomes eligible for such benefits prior to 1989) or under subsection (d) (in the case of an individual to whom such subsection applies), over

"(II) the amount computed under this subsection as in effect on October 1, 1991, multiplied by

"(ii) 40 percent, reduced by the sum of—

"(I) 4.0 percent times the number of years between 1979 and the year of first eligibility, plus

"(II) ⅓ of 1 percent for each month beginning before the month in which the individual attains the age of 65 and with respect to which the individual is entitled to old-age insurance benefits.".

(c) APPLICABILITY OF OLD PROVISIONS.—Section 215(a)(5) of such Act (42 U.S.C. 415(a)(5)) is amended—

(1) by inserting "(A) after "(5)";

(2) by striking "for" and inserting "Except as provided in subparagraph (B), for";

(3) by striking "effect," and all that follows through "after 1978" and inserting "effect"; and

(4) by adding at the end thereof the following new subparagraph:

"(B) In applying this section as in effect December 1978 as provided in subparagraph (A)—

"(i) effective for January 1979, the dollar amount specified in paragraph (3) of subsection (a) shall be increased to $11.50;

"(ii) the table for determining primary insurance amounts and maximum family benefits contained in this section in December 1978 shall be revised as provided by subsection (i) for each year after 1978; and

"(iii) in the case of an individual to whom paragraph (1) does not apply by reason of paragraph (8)—

"(I) subsection (b)(2)(C) shall be deemed to provide that an individual's 'computation base years' may include only calendar years in the period after 1950 (or 1936 if applicable) and ending with the calendar year in which such individual attains age 65; and

"(II) the 'contribution and benefit base' (under section 230) with respect to remuneration paid in (and taxable years beginning in) any calendar year after 1981 shall be deemed to be $29,700.".

(d) CONFORMING AMENDMENT.—Section 215(a)(3)(A) of such Act (42 U.S.C. 415(a)(3)(A)) is amended in the matter following clause (iii) by striking "(4)" and inserting "(4) or (8)".

(e) EFFECTIVE DATE.—The amendments made by this section shall be effective as if included in the amendments made by section 201 of the Social Security Amendments of 1977, with respect to payments made on or after October 1, 1991.

(f) SHORT TITLE.—This section may be cited as the "Social Security Notch Adjustment Act".

WESTERN WATER POLICY ACT

HATFIELD AMENDMENT NO. 2943

(Ordered referred to the Committee on Energy and Natural Resources.)

Mr. HATFIELD submitted an amendment intended to be proposed by him to the bill (S. 1996) to provide for a comprehensive review by the Secretary of the Interior of western water resource problems and programs administered by the Geological Survey, the Bureau of Reclamation, and other operations of the Department of the Interior, and for other purposes, as follows:

Strike all and insert the following:

SHORT TITLE

SECTION 1. The Congress finds that—

(1) the Nation needs an adequate water supply for all States at a reasonable cost,

(2) the demands on the Nation's finite water supply are increasing,

(3) coordination of both the Federal level and the local level is needed to achieve water policy objectives,

(4) not less than fourteen agencies of the Federal Government are currently charged with functions relating to the oversight of water policy,

(5) the diverse authority over Federal water policy has resulted in unclear goals and an inefficient handling of the Nation's water policy, and

(6) there exists a need for a high-level executive agency to help coordinate and formulate Federal water resource programs and activities.

THE NATIONAL WATER COMMISSION

SEC. 2. (a) There is established the National Water Commission (hereafter in this Act referred to as the "Commission").

(b) The Commission shall be composed of eighteen members, as follows:

(i) The ranking majority and minority member from the Senate Committees on: Energy and Natural Resources, Environment and Public Works, and Appropriations.

(ii) The ranking majority and minority member from the House Committees on: Appropriations, Public Works and Transportation, and Interior and Insular Affairs.

(iii) Six persons who are not now, and for a period of one year immediately preceding their appointments, have not been, officers or employees of the United States; but, the foregoing or any other provision of law notwithstanding, there may be appointed under this paragraph, any person who is retained, designated, appointed, or employed by any instrumentality of the executive branch of the Government or by any independent agency of the United States to perform, with or without compensation, temporary duties on either a full-time or intermittent basis for not to exceed one hundred and thirty days during any period of three hundred and sixty-five consecutive days; said persons shall be appointed by the President of the United States; and

(iv) Of the aforementioned Commission members, one shall be elected, by majority vote, to serve as Chairman of the Commission (hereafter in this Act referred to as the "Chairman").

(c) Any vacancy which may occur on the Commission shall not affect its powers or functions but shall be filled in the same manner in which the original appointment was made.

(d) The organization meeting of the commission shall be held at such time and place as may be specified in a call issued jointly by the ranking majority and minority members of the Commission of both the Senate and the House of Representatives.

(e) Ten members of the Commission shall constitute a quorum, but a smaller number, as determined by the Commission, may conduct hearings.

(f) Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(g) The members appointed by the President shall each receive a per diem in the amount equal to the daily rate of pay for a GS-18 position on the executive schedule when engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

DUTIES OF THE COMMISSION

SEC. 3. (a) The Commission shall—

(1) review present and anticipated national water resource problems, making such projections of water requirements as may be necessary and identifying alternative ways of meeting these requirements—giving consideration, among other things, to conservation and more efficient use of existing supplies, innovations to encourage the highest economic use of water and recent technological advances;

(2) examine the current Federal programs and recommend whether they should be continued and, if so, how they should be managed for the next twenty years, including the possible reorganization of the current water resources development and management agencies and the desirability of consolidating such agencies within a Department of Natural Resources within the executive branch;

(3) review the need for additional storage or other arrangements to augment existing water supplies;

(4) review the history, use, and effectiveness of various institutional arrangements to address problems of water allocation, water quality, planning, flood control and other aspects of water development and use, including interstate water compacts, Federal-State regional corporations, river basin commissions, the activities of the Water Resources Council, municipal and irrigation districts and other similar entities;

(5) review the legal regime governing the development and use of water and the respective roles of both the Federal Government and the States over the allocation and use of water, including an examination of riparian zones, appropriation and mixed systems, market transfers, administrative allocations, ground water management, interbasin transfers, recordation of rights, Federal-State relations including the various doctrines of Federal reserved water rights (including Indian water rights and the concept of a public trust doctrine);

(6) review the activities, authorities, and responsibilities of the various Federal agencies with direct water resources management responsibility, including the Bureau of Reclamation, the Army Corps of Engineers, the Tennessee Valley Authority, the Federal Energy Regulatory Commission, the Bonneville Power Administration and the other Federal power marketing administrations, the Department of Agriculture, and the Environmental Protection Agency.

(7) review the current Federal and State hydroelectric power policies and their relation to the development of water resources; and

(8) examine the authorization and appropriation process for Federal water projects, including projects for flood control, irrigation, municipal and industrial uses, and other purposes, including a review of policies affecting cost-sharing, repayment, provision of other elements such as recreation, fish and wildlife protection, mitigation of damage, fish and wildlife habitat enhancement, and hydroelectric potential.

(b) The Commission shall submit simultaneously to the President and to the Congress such interim and final reports as it deems appropriate. The President shall transmit the Commission's final report to the Congress, together with his comments and recommendations, including recommendations for legislation.

(c) The Commission shall terminate not later than 5 years from the date of enactment of this Act.

DEPARTMENTAL LIAISON OFFICERS

SEC. 4. The Chairman of the Commission shall request the head of each Federal de-

partment or independent agency which has an interest in or responsibility with respect to water management, allocation, conservation, flood control, pollution control and relevant technology, industrial and recreational uses of water resources, and other related areas which the Commissioner deems appropriate, to designate a liaison officer to serve on the Advisory Council established in section 5.

ADVISORY COUNCIL

SEC. 5. (a) There is hereby established an Advisory Council, which shall consist of the liaison officers appointed under section 4 of this Act, together with twenty-five additional members appointed by the Commission who shall be representative of the various major citizens' groups interested in relevant water issues.

(b) The Advisory Council shall advise and counsel the Commission concerning matters within the jurisdiction of the Commission.

(c) Members of the Advisory Council shall serve without compensation, but shall be entitled to reimbursement for actual travel and subsistence expenses incurred in attending meetings of the Council called or approved by the Chairman of the Commission or in carrying out duties assigned by the Chairman.

(d) The Chairman of the Commission shall call an organization meeting of the Advisory Council as soon as is practicable, a meeting of such council each six months thereafter, and a final meeting prior to approval of the final report by the Commission.

GOVERNOR'S REPRESENTATIVES

SEC. 6. The Chairman of the Commission shall invite the Governor of each State to designate a representative to work closely with the Commission and its staff and with the Advisory Council in matters pertaining to this Act.

POWERS OF THE COMMISSION

SEC. 7. (a) The Commission may—

(1) hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as it may deem advisable;

(2) acquire, furnish, and equip such office space as is necessary;

(3) use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States;

(4) without regard to the civil service laws and regulations and without regard to chapter 51 of title 5, United States Code, employ and fix the compensation of such personnel as may be necessary to carry out the functions of the Commission;

(5) procure services as authorized by section 3109 of title 5, United States Code, at rates not to exceed an amount equal to the daily rate of pay for a GS-18 position on the executive schedule;

(6) purchase, hire, operate, and maintain passenger motor vehicles;

(7) enter into contracts or agreements for studies and surveys with public and private organizations and transfer funds to Federal agencies to carry out such aspects of the Commission's functions as the Commission determines can best be carried out in that manner; and

(8) incur such necessary expenses and exercise such other powers as are consistent with and reasonably required to perform its functions under this title.

(b) Any member of the Commission is authorized to administer oaths when it is determined by a majority of the Commission that testimony shall be taken or evidence received under oath.

POWERS AND DUTIES OF THE CHAIRMAN

SEC. 8. (a) Subject to general policies adopted by the Commission, the Chairman shall be the chief executive of the Commission and shall exercise its executive and administrative powers as set forth in paragraphs (2) through (8) of section 4(a).

(b) The Chairman may make such provision as he shall deem appropriate authorizing the performance of any of his executive and administrative functions by the Executive Director or other personnel of the Commission.

OTHER FEDERAL AGENCIES

SEC. 9. (a) The Commission may, to the extent practicable, utilize the services of the Federal water resource agencies.

(b) Upon request of the Commission, the head of any Federal department or agency is authorized—

(1) to furnish to the Commission, to the extent permitted by law and within the limits of available funds, including funds transferred for that purpose pursuant to section 4(a)(7) of this Act, such information as may be necessary for carrying out its functions and as may be available to or procurable by such department or agency, and

(2) to detail to temporary duty with this Commission on a reimbursable basis such personnel within his administrative jurisdiction as it may need or believe to be useful for carrying out its functions, each such detail to be without loss of seniority, pay, or other employee status.

(c) Financial and administrative services (including those related to budgeting, accounting, financial reporting, personnel, and procurement) shall be provided the Commission by the General Services Administration, for which payment shall be made in advance, or by reimbursement from funds of the Commission in such amounts as may be agreed upon by the Chairman of the Commission and the Administrator of General Services, except that—

(1) the regulations of the General Services Administration for the collection of indebtedness of personnel resulting from erroneous payments (5 U.S.C. 5514) shall apply to the collection of erroneous payments made to or on behalf of a Commission employee, and regulations of such Administrator for the administrative control of funds (31 U.S.C. 665(g)) shall apply to appropriations of the Commission; and

(2) the Commission shall not be required to prescribe such regulations.

APPROPRIATIONS

SEC. 10. There are hereby authorized to be appropriated not to exceed $18,000,000 to carry out the purposes of this Act.

● Mr. HATFIELD. Mr. President, last November, I introduced S. 1996, the Western Water Policy Act. That bill provides for a comprehensive review by the Secretary of the Interior of Western water resource problems and programs administered by the Geological Survey, the Bureau of Reclamation, and other operations of the Department of the Interior. Today, I am introducing an amendment to that legislation that would expand its scope to deal with national water policy.

The promise on which S. 1996 is based is that there are too many cooks in the kitchen. There are 13 congressional committees which deal with water resource issues. In the executive branch, there are eight Cabinet level departments, six independent agencies, and two White House offices all charged with responsibilities relating to national water policy.

In all fairness, it is easy to see how this situation was allowed to evolve. Because we all thought that our water supply was virtually limitless, a number of entities were independently formed to take care of a wide variety of different water-related problems. Since they were making decisions affecting only a small part of a large resource, agencies believed they could operate in a vacuum—in effect assuming that there was plenty of water left to fulfill a multitude of other purposes. My friends, those days are over.

Unfortunately, even though the various instream and consumptive uses of our water supply are increasing daily, the myth of an unending supply lives on. Let me give you an example. Recently, a Los Angeles County Commissioner suggested that the 90 billion gallons of water dumped into the Pacific Ocean daily by the Columbia River was surplus and should be diverted to water the lawns and fill the swimming pools of southern California. Unfortunately, he seems to be blind to the instream uses of the Columbia which include power production, fish enhancement, recreation, and others.

Prudent water policy balances all of these uses and more. Unfortunately, the overlapping and competing jurisdictions that characterize our Federal water policy decisionmaking process do not result in this type of balance.

The lack of a coordinated and comprehensive water policy is of particular concern to the Western United States, a region whose history and future are tied inextricably to the availability of water. While S. 1996 deals only with Western water policy, water policy coordination is ultimately a national problem. Accordingly, I have drafted an alternate bill which expands the scope of S. 1996 to deal with the national dimension of the problem. It is that version that I am introducing today.

Given sufficient interest from congressional Members from the Eastern half of the country, I would very much like to pursue this national course rather than dealing with Western water policy only. It is my hope that other Members will look closely at the amendment that I am introducing today. While I hold no illusions about our ability to deal with this matter in the waning days of the 101st Congress, I am very interested in pursuing this matter next session.

It seems clear to me that with better coordination, we can have better efficiency. With better efficiency, we can avoid a water crisis that is looming as

large as the energy crisis we faced in the 1970's—or the one we are facing now. Just like oil, we cannot create new water resources—we must better manage what we have. This starts with having a better decisionmaking structure.●

ROBERT McCLORY POST OFFICE

DeCONCINI (AND LEAHY) AMENDMENT NO. 2944

Mr. MITCHELL (for Mr. DeCONCINI, for himself and Mr. LEAHY) proposed an amendment to the bill (S. 3108) to designate the facility of the U.S. Postal Service located at 100 South John F. Kennedy Drive, Carpentersville, IL, as the "Robert McClory Post Office", as follows:

At the end of the bill, add the following:

SEC. . Section 3626 of title 39, United States Code, as amended by the General Provisions of Title II, is further amended by adding at the end the following:

"(k) In the administration of this section, the term 'advertising', as used in former section 4358(j)(2) of this title, does not include the publisher's own advertising in a publication published by the official highway or development agency of a State.".

DOLE (AND OTHERS) AMENDMENT NO. 2945

Mr. GRASSLEY (for Mr. DOLE, for himself, Mr. BURNS, Mr. GRASSLEY, Mr. SYMMS, Mr. BURDICK, Mr. NICKLES, Mr. BOREN, Mr. PRESSLER, Mr. WALLOP, Mr. BAUCUS, Mr. COATS, Mr. FORD, Mr. BOND, Mr. HELMS, Mr. WIRTH, Mr. KASTEN, Mr. GRAMM, Mr. SIMPSON, Mr. FOWLER, and Mr. LUGAR) proposed an amendment to the bill S. 3108, supra, as follows:

At the appropriate place insert the following: "That in addition to the authority which the Department of Transportation granted to States to waive application of the Commercial Motor Vehicle Safety Act of 1986 with respect to farm vehicles contained in volume 53, pages 37313-37316, of the Federal Register (September 26, 1988), such States may extend such waivers to vehicles used to transport farm supplies from retail dealers to or from a farm, and to vehicles used for custom harvesting, whether or not such vehicles are controlled and operated by a farmer.".

NOTICES OF HEARINGS

SUBCOMMITTEE ON MINERAL RESOURCES DEVELOPMENT AND SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. BINGAMAN. Mr. President, Senator FORD and I would like to announce for the Senate and the public that a joint hearing has been scheduled before the Subcommittee on Mineral Resources Development and Production and the Subcommittee on Energy Research and Development of the Committee on Energy and Natural Resources.

The purpose of the hearing is to receive testimony concerning our progress in developing and promoting the use of renewable and other alternative energy sources.

The hearing will take place on Thursday, November 1, 1990, at 9:30 a.m. in the auditorium at the BDM Corp., 2301 Buena Vista SE., Albuquerque, NM.

Those wishing to submit written testimony for the printed hearing record should send their comments to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510, attn: Marilyn Pedretti.

For further information, please contact Marilyn Pedretti at (202) 224-7569.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. MITCHELL, Mr. President, I ask unanimous consent that the full Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, October 9, at 10 a.m. to conduct an ambassadorial nomination hearing.

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

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on October 9, 1990, at 9:30 a.m. on the nomination of Roscoe Burton Starek III [IL] to be a Federal Trade Commissioner.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Tuesday, October 9, 1990, at 9:30 a.m. to hold a hearing on the subject: Proliferation and Regional Security in the 1990's.

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

ADDITIONAL STATEMENTS

THE ANTARCTIC PROTECTION ACT OF 1990

● Mr. KERRY. Mr. President, I rise in strong support of passage of S. 2575, the Antarctica Protection Act of 1990. It is critical that we pass this legislation which places a long term moratorium on mineral resource activities in the Antarctic and urges the Secretary of State to negotiate such a long term prohibition at the upcoming special consultative meeting opening in Santiago, Chile in November.

Mr. President the Antarctic plays an important and unique role in our global ecosystem; 90 percent of the Earth's ice and 70 percent of the Earth's fresh water are found there. It is an integral part of the Earth's climate system.

The Antarctic supports large populations of marine life from krill and plankton to whales, seals, and sea birds. It holds untold answers to the Earth's evolution and the world's future climate.

Today scientists have just begun to understand the vital role the continent of Antarctica plays in regulating the Earth's temperature. Antarctica provides science with an as yet unsullied vantage point from which to monitor our changing planet. Much of Antarctica remains today as it has for millions of years. Barren and bountiful, a massive ice cap encases all but 2 percent of the continent, while the surrounding oceans brim with life.

Development in the Antarctic is a new environmental concern. Many scientists believe that development is likely to cause ice caps to melt, which would not only cause sea levels to rise, but would also reduce the ocean's absorption capacity for carbon dioxide. Currently oceans take up one-third to one-half of the world's carbon dioxide emissions which we know to be one of the main greenhouse gases. This change could add significantly to global climate change.

In recent years, demand for access and use of resources in Antarctica has grown. As uses grow, so has the potential for environmental degradation. Oil spills and water pollution from toxic chemicals, raw sewage and solid wastes have already been reported in this environmentally sensitive area.

Currently the United States and other nations face major policy decisions surrounding the development of the Antarctic. Traditionally, Antarctica has remained peaceful because it has had few things to fight over. However, several countries are now interested in development. Development of oil and minerals, tourism, fisheries, increased research all which have led to the debate of environmental protection versus inappropriate development.

Oil and mineral development first became a concern in the early 1970's when we faced an oil crisis worldwide. Consequently member nations of the Antarctic Treaty, recognizing the need to address the question of future development came together to hammer out new rules governing oil and mineral exploration. This resulted in the Convention on the Regulation of Antarctic Mineral Resource Activities known as CRAMRA. CRAMRA was agreed upon by the 20 treaty nations in 1988. The purpose of the agreement was to protect Antarctica from the dangerous environmental effects of oil and mineral development. However, the international agreement instead of

protecting the Antarctic from mineral resource development, established a framework under which mining and drilling could take place in the most unspoiled environment on Earth.

In my view, Mr. President, the agreement falls far short of its goal. Some have called the agreement a road map to development. France and Australia have already withdrawn their support from the agreement, and several other nations such as New Zealand and Italy are currently considering doing so soon. The U.S. Government would be wise to follow suit, particularly since the U.S. Senate recently passed a resolution introduced by Senator GORE which urged the President to put aside the existing CRAMRA and negotiate a new comprehensive protective agreement. Under the Antarctic Treaty system, all agreements must be unanimous.

The purpose of my legislation is to ensure that mineral resource activities do not occur in the Antarctic. Last month the Senate Foreign Relations Committee unanimously passed the bill I introduced which established a permanent prohibition on all mineral resource activities in Antarctica. Let me reiterate—unanimously passed the bill with a permanent ban. Mr. President, the House Foreign Affairs Committee took similar action a few weeks ago on a bill introduced by my colleague from Massachusetts, Representative SILVIO CONTE. And both committees took this action despite strong opposition from the Bush administration. The vote could not be more clear—the congressional committees responsbile for foreign policy issues unanimously voted for a permanent ban on mineral resources activities in Antarctica.

However, the State Department, speaking on behalf of the President, threatened a veto of the legislation which overwhelmingly passed the Senate Foreign Relations Committee—exhibiting what I consider to be an unfortunate view toward the fragility of Antarctica. Parenthetically, I might add the Foreign Relations Committee has the authority to approve all international treaties.

The State Department, working on behalf of the President, exhorted us not to tie their hands in Chile next month. We were told that the administration wanted to leave their options open for the future in Antarctica and for potential technological breakthroughs in oil and gas development. Well, Mr. President, I have witnessed why this administration enjoys leaving options open in the future when it comes to mineral resource activities. Let's look at the facts. The administration continues to exercise the option to open the Arctic National Wildlife Refuge in Alaska for oil development; and year after year the President has opted to recommend drilling for oil and gas on Georges Bank, Massachusetts' prime fishing grounds and whale watching area; and, in the most recent budget proposal, the President opted to offer tax incentives to the oil industry for new oil and gas exploration and development. It is fairly obvious what the administration means by keeping their options open when it comes to Antarctica.

My aim, Mr. President, has been to work for the most protective legislative initiative I could in order to set a tone of Antarctic protection at the upcoming meeting in Chile. Working for weeks, finally, we have developed legislation which, although it does not require a permanent ban, does insist upon a long term moratorium on mineral resource activities. Speaking as the framer of this new initiative, my message could not be more clear. America's negotiators must develop a comprehensive approach toward the protection of Antarctica and must lead the consultative treaty participants in establishing a minimal long term moratorium on mineral activities of at least 100 years.

The pressures of the situation in the Persian Gulf adds significantly to the quest to find more oil and gas worldwide. Shortsighted fixes such as opening up Antarctica for prospecting of mineral resources does not offer meaningful long term solutions. And this legislation is designed to prevent such myopic thinking.

This legislation will provide the needed protection for Antarctica. It provides an indefinite ban, expected to be at least 100 years or more, on all mineral exploration and development in Antarctica by U.S. entities, and it directs the Secretary of State to urge other nations to take the same position. It also recommends that the Secretary of State ask other nations to adopt an international accord which grants Antarctica special status as an international wilderness peak dedicated to science designed to provide wilderness protection through international cooperation and scientific research.

Mr. President, in April Senator GORE and I and other Senators hosted an interparliamentary conference on the environment. Over 150 parliamentarians representing 36 nations attended. I chaired the water resource committee in which we discussed the future of the Antarctic. Capt. Jacques Cousteau who has dedicated significant time and effort to preserving the Antarctic helped lead the discussion in our working group. We all agreed that in order to protect the Antarctic, we must first extend the current moratorium on exploration and exploitation of mineral and energy resources until we are able to negotiate an ongoing prohibition in mineral mining activities among the Antarctica Treaty nations. We also agreed that we must grant Antarctica special protective status as a land of science treaty reserve and international wilderness area.

In closing Mr. President I want to thank the Alliance for Antarctica which is made up of 13 groups interested in preserving and protecting Antarctica's future for generations to come. They have worked hard on this legislative initiative and others which will provide environmental protection for this unique area.

I urge my colleagues to support his legislation which will send the right message worldwide, that the Antarctic is a unique environmental resource of global significance and it must be protected from harmful development.●

CRIPPLED CHILDREN'S SOCIETY OF SANTA CLARA CELEBRATES 45TH ANNIVERSARY

● Mr. WILSON. Mr. President, October 10, 1990, will mark the 45th anniversary of the Crippled Children's Society of Santa Clara County. It is with great admiration for its noble cause and distinguished history that I salute the society in this Chamber of the U.S. Senate and call upon my Senate colleagues to join with me in commending its members, past and present, for their immeasurable contribution to the health and rehabilitation of disabled Americans.

The Crippled Children's Society was founded in 1945 by a small group of women personally concerned about the lack of services for physically disabled children, but who soon perceived the need to expand their services to include disabled adults as well.

Throughout its many years of service, the society has helped the disabled to meet the challenge of their disabilities and to achieve greater self-sufficiency and self-esteem, and in so doing, has earned the respect and gratitude of the people of Santa Clara County. Since its founding, the society has been remarkably successful in generating community-wide support and today, serves more than 6,000 disabled children and adults.

As a local, non-profit grassroots organization, the society funds and services a summer and year-round camp for children and adults, therapy for those with communications disorders, a first step preschool for children with developmental delays, a residential respite for families with disabled children, early intervention programs for infants diagnosed at birth with disabilities, day care services for disabled children, and learning disabilities rehabilitation programs for children and adults.

Hundreds of volunteers, guided by a local board of directors, and funded by corporate and private donations, give generously of their time and talent to sustain these critically needed rehabil-

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itative services. I am proud to commend my fellow Californians associated with the society and to join with them in celebrating a distinguished legacy of civil and humanitarian activism begun 45 years ago.●

CHIEF COUNSEL FOR ADVOCACY, SMALL BUSINESS ADMINISTRATION

● Mr. BUMPERS. Mr. President, the Senate has been chastised by this President, and by previous Presidents, for not acting promptly on nominations to important Government posts. Today, I want to call attention to the fact that the job of chief counsel for advocacy at the Small Business Administration has now been vacant for almost a year and there is no nomination pending in the Senate.

The chief counsel for advocacy's duties include representing the interests of small business, independent of the administration's political agenda, before the committees of Congress and before the public. The staff of the Advocacy Office does research and writes reports on important problems and issues facing American small business. The post is seen as so important to small business that even when President Reagan proposed abolishing SBA, he proposed the retain the chief counsel for advocacy. It is one of only three SBA positions requiring Senate confirmation.

In April 1989, Frank Swain announced his resignation as chief counsel for advocacy. Mr. Swain, incidentally, has served through the entire Reagan administration and generally did a fine job. The record shows that the Senate Small Business Committee has acted promptly on nominations by Presidents of both parties. Last June, President Bush submitted a nominee for the committee's consideration. Although the White House was slow in submitting information on the nominee, the committee held a hearing on that nomination in November. While I will not belabor the unpleasant details, there were many serious questions raised in the committee's investigation of the nominee's background. When a second hearing was scheduled in February to address some of these issues, the nomination was withdrawn.

Since February, we have been waiting patiently for the President to submit another nominee. This situation is having a serious and adverse effect on the Small Business Administration in executing its responsibilities under the law, and it is devastating morale in the Office of Advocacy. Today, I understand there are 14 vacancies out of 80 staff positions in the Advocacy Office. A number of the most talented staff have left Advocacy for more secure jobs elsewhere. Employees are being told that their jobs can be extended for only 60 days at a time.

The chief counsel's post has been filled on an acting basis by at least three individuals in the last 6 months. The gentleman now serving as acting chief counsel is not an attorney. It speaks poorly of the administration's interest in small business that this post has been neglected for so long.

Mr. President, Congress will soon be adjourning for the year. The President could, under the Constitution, make a recess appointment to this post. I strongly recommend that that course not be taken. However, I do urge the President to submit a nomination for chief counsel for advocacy promptly when the 102d Congress convenes.●

REGARDING MEDIA BIAS

● Mr. HUMPHREY. Mr. President, those of us who advocate a prolife answer to the contentious abortion question have long maintained that our movement receives unfair coverage in the media. The evidence of proabortion bias in the major media is overwhelming, and reporters across the country are finally beginning to take note. In a four part series published in the July 1-4, 1990, editions of the Los Angeles Times, David Shaw presents a thorough examination of how the media repeatedly has slanted its coverage of events in order to present the proabortion perspective in the best possible light. Mr. Shaw chronicles numerous instances in which the media has, through distortion and selective reporting of the facts, sought to impose the proabortion viewpoint on its general audience. This well documented series is worthy of examination by every Member of Congress.

I ask that the entire series be printed in the RECORD.

The articles follow:

[From the Los Angeles Times, July 1, 1990]

BIAS SEEPS INTO NEWS ON ABORTION

(By David Shaw)

When reporter Susan Okie wrote on Page 1 of the Washington Post last year that advances in the treatment of premature babies could undermine support for the abortion-rights movement, she quickly heard from someone in the movement.

"Her message was clear," Okie recalled recently. "I felt that they were . . . [saying] 'You're hurting the cause' . . . that I was . . . being herded back into line."

Okie says she was "shocked" by the "disquieting" assumption implicit in the complaint—that reporters, especially women reporters, are expected to write only stories that support abortion rights.

But it's not surprising that some abortion-rights activists would see journalists as their natural allies. Most major newspapers support abortion rights on their editorial pages, and two major media studies have shown that 80% to 90% of U.S. journalists personally favor abortion rights. Moreover, some reporters participated in a big abortion rights march in Washington last year, and the American Newspaper Guild, the union that represents news and editorial employees at many major papers, has officially endorsed "freedom of choice in abortion decisions."

On an issue as emotional as abortion, some combatants on each side expect reporters to allow their personal beliefs to take precedence over their professional obligation to be fair and impartial.

Although reporters (and editors) insist they don't let that happen, abortion opponents are equally insistent that media bias manifests itself, in print and on the air, almost daily.

A comprehensive Times study of major newspapers, television and newsmagazine coverage over the last 18 months, including more than 100 interviews with journalists and with activists on both sides of the abortion debate, confirms that this bias often exists.

Responsible journalists do try to be fair, and many charges of bias in abortion coverage are not valid. But careful examination of stories published and broadcast reveals scores of examples, large and small, that can only be characterized as unfair to the opponents of abortion, either in content, tone, choice of language or prominence of play:

The news media consistently use language and images that frame the entire abortion debate in terms that implicitly favor abortion-rights advocates.

Abortion-rights advocates are often quoted more frequently and characterized more favorably than are abortion opponents.

Events and issues favorable to abortion opponents are sometimes ignored or given mimimal attention by the media.

Many news organizations have given more prominent play to stories on rallies and electoral and legislative victories by abortion-rights advocates than to stories on rallies and electoral and legislative victories by abortion rights opponents.

Columns of commentary favoring abortion rights outnumber those opposing abortion by a margin of more than 2 to 1 on the op-ed pages of most of the nation's major daily newspapers.

Newspaper editorial writers and columnists alike, long sensitive to violations of First Amendment rights and other civil liberties in cases involving minority and antiwar protests, have largely ignored these questions when Operation Rescue and other abortion opponents have raised them.

Television is probably more vulnerable to charges of bias on abortion than are newspapers and magazines. The time constraints and rating chase intrinsic to most television news programs often lead to the kind of superficiality and sensationalism that result in bias. In addition, says Douglas Johnson, legislative director for the National Right to Life Committee, the "insular culture that produces network newscasts" create an "implicit bias [that] is more pervasive . . . than in the print media."

But throughout the media, print and broadcast alike, coverage of abortion tends to be presented—perhaps subconsciously—from the abortion-rights perspective. When the U.S. Supreme Court ruled in the Webster case a year ago Tuesday that states could have more latitude in regulating abortion, for example, ABC News termed the decision "a major setback for abortion rights."

Couldn't it also have been called "a major victory for abortion opponents"?

Yes.

But most reporters don't identify with abortion opponents.

It's not that there's a conscious bias on abortion. Rather, "the culture in the newsrooms just assumes that abortion is right," contends John Buckley, longtime media spokesman for various conservative politicians and now a corporate consultant.

Abortion, Buckley says, is the first issue since the Vietnam War in which some journalists' intinctive "allegiance to their own social class and generational world view is stronger than their professional allegiance to objectivity."

Surveys consistently show that abortion is essentially a class issue in the United States; the more money and education a person has and the less religious a person is, the more likely the person is to favor abortion rights. Since most big city journalists tend to be better paid, better-educated and less religious than the general public, it's not surprising that they also tend to favor abortion rights by a large margin; in fact, a 1985 Los Angeles Times Poll of journalists on newspapers of all sizes showed 82% in favor of abortion rights.

Despite a growing evenhandedness in recent months, the personal preference of so many in the media for the abortion-rights position clearly "affects coverage very fundamentally," in the view of Ethan Bronner, legal affairs reporter for the Boston Globe, who covers the U.S. Supreme Court and spent much of last year writing about abortion.

"I think that when abortion opponents complain about a bias in newsrooms against their cause, they're absolutely right," Bronner says.

But James Naughton, deputy managing editor of the Philadelphia Inquirer, says abortion opponents feel so passionately about the issue that they would criticize the media, no matter what was published or broadcast.

"They're seeing a conspiracy that doesn't exist," Naughton says. "They complain . . . even when we've gone fairly deliberately out of our way to . . . be exquisitely fair . . . to avoid giving them any reason to accuse us of . . . being unfair."

Both Bronner and Naughton make valid points. Still, it's clear from examining coverage of abortion that the very language used to frame the abortion debate in much of the media implicitly favors the abortion-rights side of the argument.

As in any debate, "the language is everything," says Douglas Gould, former vice president for communications at Planned Parenthood of America, in the abortion debate, the media's language consistently embraces the rights of the woman (the primary focus of abortion-rights advocates), not the fetus (the primary focus of abortion opponents).

When the networks broadcast an abortion story, the backdrop has often been the large word "abortion"—with the first "O" in the word stylized into the biological symbol for female. The networks could just as easily stylize the "O" to represent a womb, with a drawing of a fetus inside. But they don't.

When Time magazine published a cover story on abortion last year, the cover was a drawing of a woman, when Newsweek published a cover story on abortion two months later, its cover featured a photo of a pregnant woman. Neither cover depicted a fetus. (Of course, newsmagazines choose their covers in part to maximize possible newsstand sales. Women buy newsmagazines; fetuses don't).Payroll No.: 78655 -Name: Rosey -Folios: X4-4--S to X4-5--S -Date: 10-9-90 -Subformat:

When the Washington Post wrote about proposed anti-abortion legislation in Louisiana last month, it spoke of the state House of Representatives' making a decision on "a woman's reproductive rights." As Douglas Johnson, legislative director for the National Right to Life Committee, pointed out, "In discussing abortion as a matter of 'a woman's reproductive rights,' the Post "adopts both the paradigm and the polemic of the abortion-rights lobby."

When the Los Angeles Times covered the same story, it referred to the proposed legislation as "the nation's harshest." That's the view of abortion-rights advocates; it's "harsh" toward women's rights. But abortion opponents regard the legislation as benevolent—toward the fetus.

The language used in coverage of the Louisiana legislation is not an anomaly. Virtually all the media refer to anti-abortion legislation as "restrictive." What is it "restricting"? The right of a woman to have an abortion. But abortion opponents would describe the legislation as "protective"—"protective" of the fetus.

Wouldn't the word "strict" be more value-neutral since the legislation would be "strict" both in its protection of the fetus and in its restriction of the woman?

The Los Angeles Times used "strictest" in a subsequent story on the Louisiana legislation, and Tom Bettag, executive producer of "The CBS Evening News," says that change is "worth thinking about."

Although the terminology used in abortion coverage is the primary responsibility of the reporters who actually put the words together, editors have the final say about what appears in a newspaper, so their views may often be even more important.

Ethan Bronner says that when he wrote a story for the Boston Globe last year on late-term abortions, a copy editor questioned his description of a surgical procedure "destroying" the fetus by "crushing forming skulls and bones." Bronner says the editor told him, "As far as I'm concerned, until that thing is born, it is really no different from a kidney; it is part of the woman's body." To talk about "destroying" it or about "forming bones," the editor said, "is really to distort the issue."

Bronner felt the language he used was essential to the points he was trying to make, so he appealed to a higher editor; his view largely prevailed in the resultant compromise.

Like Bronner, advocates on both sides of the abortion debate recognize the power of language to both define the debate and help determine its outcome.

John Willke, president of the National Right to Life Committee, devotes a chapter in his book "Abortion: Questions & Answers" to the terminology he thinks his followers should use to best advance their cause.

They should speak of themselves in positive terms, as "right to life" or "pro-life," not "anti-abortion," he says. They should talk about "abortion chambers," not "abortion clinics." They should "use the word 'kill' . . . repeatedly, directly and often" to describe the act of abortion.

But Willke and other abortion opponents have been much less successful than abortion-rights advocates at insinuating their chosen terminology into the daily media lexicon, especially since the U.S. Supreme Court's Webster decision.

With that decision, the long-dormant abortion-rights movement was suddenly energized anew. Membership and fund-raising skyrocketed. Political activism blossomed. Courtship of the media began in earnest.

Representatives of the major organizations supporting abortion rights—the National Organization for Women, the National Abortion Rights Action League, Planned Parenthood of America and the American Civil Liberties Union, among others—formed a media strategies group, determined to overcome their opponents' pre-Webster head start in shaping the public dialogue. Radio and television commercials, full-page newspaper and magazine advertisements and press releases by mail, telephone and fax soon began flooding the media.

The campaign found a generally receptive audience.

As Loretta Ucelli, director of communications for the National Abortion Rights Action League (NARAL), puts it, "There was a dramatic shift in the coverage of this whole issue post-Webster."

The energizing of the abortion-rights movement had "a lot to do with it," Ucelli says. "We've been able to communicate our message and at least see it coming through in what we would deem to be the fair and appropriate form."

Eleanor Smeal, president of the Fund for a Feminist Majority, is somewhat less sanguine. She thinks the media "overstates the strength" of the anti-abortion movement and often accepts its arguments uncritically, and she is particularly distressed by "the failure of the media to put abortion in a broader, international perspective . . . to go beyond who won and lost and who hired what public relations firm and who spent what money."

But the criticisms of Smeal and others abortion-rights activists have been relatively mild since Webster, especially when compared with criticisms by abortion opponents.

Is that because abortion opponents are more passionate and committed than abortion-rights advocates? Or is it because they're less reasonable? Or more hostile to the press?

Or has there just been much less for abortion-rights advocates to complain about?

After all, legislation regulating abortion is almost invariably referred to as "hurting" poor women the most by making them travel to states where abortion is legal-a principal argument of abortion-rights advocates. But the media never say such legislation would "help" the fetuses of poor women the most, by enabling them to develop into live babies-a principal argument of abortion opponents.

Why? Because the media have generally, if implicitly, accepted the abortion-rights view that there is no human life to be "helped" before birth. That's why the media use the term "fetus" (the preferred term of abortion-right advocates), rather than "baby" or "unborn child" or "pre-born child" (as abortion opponents prefer). Editors say "fetus" is medically correct, value-free and non-emotional. A "fetus" does not become a "baby" until it's born.

All true. But, Willke says, "fetus" sounds like a "non-human glob," so it's easy to understand why abortion opponents complain that the consistent use of that word robs them of their most powerful image and argument. Moreover, to their growing chagrin, the media sometimes use "baby" when speaking of a fetus in a story that does not involve abortion.

Semantics . . . are the weapons with which this civil war is being fought." Ellen

Goodman wrote in her syndicated column last month, and nowhere have the semantic weapons of the abortion-rights advocates been more effective than in the seemingly simple but extremely volatile issue of the labels the news media apply to each side.

Abortion-rights advocates made a shrewd tactical decision last year to try to shift the terms of he debate "from the question of whose rights will prevail, the woman's or the fetus,' to who will decide, women or the government." in the words of Frances Kissing, executive director of Catholics for a Free Choice.

Kate Michelman, executive director of the National Abortion Rights Action League, concedes that the battle cry "women have a right to control their bodies" didn't gain the movement "a lot of sympathy."

"It was not enough of a moral response," she says. "It didn't have the same . . . impact that 'murder' and when life begins' had."

A new slogan, "Who decides?" emerged from focus groups when abortion-rights advocates discovered the essential contradictions that public opinion surveys have consistently shown: Most Americans think some restrictions should be placed on abortion. Most Americans think abortion is immoral. Many even consider it murder—48%, according to a 1989 New York Times/CBS News Poll, 57% according to a 1989 Los Angeles Times Poll. But most Americans also think the choice of whether to have an abortion should be made by the individual woman.

Thus, abortion-rights advocates would like to be known as "pro-choice."

But because abortion opponents think the real issue in the abortion debate is the life of the fetus, they would like to be known as "pro-life."

Traditionally, the media have called individuals and organizations by their chosen designation, whether it was "Negroes" wanting to be called "blacks." homosexuals wanting to be called "gays." or Cassius Clay wanting to be called Muhammad Ali.

So why not use both "pro-life" and "pro-choice?" That would be a balanced use of clear, simple terms that everyone recognizes and understands.

For a long time, most in the media bought at least half that argument.

They used "pro-choice."

But not "pro-life."

The Associated Press, the largest news agency in the Free World, still follows that policy. So do many other news organizations, large and small, print and broadcast.

"In January, we issued a policy directive on how we'd label groups in the paper," says Ed Petykiewicz, editor of the Ann Arbor News. "We use 'pro-choice advocates' and 'anti-abortion advocates.' The staff was instructed to avoid the use of pro-life.' "

Why?

We decided the issue was one of choice, not when life began," Petykiewicz says. "That's an issue yet to be decided. Accepting 'pro-life' is accepting their side of the argument."

But isn't using "pro-choice" accepting the other side of the argument, letting abortion advocates decide what the issue is, what the agenda is?

Many in the media have come to think so.

"To use the preferred terminology of one side and not the other . . . seems manifestly . . . unfair," says Cynthia Gorney, who writes about abortion for the Washington Post.

"Pro-life" is widely perceived as an emotionally loaded term that stacks the deck by implicitly suggesting the other side is "anti-life"—or "pro-death." So most in the media have long used the terms "opponents of abortion" or "anti-abortion" instead.

But "pro-choice" is also an emotionally loaded term that stacks the deck, as was demonstrated anew in a poll conducted last December by the Boston Globe and Boston television station WBZ. In that poll, 53% of the people surveyed said they would favor a constitutional amendment that would "guarantee a woman's right to have an abortion." When the word "choice" was inserted in an identical question ("Would you favor or oppose a constitutional amendment which would guarantee a woman's right to make a choice to have an abortion?"), the number saying they would favor such an amendment jumped to 63%.

"Choice," like "life," is a powerful, positive word, and the use of "pro-choice" is especially unfair, critics charge, when the other side is referred to as "anti-abortion."

Karen Tumulty, a Los Angeles Times reporter who covered abortion for most of 1989, filed a memo with her editors last fall making precisely that point.

"In making one side 'pro' and the other 'anti,' we inevitably cast one in a positive light and the other in a negative," Tumulty said.

On March 22, eight years after The Times decided that "pro-life" was an unacceptable term, Managing Editor George Cotliar issued a memo to the staff, declaring that " 'pro-choice' . . . will no longer be acceptable."

In the interest of bringing "greater precision and fairness to our coverage of an emotionally charged debate," Cotliar said, The Times would henceforth use such terms as "abortion-rights advocates" and "supporters of legal abortion"—as it already used "opponents of abortion" and "anti-abortion"—formulations that most reasonable people on both sides agree are fair.

This policy is similar to those previously enacted at the New York Times, Washington Post, Boston Globe, Philadelphia Inquirer, Omaha World-Herald and Milwaukee Journal, among others. The Journal's policy change last summer came amid a revealing newsroom contretemps.

Like most newspapers, The Journal had long used "pro-choice," without any complaint from the staff that it was unfair. But when Sig Gissler, editor of the Journal, wrote in a column that the paper would also begin using "pro-life," more than 80 reporters and editors petitioned him in protest before the column was even published.

Gissler spoke with several reporters and received memos from others. He considered their objections and revised his column—and the paper's policy. Both "pro-life" and "pro-choice" were now out. Mostly. Henceforth, the paper would "mainly use descriptive phrases such as 'anti-abortion groups' and 'abortion-rights advocates,' " he wrote. Although "pro-choice" and "pro-life" should be part of the "journalistic vocabulary," he said, "they should be used sparingly and generally should not appear in headlines."

Headlines are a special problem in matters like these. Headlines are necessarily short summaries, capsules. Short phrases like "pro-choice" and "pro-life" fit much more easily than do longer formulations like "abortion-rights advocates" or "abortion opponents." That's one reason the media often adopt such labels.

But headlines are a kind of journalistic shorthand that, if not written carefully, can oversimplify and even distort a sensitive, complex issue. Many editors responding to criticisms from readers often find that the complaint is not so much about the story, about what it said or where it was displayed, but about the headline.

But "pro-life" is even shorter than "pro-choice," and most newspapers have long banned "pro-life" from their pages, headlines and all.

The Chicago Tribune may be the only major newspaper that regularly uses "pro-life" (and "pro-choice"), and editors there are discussing a change too. Network television is also changing its abortion labels.

A study by the Center for Media and Public Affairs in Washington showed that during the first none months of 1989, the networks used "pro-choice" in 74% of their references to abortion-rights advocates and used "pro-life" in only 6% of their references to abortion opponents. But the executive producers for both the ABC and CBS evening news shows say they've switched to "abortion rights" and "anti-abortion" or similar phrasing; Tom Brokaw, anchor for "The NBC Nightly News," says his program is "moving toward" that formulation as well, prompted by questions from a Times reporter in the course of interviews for this story.

Follow-up studies done for The Times this spring by the Center for Media and Public Affairs and by the Media Research Center in suburban Washington confirm what the news executives say: The CBS and ABC evening news shows have largely abandoned "pro-choice," and NBC used it "only" about 30% of the time.

"Pro-choice" sometimes slips into some newspaper and television stories, though, despite these policies; "pro-life" rarely shows up.

Some network news programs, local television stations and daily newspapers have no policy on abortion labels and continue to pair "pro-choice" and "anti-abortion" predominantly, if not exclusively.

Neither Time nor Newsweek has a policy on abortion terminology either, and a wide variety of terms appear in both publications. But it's not unusual to find only "pro-choice" and "anti-abortion" or "abortion foe" in Newsweek, too, as was the case in at least four stories this year.

" 'Pro-life'—I don't know really what that means," says Alexis Gelber, editor of the National Affairs section of Newsweek. "Most people, I think, are in favor of life in its most general aspect."

"But "pro-choice" is "a little more explicit," she says.

There was a time when the word "abortion" was thought too explicit to be used in the media. As recently as 1952. The Los Angeles Times gave major display to a story about the death of a "wealthy and attractive woman" whose body was found "in a downtown area-way between garages. Police said she was the victim of an illegal operation."

"Illegal operation" was the euphemism of the day for abortion, and—ironically—some abortion-rights advocates today worry that the movement's insistence of the euphemistic "pro-choice" label could ultimately make it easier for society to make abortion illegal again.

The National NOW Times, official newspaper of the National Organization for Women, has argued that abortion-rights advocates who avoid the word "abortion" in favor of "pro-choice" risk contributing to the impression that "abortion is somehow morally wrong."

"How long and how hard do we believe people will fight for something they believe is inherently bad?" the paper asked.

Discussion about what labels the media use for the two sides in the abortion debate has become so heated in some quarters that at least three mainstream news organizations—The Los Angeles Times, Washington Post and Cable News Network—have done stories on it. But these labels are only one example of the implicit bias in the media's abortion terminology.

Abortion opponents are often described as "conservatives"; abortion-rights supporters are rarely labeled as "liberals." Abortion opponents are sometimes identified as Catholics (or fundamentalist Christians), even when their religion is not demonstrably relevant to a given story; abortion-rights advocates are rarely identified by religion. Abortion opponents are often described as "militant" or "strident"; such characterizations are seldom used to describe abortion-rights advocates, many of whom can also be militant or strident—or both.

In a story on the 16th anniversary of the U.S. Supreme Court's Roe vs. Wade decision, which legalized abortion, the Louisville Courier Journal described an anti-abortion rally at which clergyman "ranted" against the decision, in the same story, abortion-rights advocates were said to have "hailed" the importance of the decision.

The Associated Press, Washington Post, Boston Globe and Time magazine, among others, have referred to those who oppose abortion "even in cases of rape and incest" (circumstances under which most people approve of abortion). But the media almost never refer to those who favor abortion rights "even in the final weeks of pregnancy" (circumstances under which most people oppose abortion).

United Press International reported last year on a poll that showed a minority of all Americans take absolutist positions on abortion. The story said "only" 18% believed abortion should always be illegal. But there was no "only" before the 27% who said abortion should always be legal.

Newsweek said last summer that under new abortion regulations, "Many women will be forced to seek out-of-state abortions—incurring travel expenses and losing time and income in the process." But abortion opponents argue that no one is "forced" to have an abortion and that Newsweek's statement is tantamount to saying that if guns were outlawed. "Many murderers would be "forced to use knives."

Some new organizations routinely say that polls show that "most" Americans favor abortion. But what the polls really show is that Americans are enormously ambivalent about abortion, their answers depending on precisely how the question is phrased. Indeed, as Charlotte Taft, director of a women's health clinic in Dallas, said last year. "Americans favor abortion only in the case of rape, incest and their own personal circumstances."

Abortion opponents say the media's mischaracterization of everything from scientific developments to Supreme Court decisions further undermines their cause.

Mary Ann Glendon, a Harvard law professor and abortion opponent who has written a book on abortion, says, for example, that the media's repeated mischaracterizations of the U.S. Supreme Court's 1973 Roe vs. Wade decision have helped undermine efforts to have the effects of Roe reversed.

When the Supreme Court issued Roe, initial news account emphasized the part of the ruling that said a women would be allowed to have an abortion without restriction during the first three months of pregnancy, when more than 90% of the country's 1.6 million annual abortions are done, according to the Alan Guttmacher Institute, a special affiliate of Planned Parent-hood that does research on abortion and family planning.

Even now, 17 years later, some in the media write about Roe in terms that suggest it legalized abortion only during that first trimester; the New York Times, Los Angeles Times, Milwaukee Journal and Louisville Courier-Journal, among others have all mischaracterized Roe that way within the last year (although they have also characterized the decision correctly at times).

But the Supreme Court actually said a woman would have an abortion even in the last three months of pregnancy if that were necessary for "the preservation of . . . [her] life or health." Although only one one-hundredth of 1% of all abortions (about 100 a year) are done after 24 weeks of pregnancy, one-half of 1% (about 8,000) are done after 21 weeks and almost 9% (142,000, or almost 400 a day) are done after 12 weeks, according to the Guttmacher Institute.

Although that's still a very small percentage of the total number of abortions done, abortion opponents think support for legal abortion would be diminished if people knew Roe made that many abortions possible. And they don't think it's pure coincidence that such mischaracterizations in the media almost invariably seem to favor advocates of abortion rights.

Even some abortion-rights advocates (and some journalists) agree.

"My sense is that the pro-choice side is . . . generally covered in a favorable way," says Frances Kissling of Catholics for a Free Choice.

Lisa Myers, who covers abortion for NBC, says some complaints of media bias by anti-abortion groups are "excessive," but "I do believe that some of the stories I have read or seen have almost seemed like cheerleading for the pro-choice side."

News media executives resent these charges.

"We're keenly conscious of how touchy this issue is," says Tom Bettag, executive producer of "The CBS Evening News." "I think we make a real effort to be evenhanded. . . ."

Many journalists say they've taken special care to be impartial in their abortion reporting precisely because they realize that abortion opponents think the media is biased against them.

"I have my guard up all the time. I realized how easy it was to write a story in a way that would be perceived as partisan . . . ," says Eileen McNamara, who spent most of 1989 writing about abortion for the Boston Globe.

Reasonable critics of the media generally concede that most journalists try to be evenhanded. Most reporters—and most editors and television anchors and news directors—are conscientious professionals who struggle diligently (and usually successfully) to prevent their personal views from unfairly influencing their coverage.

Some may "bend over so far backwards to avoid letting their personal views color what they write" that they risk being unfair to the side they personally favor, says Soma Golden, national editor of the New York Times.

A few editors have created abortion "beats" at their newspapers, assigning one reporter to write about the subject full-time, specifically so that they can get to know the issues and individuals involved and provide coverage that is broad, informed and fair.

Nancy Myers, director of communications for the National Right to Life Committee, says she doesn't expect reporters to be totally objective about abortion because "anyone who spends any amount of time on abortion and professes to be undecided or impartial is either stupid or intellectually dishonest."

What Myers does want—and what she and others in her movement say they too seldom see—are reporters who are fair, who "recognize the validity of both sides of the debate and . . convey the many facts and arguments to readers."

Editors insist that is exactly what their reporters do.

"We've made an awfully big effort to be balanced, and I just don't see a pro-choice bias," says Jack Fuller, editor of the Chicago Tribune.

Fuller says he's not "blinded by a pro-choice bias" himself, since he personally favors some restriction on abortion. But he says he doubts that abortion opponents would be satisfied with fairness.

They don't want fairness. Fuller says. "They want support."

Abortion opponents deny this. But they are clearly worried that what they see as media "support" for the other side could ultimately have an enormous impact on both individual belief and the political process.

In his book "The Press and Abortion, 1838-1988," Marvin Olasky argues that aggressive news coverage of "abortion mills," combined with crusading, anti-abortion editorials—especially in The New York Times—"probably contributed to the general tightening of abortion laws throughout the United States in the 1870s." Abortion opponents worry that media "support" of abortion rights now could prevent them from again tightening those laws.

Abortion opponents, like abortion-rights advocates and activists in other emotional causes, have their own agenda, of course, and they're not the most impartial judges of media performance.

"I'm not logical on this; I'm very biased," concedes Susan Carpenter-McMillan, media spokesperson for the Right to Life League of Southern California.

Indeed, a persuasive case can be made that abortion opponents received more favorable coverage than did abortion advocates, at least on television, from 1973, when the Supreme Court legalized abortion in Roe vs. Wade, until early 1989, shortly before the court was scheduled to hear the Webster case, which the government was using in an attempt to overturn Roe vs. Wade.

Because abortion was legal and under no imminent threat during those years, the abortion-rights movement was essentially dormant. But opponents of abortion aggressively sought political and legal redress of their grievances, and the media covered their efforts, especially in election campaigns.

Network news in particular "paid it more attention and, in so doing, took a decided tilt to their side," TV Guide concluded after an examination of evening news programs from January 1983 to 1985.

"Everything [during that period] was biased on our side," one outspoken opponent of abortion conceded at the time.

That was before the Webster decision.

Times have clearly changed since then.

[From the Los Angeles Times, July 2, 1990]

ABORTION FOES STEREOTYPED, SOME IN THE MEDIA BELIEVE

(By David Shaw)

When abortion opponents picketed Turner Broadcasting System last summer to protest the showing of a film promoting abortion rights, TBS Chairman Ted Turner called the demonstrators "bozos" and "idiots."

Many in the anti-abortion movement say Turner was simply giving public voice to what many in the media privately think of their movement.

Some reporters agree.

Journalists tend to regard opponents of abortion as "religious fanatics" and "bug-eyed zealots," says Ethan Bronner, legal affairs reporter for the Boston Globe, who spent much of last year writing about abortion.

"Opposing abortion, in the eyes of most journalists . . . is not a legitimate, civilized position in our society," Bronner says.

Many journalists vigorously deny having this view.

"There's a certain amount of newsroom debate about abortion," says Eugene Roberts, executive editor of the Philadelphia Inquirer, "and my general impression is that . . . there's a good deal of respect for both sides."

Tom Bettag, executive producer of "The CBS Evening News," says CBS has "a large number of people . . . who feel very strongly on both sides" of the abortion issue and "that helps us cover it fairly. If we slip, someone inside tells us, 'Hey that's loaded.' It's a very constructive, worthwhile debate, a very creative process of each side trying to check the other and report this in as open-minded a way as you can."

But several reporters who have written a lot about abortion agree with Bronner.

Cynthia Gorney, who covers abortion for the Washington Post, says she's troubled by the media's tendency to portray the anti-abortion movement as "dominated by religious crazies" and to "ignore what I think are the very understandable and reasoned arguments that are put forth by the pro-life side."

Susan Okie, medical reporter for the Post, says she herself "had a sort of mental image of the anti-abortion groups as all being extremists" before she began writing much about them.

But Bronner, Gorney and Okie have covered abortion extensively, and they've come to realize that there are intelligent, rational, sincere people on both sides of what is an extraordinarily complex issue. Few big-city reporters—or editors, television anchors or news directors—have the opportunity that these three have had, though. Abortion is but one of many subjects they deal with every day, and because most of their colleagues, associates and friends generally share their support for abortion rights, it may be inevitable that they have a skewed view of abortion opponents.

"Reporters often say to me, 'Gee, you're reasonable, as if all pro-life people are unreasonable," says Mirianne Rea-Luthin, president of the Value of Life Committee of Boston.

Reporters even try to perpetuate that sterotype, Rea-Luthin says, by asking her to "make sure you look angry" when she's being interviewed on television.

Abortion opponents say the media further stereotype them, not only as fanatics but as almost exclusively conservatives.

David Shribman of the Wall Street Journal, who has spent about 40% of his time writing about abortion over the past year, says the media is mistaken in perpetuating this stereotype. The anti-abortion movement is actually "one of the broadest political coalitions in American history," Shribman wrote on Page 1 of the Wall Street Journal last summer.

Shribman pointed out that the movement includes feminists, opponents of the death penalty and people opposed to U.S. military involvement in Central America—all positions customarily associated with liberals.

Journalists insist they try to be fair to both sides, no matter how they feel about the people they cover. Much of the time, they are fair. In recent months in particular, abortion coverage has often been more evenhanded. Some news organizations have even tried, on occasion, to provide explicit balance in their coverage by selecting one aspect of the abortion controversy and providing opposing viewpoints and experiences on a given day.

The Philadelphia Inquirer did that after the U.S. Supreme Court issued its Webster decision a year ago Tuesday, giving states more latitude in regulating abortion. The Inquirer published stories on Page 1 about activities at the offices of Minnesota Citizens Concerned for Life and at the National Abortion Rights Action League in Washington.

The Los Angeles Times has several times done something similar.

Twice last year, The Times published stories on women who had had abortions, and in each story, one woman told of deeply regretting her act while the other defended hers. The Times also published same-day stories on a women's health center where abortions are performed and on a crisis pregnancy center where women are encouraged to "deliver babies rather than seek abortions." On two other occasions, The Times has paired opposing abortion viewpoints on its opinion pages.

Attempts to provide balanced abortion coverage sometimes backfire, though.

Early this year, concerned that The Times might have paid more attention to abortion-rights advocates than to abortion opponents, editors assigned a profile of Susan Carpenter-McMillan, whom the resultant story described as the "rich, crisp, stylish, sometimes sarcastic and always emotional media representative for the Right to Life League of Southern California."

But in the course of his reporting on McMillan, reporter Paul Dean learned that she had had an abortion herself 20 years earlier, long before she began to oppose abortion. McMillan had kept the abortion secret from most of her family, friends and colleagues, and when Dean wrote about it, she was enraged.

Given McMillan's public stance on abortion, the information was clearly relevant to the story. But the controversy it engendered demonstrated anew what a minefield the abortion subject has become for the media.

Indeed, the earnest intentions of most journalists notwithstanding, an examination of media coverage of abortion over the past 18 months suggests there is often an implicit bias against abortion opponents, and some of that bias may stem from the media's stereo-typical view of those activists.

This may help explain, for example, why reporters looking for abortion opponents to interview, especially on television, sometimes choose people who take extreme positions, while quoting and interviewing abortion-rights advocates who invariably seem reasonable and reputable.

"The media [are] determined to get people who are inflammatory, who call their opponents 'baby-killers'," says Frederica Mathewes-Green, vice president of Feminists for Life.

But journalists say they interview the people they find the most relevant, articulate, available and outspoken on a given story, and at least one abortion opponent and media critic agrees with at least part of that explanation.

L. Brent Bozell III, chairman of the Media Research Center, a conservative media monitoring agency just outside Washington, says he doesn't think the media's choice of abortion opponents necessarily reflects the "pro-abortion bias" to which he thinks the media generally succumb.

"It has nothing to do with agenda," he says. "I think it has everything to do with . . . journalism. The raunchier the quote, the better it is; the more fire and brimstone, the better the story comes out."

Television news executives deny being either biased or sensationalistic.

"We . . . bend over backward . . . to make sure that we don't go for the crazy on any particular issue," says Paul Friedman, executive producer of ABC's "World News Tonight." "One of the problems we sometimes have on that side of the issue is avoiding the people who will do damage to their cause because they're so extreme and so almost incoherent on the subject."

John Willke, president of the National Right to Life Committee, the largest anti-abortion organization in the nation, is probably the most frequent spokesmen for abortion opponents, and he is no extremist. As the Washington Post Magazine said in a cover story on him in April, "he clearly takes some pleasure in the country doctor aura and assumes in conversation a sort of kindly formality. . . . He does not inspire people to passion, or to civil disobedience."

But, like activists for any cause, many other abortion opponents are belligerent, even fanatical, and Susan Smith, the committee's associate legislative director, says bias—intentional or not—is the only way to explain why some in the media interview them instead.

Judie Brown, president of the American Life League, who opposes contraception and who says, "I've been described as a religious fanatic . . . which I don't really mind," has often been chosen to represent the anti-abortion side, rather than someone from Willke's organization, which takes no position on contraception.

Randall Terry, a born-again Christian who likes to brandish a dead fetus in a tiny coffin and who founded Operation Rescue, which tries to blockade abortion clinics, is another frequent television guest.

But the abortion-rights position is often represented—and sometimes paired on television with either Terry or Brown—by Faye Wattleton, the calm, attractive president of Planned Parenthood of America. In fact, when abortion opponents complain about bias against them, they angrily point to the descriptions of Wattleton and Terry in the media.

Time Magazine headlined its profile of Wattleton last December "Nothing Less Than Perfect" and said she was "self-possessed, imperturbable, smoothly articulate," "imperially slim and sleekly dressed . . . a stunning refutation of the cliche of the dowdy feminist."

The New York Times Magazine put Wattleton on the cover last summer and described her as "relentlessly high-minded," "telegenic," immaculately tailored," "a striking six-footer with an aristocratic bearing," "a tough, shrewd operator" and said, "Calmly, rationally, every hair in place, she will lead the faithful into battle. . . ."

But Terry is almost always described as "a former used car salesman"; the Associated Press, New York Times, Los Angeles Times, Washington Post and Newsweek, among many others, have all referred to him that way.

The phrase suggests something "a little unscrupulous . . . not quite trustworthy," says Eileen McNamara, who spent virtually all of 1989 covering abortion for the Boston Globe.

McNamara, who admits having used the "used car dealer" phrase herself in one story, says most reporters "try to be fair," but most support abortion rights, and "I think we were delighted to find out that he sold used cars."

Critics say the media's bias against abortion opponents is evident not only in the stature and characterization of the people they choose to interview but in their failure to identify some sources as proponents of abortion rights, thus leaving readers and viewers with the mistaken impression that the sources are impartial.

The Alan Guttmacher Institute in New York is probably the single-most widely quoted source for studies and statistics on abortion, for example, but except for the Washington Post the media rarely point out that the institute is special affiliate of Planned Parenthood of America, a major leader in the battle for abortion rights.

Even in the matter of numbers of sources quoted, the media often favor the abortion-rights side.

Counting the number of people quoted in a given story—or the number of inches or the number of photos used, as abortion opponents often do—is not necessarily the best way to evaluate fairness, of course.

As Sig Gissler, editor of the Milwaukee Journal, says: "It's hard to be balanced, especially in a given story. There are a lot of subtle factors," including deadlines, the availability of sources and "what else is in the news that day." What a good news organization tries for, Gissler and others say, is "balance over time."

But over time—the first eight months of last year—the New York Times, Washington Post and three network evening news shows combined quoted abortion-rights activists 60 percent more often than activists opposed to abortion, according to a study by the Center for Media and Public Affairs in Washington.

Kate Michelman, head of the National Abortion Rights Action League, and Molly Yard, head of the National Organization for Women, were quoted 76 times during this study period. Willke and Terry, the two most frequently quoted anti-abortion activites, were quoted 26 times. (President Bush, who also opposes abortion, was quoted 22 times.)

Sometimes, the media don't quote anyone on the anti-abortion side.

When the U.S. Court of Appeals in Washington ruled in April that a pregnant woman may refuse medical treatment even if that jeopardizes the survival of her fetus, the Los Angeles Times and New York Times each quoted a source praising the decision but no one critical of it. When the Louisville Courier Journal published a story on a Kentucky law requiring minors to get their parents' consent for abortions, it quoted several sources critical of the "extremely burdensome" nature of the law but quoted no one who favored the law.

Abortion opponents insist that this failure to give them "fair representation" is typical of the "double standard" the media apply to the abortion debate.

The media is generally careful, for example, to include comments from abortion-rights advocates in stories about abortion protests, but coverage of abortion-rights activities sometimes fail to include balancing comments for abortion opponents.

Moreover, the media rarely illustrate stories on abortion with photographs of aborted fetuses—or even, generally, of developing fetuses—claiming that to do so would be in bad taste and might offend readers. But no such concern inhibits the media from showing photos of starving, tragically bloated children in Ethiopia.

Nowhere is the media's "double standard" more true, critics say, than in the treatment given Operation Rescue and other aggressive abortion protesters, on the news pages and the editorial pages alike.

Abortion opponents realize that newspapers have the right to express their opinions on their editorial page and that, in most newspapers, that opinion favors abortion rights. But they don't think most papers apply the same standard to them as they do to others involved in public controversies.

Abortion protesters say they have been the victims of police brutality, overzealous prosecution and the misapplication of a federal statute designed to fight organized crime, and the media have largely failed to defend or even question the civil liberties implications of these actions.

"These are the kinds of issues that the media would normally make a big stink out of," says Wendy Wright, communications director for Operation Rescue. "But they don't stand with us on abortion so they ignore what's being done to us."

Or, as Wright's boss, Randall Terry, likes to say: "Most of the secular media has become the lap dog, the ideological slave of the death industry. The fervor of their commitment to abortion makes them willingly blind to the abuses and injustice that we have faced."

When the federal government used the RICO act—officially, the Racketeer-Influenced and Corrupt Organizations Act—against white collar criminals on Wall Street, major editorial pages questioned whether this was an appropriate use of a statute originally designed to fight the Mafia and other "scurvy hoodlums," in the words of the New York Times. A Los Angeles Times editorial said flatly that the RICO act was "out of control and ought to be repealed."

But the RICO act is also being invoked in civil suits against Operation Rescue (and other abortion protesters), and while the Philadelphia Inquirer, Wall Street Journal and a half-dozen or so medium-sized newspapers have editorialized against this, most of the major papers—the New York Times, Los Angeles Times, Boston Globe, Chicago Tribune—have ignored it. (The Washington Post included a paragraph critical of this application of the RICO act near the bottom of an editorial praising court action against Operation Rescue in a non-RICO case).

Editorial page editors deny that bias against the anti-abortion movement has influenced their policies.

Jack Rosenthal, editor of the editorial page of the New York Times, says he didn't even know RICO was being used against abortion protesters until told of it in the course of an interview for this story. Thomas Plate, editor of the editorial page of the Los Angeles Times, said the absence of any RICO/abortion cases in Los Angeles was largely responsible for his paper not having commented on the issue. The Los Angeles Times did include a sentence in an editorial last year saying that charging Terry with conspiracy in a non-RICO, Los Angeles case was "an excessive restriction on free speech."

But the Los Angeles Times publishes many editorials on subjects with no immediate local connection, and newspapers in Phoenix, Lexington, Richmond, St. Louis and St. Paul—all far more locally oriented than The Times—have editorialized vigorously on the use of the RICO act against abortion protesters, focusing primarily on a case in Philadelphia.

While supporting conviction of the protesters for trespass and disorderly conduct, these papers editorialized that using the RICO act against them was an inappropriate restriction of legitimate political protest—"unfair," "unreasonable," "outrageous," "an abomination."

Newspapers have generally covered the various court decisions involving RICO and Operation Rescue in their news pages, but there have been few examinations of the civil rights threat that some say this use of the statute poses. The Wall Street Journal published such a story in May, but most other RICO stories have emphasized its use in white-collar crime cases.

Similarly, there have been major media stories asking if the government, in its zeal to prosecute drug traffickers, is using "measures that may erode basic rights" of the accused, as a Page 1 story in the New York Times put it last October. But there have been few stories raising questions about the erosion of basic rights by the "police brutality" that Operation Rescue activists have alleged in dozens of cities, not even after Congress enacted a law last year banning the allocation of certain federal grants to cities that fail to prevent such "excessive force."

The Los Angeles Times has written two long stories this year—one on Page 1—about the special weapon (a nunchaku) and special "pain-compliance" techniques—the infliction of pain to force protesters to follow orders—the police have used in these cases, and the Chicago Tribune published a similar story last year. But apart from an Op-Ed page column in the Wall Street Journal, the subject has been largely ignored by the national media.

Nor has there been a flood of outrage on the nation's editorial pages, as there was when civil rights activists here and anti-apartheid activists in South Africa accused police of brutality.

Most major editorial pages were equally silent when the U.S. Supreme Court earlier this year refused to grant a stay against an injunction prohibiting Operation Resuce from demonstrating at abortion clinics in Atlanta. Columnist James Kilpatrick, who praised another court decision unfavorable to Operation Rescue activities, criticized the Atlanta decision as an unconstitutional prior restraint on speech.

"Something is grossly wrong," Kilpatrick wrote, "when the courts tell freeborn Americans that they may not speak before they have spoken." A few other columnists—Nat

Hentoff, Charles Krauthammer, Mark Shields, Fred Barnes—have criticized the treatment of abortion protesters, but most commentators and editorial writers have been largely silent on civil liberties issues involving abortion protesters.

It can be aruged, of course, that the intimidating tactics used by Operation Rescue "traduce any kind of civility and go beyond the limits of reasonable discourse," in the words of Jack Rosenthal of the New York Times.

Although Operation Rescue says police are responsible for the violence at their protests, the courts haven't necessarily agreed. But many Operation Resuce protests are not violent, and while they certainly could not be described as genteel, many civil rights and anti-war protests weren't genteel in the 1960s and 1970s, and the media covered these activities heavily and often defended the First Amendment rights of those involved.

Coverage of abortion protesters' problems has been so slight that both Rosenthal and Meg Greenfield, editor of the editorial page of the Washington Post, said they had never heard of the "pain-compliance" practices and resultant charges of police brutality by Operation Rescue.

Rosenthal and Greenfield said they try to give anti-abortion forces the same respect and attention they give abortion-rights advocates, but Greenfield conceded that, in general, "I can't say it would astonish me to learn there's a double standard in writing about them".

Abortion opponents say the media's First Amendment "double standard" goes beyond their treatment of Operation Rescue and others who try to blockade abortion clinics.

When Roman Catholic bishops individually spoke out on abortion or, collectively, hired a public relations firm to aid them in the battle against abortion, some in the media grumbled about the church's intrusion into the political arena. Similar media lamentations were forthcoming when bishops criticized (and raised the specter of excommunication for) public officials who refuse to oppose abortion. But no such criticism was levied at the bishops in earlier years, when they endorsed a nuclear freeze or opposed Reagan Administration economic policies. In fact, newspapers generally praised religious leaders who actively participated in the civil rights movement in the 1960s.

It can be argued that the bishops' decision to hire a public relations firm to help in the battle against abortion is a secular step beyond anything clergymen did in the 1960s, but that step alone seems insufficient to justify a media turnabout like that noted by columnist Mark Shields.

In 1962, Shields points out, a New York Times editorial expressed admiration for the "unwavering courage" of the archbishop of New Orleans when he excommunicated a Louisiana political boss and white supremacist who had "publicly opposed the archbishop's authority in desegregating diocesan schools." But in 1989, when Bishop Leo Maher publicly denied Communion to Lucy Killea for supporting abortion rights in her campaign for the California State Senate a New York Times editorial accused him of threatening "the truce of tolerance by which Americans maintain civilty and enlarge religious liberty."

Rosenthal insists the two situations are not analogous, but others disagree.

Media treatment of the bishops—and of police and RICO actions against abortion protesters—raise a "legitimate question," says reporter Barbara Brotman of the Chicago Tribune. Had organizations other than abortion opponents been involved, "I think there might have been more of an outcry," she says.

But abortion opponents say the media often ignores—or are very late in covering—many issues and events that would receive thorough coverage if abortion-rights advocates or other liberal activist were involved.

When the National Organization for Women had its annual convention in San Francisco last week, the Los Angeles Times sent a reporter to cover it and made it the lead story in today's View section. But when the National Right to Life Committee had its annual convention in Sacramento last month, not a word about it appeared in The Times.

Nor did The Times—or most of the other major media—pay much attention to the discovery by Bob Woodward of the Washington Post last year that two justices who had played a major role in the 1973 Roe v. Wade decision legalizing abortion had conceded, in private memos, that they knew they were "legislating policy and exceeding [the court's] authority as the interpreter, not the maker of law," as Woodward wrote.

Abortion opponents had long made this very criticism of the Roe decision, and they are convinced that if a reporter of Woodward's stature had discovered private memos showing, say, that justices knew they were "exceeding the court's authority" in last year's Webster decision, the media would have swarmed all over the story. But except for a brief mention in Newsweek three months later, no major national media seem to have picked up Woodward's story.

Why not?

"There are more people in the news media than not who agree with the [Roe] abortion decision and don't want to look at how the sausage was made," Woodward says.

[From the Los Angeles Times, July 3, 1990]

"RALLY FOR LIFE" COVERAGE SPARKS AN EDITOR'S ANGER

(By David Shaw)

The Washington Post is "institutionally 'pro-choice,'" the Post's ombudsman, Richard Harwood, wrote in March. "Any reader of the paper's editorials and home-grown columnists is aware of that."

But "close textual analysis probably would reveal that, all things considered, our news coverage has favored the 'pro-choice' side," too, Harwood conceded.

Leonard Downie, managing editor of the Post, denies this. The Post, he says, has been "unusually conscious of trying to present both sides all the time" on abortion, and it has generally succeeded.

But a month after Harwood's column was published, the Post provided its many anti-abortion critics with a classic case study of just what Harwood was talking about—a case so striking that no "close textual analysis" was needed, a case that made Downie himself angrily question his staff and wonder aloud "if we have our antennae raised as high" for the anti-abortion side of the argument as for the abortion-rights side.

The event that triggered Downie's anger was the Post's coverage of a massive "Rally for Life" April 28 at the Washington Monument. The rally, sponsored by the National Right to Life Committee, was intended as both a demonstration of the strength of the anti-abortion movement and as a response to the enormously successful pro-abortion-rights rally in Washington in April, 1989.

Abortion protesters insisted that the Post (and other media) greatly understated the turnout for the rally, but such charges are common when the media cover virtually any political demonstration. Far more important, critics complained—and the Post conceded—the paper vastly underplayed the rally, "trivialized" it, as Harwood later wrote.

The rally was the lead story on the ABC, CBS and NBC evenings' news programs that day, and it was at the top of Page 1 in the New York Times, Los Angeles Times, Boston Globe and several other major papers. The New York Times publishd three separate stories on the rally.

But the Post consigned the rally to its Metro section and covered it with just one, relatively short story—less than half the length of the primary New York Times story.

Rally sponsors were outraged. They have long accused the Post of being biased against their cause, and they seized on this coverage as proof they were right. After all, when abortion-rights forces rallied in Washington a year earlier, the Post gave it extraordinary coverage, beginning with five stories in the five days leading up to the event, including a 6,550-word cover story in the paper's magazine on the abortion battle the day of the event. The Post even published a map, showing the march route, road closings, parking, subway, lost and found and first-aid information.

The day after the abortion-rights march, the Post published five more stories covering the march, including one—accompanied by three pictures—that dominated Page 1. The march stories that day alone totaled more than 7,000 words and filled the equivalent of three full pages, including most of the front page of the paper's Style section.

There is no question that the 1989 abortion-rights march was a more newsworthy event than the 1990 "Rally for Life." The abortion-rights march was the first sizable demonstration of that movement's strength after years of dormancy and, more important, it took place less than three weeks before the U.S. Supreme Court was scheduled to begin consideration of the landmark Webster case. The Bush Administration was using that case to try to overturn Roe vs. Wade, the 1973 case in which the court legalized abortion. Against that backdrop, it was no surprise that the Post (and other major media) gave the march extensive coverage. (The court ultimately, one year ago today, narrowed Roe by granting individual states more latitude in regulating abortion.)

But no one gave the abortion-rights march as much coverage as did the Post, and when the Post gave this year's "Rally for Life" only a tiny fraction of that coverage—and not even a map before hand—the fury of the anti-abortion movement was understandable.

At least one man at the Post shared the anti-abortionists' anger: Managing Editor Downie.

"I really took them [the paper's metropolitan editors] to the woodshed," he says.

Although political demonstrations in Washington are routinely covered in the Post's Metro section, the editors should have realized that an event this big deserved more prominent play, Downie said. When he saw the story on the Saturday rally in the Sunday paper, he says, he was so upset

he called the paper's Metro desk from home "to see what we could do to recoup."

Two reporters put together a story for the next day's paper on the political implications of the huge rally.

When Downie called in again, later that Sunday, and was told that story was not scheduled for Page 1 either, he insisted the page be redrawn to include it.

"We are embarrassed [by the first story] on Sunday," Downie says. "If some people see that [the second story] as a correction, so be it."

The next day, Monday, during a regularly scheduled meeting with 30 top editors at the paper, Downie inquired further about how the Post had erred in its original rally coverage.

"I said that when the abortion-rights people had their rally last April, we all got quite energized," he says. "We heard about it from our friends and colleagues."

But Post reporters and editors—like most journalists in other big-city news organizations—don't seem to have many friends or colleagues who oppose abortion. So they weren't aware of the magnitude of the "Rally for Life," even though various low-level people on the Metro desk had been alerted to it three times in the course of the week by Dan Balz, a national political reporter who spent about half his time in the past year writing about abortion and politics before transferring to the White House beat last month.

Downie says the event was never mentioned in any of three planning meetings that week, though, and Fred Barbash, deputy metropolitan editor in charge of coverage the day of the rally, says there were "a lot of other major local stories coming together . . . and I just didn't devote the appropriate amount of timt to the . . . [rally] story."

Downie "questioned the people on Metro," and says he's convinced that personal feelings about abortion didn't influence their decisions on rally coverage.

"They were just tired of demonstrations," he says.

But a week earlier, the Post had mustered sufficient energy and resources to provide prodigious coverage of another demonstration—"Earth Day 1990"—starting with a story and photo that filled more than a third of Page 1 and including four more stories, 11 more photos and an "Earth Day" concert review, all of which filled one full page and parts of five others, among them the top of the first page of the widely read Style section.

Six weeks later, the Post devoted 50% more space to an animal-rights march than it had to the "Rally for Life."

The Post's treatment of the "Rally for Life" was "embarrassing," the paper's ombudsman subsequently wrote, and Downie himself says, "I am concerned about whether we are paying enough atttention to the other side of the [abortion] argument."

Downie includes himself in that criticism.

"People as high as me should have been aware of what was happening," he says.

The Post wasn't the only publication to give substantially less prominence to the "Rally for Life" than it had given to the abortion-rights march a year earlier, however.

The Chicago Tribune, which covered the abortion-rights rally on Page 1 (and followed up with a lengthy, well-displayed feature story several days later), published only one short story, on Page 3, about the "Rally for Life."

"We made a mistake," says Jack Fuller, editor of the Tribune, "We underplayed the story."

Several smaller publications that gave prominent display to the 1989 abortion-rights march also played down the "Rally for Life."

Other newspaper, from Fresno to Bergen County, N.J. have demonstrated a comparable imbalance on other anti-abortion rallies in recent years, but editors at all these papers insist that it was not bias but inattention or poor news judgment under deadline pressure that explains their coverage.

When readers of the Bergen Record complained about inadequate coverage of an earlier "March for Life," Editor David Hall published an editor's note conceding. "Your complaints are justified." He went on to explain how the Record had determined its coverage of the event and insisted, "We strive for fairness and balance."

Editors say the same thing about their coverage of abortion and the political process, but abortion opponents have been even more critical of this coverage than of coverage of their demonstrations—and some journalists and abortion-rights supporters say their criticism is not without foundation.

"In a political context, the ground has shifted toward pro-choice," says Dan Balz of the Post, but both he and Hal Bruno, political director for ABC News, say that there is some justification for the complaint that the media have given more credit to abortion-rights victories at the polls than to anti-abortion victories.

Reporters try hard to be fair—and to keep their organization's overall coverage fair—Balz says, but, "There have been times when I have felt that pro-choice organizations have easier access, that their . . . spin gets somewhat greater credibility than the spin from the pro-life community and that it sometimes does affect the sensibilities of coverage."

Despite recent improvements in abortion coverage, Douglas Bailey says much the same thing.

"When pro-choice candidates win, it is perhaps more easily accepted than it should be that their pro-choice position was the reason, and when pro-life candidates win, perhaps it is more easily accepted [than it should be] that that was really irrelevant to the race," says Bailey, an abortion-rights supporter who publishes the nonpartisan "Abortion Report," a daily compendium of news on abortion and politics.

Bailey says it's probably easier for the pro-choice side to get * * * press attention to specific elections . . . where pro-choice candidates have won" than it is for anti-abortion candidates.

The greater sophistication of many pro-choice organizations in their dealings with the press may help explain that, Bailey says. But he and others suggest that a subconscious bias—an unwitting double standard—may also be at play.

When attempts to enact laws regulating abortion failed to get out of committee in the Florida Legislature last October, for example, the media covered the story heavily. ABC and NBC made it the lead story of their evening news programs. The New York Times made it the lead story on Page 1. The Los Angeles Times and Washington Post also put the story on Page 1. The Chicago Tribune put it on Page 2. Many of other newspapers and the networks' morning news programs also gave the story big play.

But two weeks later, when the Pennsylvania Legislature enacted the strictest abortion law in the country, media attention was considerably more muted.

Both the New York Times and Los Angeles Times put it on Page 1—albeit less prominently than the Florida story—but the Washington Post relegated it to Page 7 (with a story less than half as long as its Florida story), the Chicago Tribune put it on Page 12 (with a story less than half as long as its Florida story), and many other newspapers gave it even less attention.

But the Florida/Pennsylvania disparity was most noticeable on television. NBC didn't cover it at all until the next day, when it was mentioned in a single sentence during a story on the failure of the U.S. House of Representatives to override President Bush's veto of Medicaid funding for abortion.

Tom Brokaw, anchor for the "NBC Nightly News," says Florida received so much attention because it was the first state to try to enact abortion laws after the Webster decision. There was doubt about whether any laws would be passed, and the media—having played up that suspense—"had to deal with the outcome," Brokaw says.

In Pennsylvania, there was no doubt the law would pass, and the media said so in covering the story a week before the vote. That made the vote itself less newsworthy.

Still, Pennsylvania was a victory in a major urban state for opponents of abortion, and they think the disparity between the coverage they received and that given to their defeat in Florida was unfair. ABC's Bruno agrees.

Pennsylvania provided a second political battleground for abortion last month, and abortion opponents thought media coverage of that was unfair too.

Pennsylvania Gov. Robert Casey, who signed the state's new abortion law, won the Democratic nomination; state Auditor Barbara Hafer, an advocate of abortion rights, won the Republican nomination. Both ran against candidates who opposed their views—Casey against Philip Berg, Hafer against Margeurite (Peg) Lusek.

"Both Berg and Lusek were running underfunded, single-issue, protest campaigns," says Nancy Myers, director of communications for the National Right to Life Committee, "Berg, the pro-abortion candidate, got only 23% of the vote. Peg, the pro-life candidate got 46%. But most of the major media basically ignored Peg and how well we did."

Myers is right.

Casey, as the incumbent, was expected to win easily but not necessarily overwhelmingly. The Chicago Tribune said two days before the election that Casey's margin of victory "may be narrow," and the Philadelphia Inquirer said estimates that Berg would receive "only 25%" of the vote "may underestimate the number of Democrats who favor abortion rights."

But when Casey won his smashing victory, no major paper except the Inquirer, for which it was big local news, put the story on Page 1; it was on Page 14 of the Los Angeles Times and Page 25 of the New York Times. Only the Washington Post noted the "significant embarrassment." Hafer suffered and said abortion-rights advocates "lost badly" in the election.

Nor did the national press pay much attention to the victory of several abortion opponents in the state's legislative races, not even that of Stephen Freind, author of Pennsylvania's new abortion law and one of nine politicians in the nation specially tar-

geted for defeat by the National Abortion Rights Action League (NARAL).

What infuriates abortion opponents about his coverage is that, since the Webster decision, the national media have covered heavily several elections in which candidates supporting abortion rights won, among them James J. Florio in the gubernatorial race in the New Jersey; Don Avenson in the Democratic gubernatorial primary in Iowa; Rosemary Mulligan in the House of Representatives in Illinois, and, in California, Lucy Killea in the state Senate and Tricia Hunger in the state Assembly.

All these candidates defeated anti-abortion opponents, and in all cases, the media said abortion played a major role, generally the dominant role in the race.

The media said much the same thing when L. Douglas Wilder won the governorship of Viginia in November, although abortion opponents, who backed loser J. Marshall Coleman, insist that if Coleman, a white, had beaten Wilder, a black, the victory would have been attributed to race, not abortion.

Many journalists scoff at this charge, but that's exactly what happened 10 weeks earlier in a congressional race in Florida between Republican Ileana Ros-Lehtinen, an opponent of abortion, and Democrat Gerald Richman, an abortion-rights supporter.

Nine days before the election, the Miami Herald said in an editorial that the single issue of abortion could "swing the election." The day before the election, Tom Fiedler, the Herald's political editor, said the race "provides one of the first tests of the so-called pro-choice electorate."

But when Ros-Lehtinen won and abortion opponents hailed her victory as proof of the political strength of their movement, Fiedler pronounced the claim "poppy-cock." Several other issues determined the race, he wrote, among them "ethnicity." Other media agreed. Ros-Lehtinen, a Cuban-American running in a district with a heavy Cuban and other Hispanic population, won because of "ethnic rivalry," not abortion, the Los Angeles Times said.

Abortion opponents say many other anti-abortion candidates have also defeated abortion-rights supporters, and the national media have either ignored or played down the stories or minimized the role of abortion in the race. Among these races were a gubernatorial race in Nebraska, congressional races in Florida, Kentucky, Mississippi, and Texas and legislative races in 10 states, including California.

Last month, the day after the primaries, the New York Times did publish a story, under the headline "Each Side Cites Primaries as Evidence of Strength on the Abortion Issue," that gave both sides an opportunity to proclaim victory. But it wasn't until three weeks later that the Los Angeles Times published a story-under the headline "Backing of Abortion Rights No Guarantee of Victory at Polls"—pointing out that anti-abortion candidates won seven of eight California state legislative races in which abortion was "a prominent issue." Most other media ignored that story altogether.

As the Christian Science Monitor noted in May, when abortion rights candidates won at the polls, their "positions on abortion were widely touted. But anti-abortion forces have scored several successes in smaller races where far less money was spent and where, perhaps, the abortion issue was not so widely covered."

But because there were complicating factors in many of the races, it's difficult to evaluate the validity of the charge by abortion opponents that media bias is solely responsible for their victories not having been "widely covered."

Ethnicity probably was the dominant factor in Florida, for example, and abortion rights candidates have generally won the high-profile races—governorships, rather than state legislative seats. Moreover, in several other races, neither candidate really made abortion a major issue, and in virtually every race, the losing side—abortion opponents and abortion-rights advocates alike—immediately announced they hadn't really campaigned much in that particular campaign, so abortion wasn't the crucial issue after all.

Even when abortion was a major issue—as in Killea's upset victory in San Diego—the candidate's support for abortion-rights itself may not have been the determining factor; when Roman Catholic Bishop Leo T. Maher barred Killea from receiving Communion three weeks before the election because of her pro-abortion-rights campaign stance, he made her a "national cause celebre" and created widespread voter "backlash," as the Los Angeles Times pointed out.

Nevertheless, there were several races in which the media minimized the success of candidates opposed to abortion. And there were races in which the media said an abortion-rights advocate's victory showed the political strength of that movement when, in fact, most of the votes in the race actually went to anti-abortion candidates.

That was the case in Republican Tricia Hunter's narrow victory in a special Assembly primary in San Diego last summer.

Hunter was an outspoken advocate of abortion rights, and the national media tried to make her race "a referendum on abortion," as the San Diego Union noted.

USA Today's headline on Hunter's victory was: "Californian's Win May Be Bellwether."

But Hunter actually received only 30% of the vote; the other 70% was divided among five anti-abortion candidates, one of whom finished fewer than 200 votes behind her, with only 20% of the registered voters going to the polls. The Washington Post was one of the few major news organizations to note all these mitigating factors.

Last month, when Hunter narrowly won renomination over an underfinanced opponent active in the anti-abortion movement, the national media largely ignored the story.

Moreover, in other races over the last year, the media often said candidates won because of their abortion-rights advocacy when, in fact, the losing candidates had waffled, temporized and flip-flopped so much on abortion that their losses may have been attributable more to their inconsistency than to their opposition to abortion.

In the New Jersey gubernatorial race, for example, it can be argued that Rep. Jim Courter lost to James J. Florio not because voters preferred Florio's abortion-rights position but because Courter backed off his own longstanding opposition to abortion (and because he was "out of touch with the voters on . . . basis state issues," in the words of David Hall, editor of the Bergen Record).

So many anti-abortion candidates changed or modified their position that the media began ridiculing them.

Newsweek labeled the syndrome "abortion contortions." The Chicago Tribune, in an editorial, said "Call it the 'Candidate's Copout.' Or the 'Strategic Straddle.' Or the 'Ambitions Ambiguity.' Or may be the 'Wimp Wriggle.'" Newsday columnist B.D. Colen said the "'oral' commitment of many politicians to the anti-abortion movement proved to be about as real as their 'moral' commitment to most issues. Nonexistent.'"

Candidates don't usually change positions on an issue like abortion unless they're afraid that if they don't, they'll lose. Given the high-profile electoral victories of many abortion-rights advocates and the defeat of proposed new abortion laws in the overwhelming majority of state legislatures, it's not surprising that fear of failure made abortion flip-flops the new national political sport. And the flip-flops all went one way—abortion opponents switching to abortion rights.

The question is whether the media artificially and unfairly stimulated the flip-flops.

"The abortion-rights movement has gained extraordinary political momentum recently," the Boston Globe said last October, and—until much more recently—the general impression given by the media has clearly been that candidates who oppose abortion are likely to lose on Election Day.

CAN WOMEN REPORTERS WRITE OBJECTIVELY ON ABORTION ISSUE?

(By David Shaw)

For obvious reasons, abortion is an intensely personal issue for most women in a way that it is not for men. Indeed, the editors of 17 women's magazines met with leading abortion rights advocates last year to discuss what they could do to help "protect" legalized abortion.

But magazines thrive on the expression of personal viewpoints; newspapers and television news organizations want their reporters to keep personal feelings out of their stories.

Can women reporters do that when covering abortion?

"If you are a woman reporter under the age of about 50 . . . you are writing about something that could happen to you," says Cynthia Gorney, who covers abortion for the Washington Post. "You're going to have a view on it. . . . There's no way you can set that aside. The issue is whether you can, while holding that view, listen . . . seriously . . . to people of all stripes on this issue . . . and really do what reporters are supposed to do . . . shed light and make clear why people hold the positions that they do."

Most women reporters say they're able to do this. But many say they have to work harder to do so on abortion than on any other issue. Some fail.

A study by the Center for Media and Public Affairs in Washington last year found that women reporters for five major news organizations quoted supporters of abortion rights twice as often as they quoted abortion opponents in their stories. The gender gap was greatest—3 to 1—in stories by women reporters in the print media.

The study, which involved nine months of abortion coverage in the New York Times and Washington Post and the ABC, CBS and NBC evening news programs, found that in abortion stories reported by men, the use of sources from the two sides was "evenly balanced."

News executives at all these organizations deny any charges of bias. They say their reporters, men and women alike, are professional long accustomed to keeping their personal feelings from interfering with their

professional obligations to be fair. The reporters also deny any bias.

But one longtime network news executive, speaking on condition that he not be identified, disagreed vigorously.

"The problem [with abortion coverage], pure and simple, is the media's loaded with women who are strongly pro-choice," he said.

A few women reporters with strong feelings on abortion have asked not to write stories on the subject, precisely so they can avoid any possible or even apparent conflict of interest.

When Vicky Hendley, a reporter for the Vero Beach Press-Journal, made such a request last year, her editors agreed. But when controversy developed over her having mailed tiny coat hangers to every Florida state legislator to express her concern that new laws could prompt a return to dangerous, illegal abortions, she was fired.

What Hendley did "undermined the paper's credibility," says Richard Wagner, the managing editor.

Editors at the Los Angeles Times reacted differently when Patt Morrison approached them last year with her own dilemma.

Morrison, a longtime Times reporter, went to her editor after Operation Rescue announced plans to blockade abortion clinics in Southern California. She said she felt so strongly about the issue that she wanted to help escort pregnant women into the clinics, past the protesters. But she said she didn't want to put The Times in "an awkward position."

Morrison and Noel Greenwood, then deputy managing editor of the paper, discussed the issue and agreed that she shouldn't cover any abortion stories.

Could Morrison have covered them fairly?

"There were moments, probably in the wake of the demonstrations, when I was angry enough that I could not have written dispassionately about the matter," she says. At other times, Morrison says, she's sufficiently confident of her professionalism that she thinks she could have "set my feelings aside."

Did Greenwood consider forbidding her to participate in the clinic action on the grounds that her presence could undermine the paper's credibility?

"That was one of the options," Greenwood says, "but if she felt so strongly about it, I decided I should respect that. . . ."

The Los Angeles Times, like the New York Times and some other news organizations, has a policy prohibiting staffers from participating in any activity that involves an issue they cover. Some other news organizations—the Washington Post and Philadelphia Inquirer among them—have a more stringent rule: Staffers are prohibited from taking part in any activity that could compromise the paper's credibility, even if they're not covering the issue involved.

But a number of women reporters—and some male reporters—either forgot about, ignored or were unaware of these policies last year; they joined a huge abortion-rights march in Washington less than three weeks before the U.S. Supreme Court was scheduled to hear oral arguments in the Webster case, which the Bush Administration hoped to use to begin to make abortion illegal.

Among the marchers was Linda Greenhouse, who covers the Supreme Court for the New York Times.

"I was there in a totally personal, anonymous capacity with some college classmates," Greenhouse says. "My intent was not to make any kind of statement as a journalist.

"Most of my colleagues thought I was a jerk to be there," Greenhouse concedes, "and they let me know that, either politely or impolitely."

Eileen McNamara, who covered abortion for most of 1989 at the Boston Globe, says Greenhouse made "a terrible mistake" in marching—and the Times "made a bad mistake in allowing her to continue to cover the issue."

Abortion opponents seized on Greenhouse's participation—and that of other reporters from the New York Times, the Washington Post and other news organizations—as proof of the media's "bias" on abortion.

Several news organizations then quickly restated their policies prohibiting participation in demonstrations and similar activities. But no one who marched was fired or prohibited from writing about abortion in the future.

Does Greenhouse agree that she should have marched?.

"I'm glad I was there as a person," she says. "I accept my editors' judgment that as a New York Times employee, I should not have been there."

Greenhouse's reporting, before and after the march, is widely considered fair by both sides, and some journalists say that's all that matters. But the media has given more scrutiny in recent years to conflicts of interest, actually and potential, involving the people and institutions they cover, and this has led to greater efforts within the media to avoid any situations in which they could even appear to have a similar conflict.

That's why two editors at a small Iowa newspaper were fired in April when they refused to end their affiliation with an anti-abortion group they helped found; that's also why the Milwaukee Journal fired a part-time newsroom secretary last year for picketing abortion clinics..

Editors at both papers said they took action to preserve the credibility of their news-gathering operations. In fact, before firing the secretary Diane Dew, the Journal offered her a job in another non-news department, where that wouldn't a problem. She refused.

Dew then filed a complaint against the Journal with the Equal Rights Division of the State Department of Industry, Labor and Human Relations; the journal backed down and conceded that its application of the paper's ethics code to Dew was "overly broad" and constituted an infringement of her freedom of expression.

Although editors at the various publications whose employees have participated in abortion activities all insist they would have taken exactly the same action if their employees had been on the other side of the debate, abortion opponents refuse to believe that.

Firing a secretary who demonstrates against abortion but not even changing the assignment of a Supreme Court reporter who demonstrates for abortion rights seems to abortion opponents symbolic of the double standard they say permeates media coverage of abortion.

[From the Los Angeles Times, July 4, 1990]

"ABORTION HYPE" AFFLICTED MEDIA AFTER WEBSTER CASE

(By David Shaw)

Last summer, when the U.S. Supreme Court issued its controversial Webster abortion decision, the media responded with a barrage of apocalyptic stories predicting political and legislative revolution.

Even before the court ruling—which ultimately gave states greater latitude in regulating abortion—the Boston Globe said in a Page 1 story that "a majority of states" would be expected to "ban abortion in all but extreme circumstances" if the court made such a ruling.

"No more than five states would retain the liberal guidelines" existing before the Webster decision, the Globe said.

The Globe was not alone in what Colleen O'Connor, director of public education for the American Civil Liberties Union, calls the media "hysteria" that accompanied the Webster decision.

Newsweek listed 19 states that were "likely to restrict abortion." Columnist Charles Krauthammer said an "avalanche of state legislation will soon be coming" to the Supreme Court for review. Peter Jennings, on ABC's "World News Tonight," said, "There is no political campaign in the country this year in which abortion does not play a role."

Media coverage of the political impact of abortion was so massive in the immediate aftermath of Webster that a suburban Washington firm created "The Abortion Report," a daily, 10-page compendium of excerpts from news media reports on abortion and politics nationwide. Journalists and activists on both sides subscribed to the report.

Abortion has indeed been big news on the political front in the year since Webster. But the actual political impact of the decision has not been nearly as great as predicted.

Only one state—Pennsylvania—has enacted a new abortion law. One other—Louisiana—has passed an even stricter law, but the governor has threatened to veto it because it contains no exceptions for victims of rape or incest. Two other states have made far less sweeping modifications. Dozens of political campaigns have been conducted with abortion playing no role whatsoever.

"The media blew it." O'Conner says. Abortion-rights activists cried "wolf," and the media blew the house down.

Why?

Why was there a nationwide epidemic of what U.S. News & World Report has labeled "abortion hype" and "hyperbolic news coverage" after Webster?

One explanation is that most journalists support abortion rights, according to Times interviews and two major studies and they shared and parroted that movement's fears that a "cataclysmic" disaster was at hand, as O'Conner puts it.

But most journalists deny this, and U.S. News had a different explanation: "Reporters and advocates . . . share a professional interest in spreading alarmist predictions. . . . "

In other words, the threat of sudden, drastic change on an emotionally volatile issue always makes a good story. It gets reportorial adrenaline flowing. It gets television ratings. It sells newspapers and magazines.

That may help explain why abortion clinic blockades by Operation Rescue and shrill pronouncements by leaders on both sides are given heavier coverage than, say, new medical developments.

"Operation Rescue is a live news story," says Martin Noland, editor of the editorial page of the Boston Globe. "It beats hell out of what's going on in some laboratory."

But critics say the basic nature and limitations of the media and their sometimes sensational, often alarmist approach to abor-

tion coverage has made certain shortcomings in abortion coverage inevitable.

Despite recent improvements, abortion coverage has generally been "very shallow . . . superficial," says Frances Kissling, executive director of Catholics for a Free Choice. "There's been very little investigative reporting . . . very little looking behind some of the statements . . . of either side . . . no attempt to give people the kind of information they need to make intelligent decisions."

Karen Tumulty, who covered abortion for the Los Angeles Times for most of 1989, says the "real value that we have to add as the media is to give people the information they need to make up their own minds."

Have the media done that on abortion?

"No."

Perhaps the most obvious flow in the media's coverage of abortion has been the tendency to turn abortion into an almost exclusively political story, often to the virtual exclusion of its personal, moral, ethical, medical and even legal ramifications.

"We've gotten bogged down in reporting the political ups and downs of the sides, like we're covering sports, and we've gotten away from reporting the issues," says Barbara Brotman, who has written extensively about abortion for the Chicago Tribune.

"With rare exception,," Brotman says, "we haven't gone beyond the surface."

Before the Webster decision, news organizations used medical, science and lifestyle writers to cover the different aspects of abortion. The medical and science writers in particular generally provided "more factual, better, more substantive coverage" than the political writers who have written and broadcast most of the abortion stories since Webster, says Kathy Bonk, co-director of the Communications Consortium, a Washington company that helps abortion-rights advocates plan media strategies.

"Political reporters . . . by the large don't know how or don't do a good job covering issues," Bonk says, "They cover horse races . . . campaigns."

The horse race and sports analogies are valid. Covering politics is like covering sports in that there's always a final score, a winner and a loser, clear resolutions that are much easier to write about than such murky, unsettled questions as "When does life begin?" or "Whose right shall prevail—the woman's or the fetus's?"

Besides, political coverage has traditionally been a top priority for most news organizations—a subject that the men who still run most of these organizations are comfortable with and interested in.

In fact, at many news organizations, abortion was long regarded as a "soft story—a women's story," and male editors routinely assigned it to women reporters, especially before the Webster decision.

Several high-ranking male news executives said in interviews for this story that abortion is still not an issue that greatly interests them. Paul Friedman, executive producer of ABC's "World News Tonight," said he was "Stunned the way this intensely personal issue has taken over the public debate. . . .

"I'm profoundly tired of the story," Friedman said. "As a citizen, I just resent the fact that it is taking so much time and attention away from other issues that are so critical."

Friedman insists that this "entirely personal" attitude "doesn't affect how much we cover" abortion, though, and he says politics has dominated media coverage of abortion since Webster not because journalists are biased or sensationalist but because that's "the basic new part of the argument."

Many other media executives agree.

"The ethical debate, while intense, seems to me kind of frozen; most people have heard it," says Joseph Lelyveld, managing editor of the New York Times.

That's the unique challenge of covering abortion.

"It's a more frustrating story than many others because it's one to which it is very difficult to bring new ideas," says Henry Muller, managing editor of Time magazine.

Because the abortion debate consists largely of two polarized, constantly repeated points of views, "I don't find a whole lot in the media that's very enlightening on this issue," Muller says.

Time has tired to "find things that add to the discussion," Muller says, expecially in a story by Garry Wills last year on Operation Rescue. Newsweek has done two cover stories on abortion, and network television has also tried a few long-form treatments of the subject—"48 Hours" on CBS, several "Nightline" programs on ABC and a panel discussion after a movie based on the Roe vs. Wade case on NBC.

But space and time limitations intrinsic to those media have largely prevented them from doing thoughtful stories on abortion with any regularity. Television, in particular, "tends to be superficial because of time constraints," says Douglas Johnson, legislative director for the National Right to Life Committee.

TV reporters are essentially "quote-shopping" when they do a interview, Johnson says.

Newspapers have often been guilty of superficiality, sensationalism and bias, too, but a few major papers gave individual reporters primary responsibility for abortion coverage last year in an effort to explore the broader issues involved in the abortion controversy.

David Shribman of the Wall Street Journal has spent about 40% of his time as a political reporter doing abortion stories since the Webster decision, and he has managed to expand the relatively narrow confines of abortion and politics. He has written about the diversity within the anti-abortion movement; about grass-roots organizing efforts on both sides, and about the impact of the abortion controversy on the Catholic Church and the Republican and Democratic parties.

Shribman says it took him "at least a month and at least a hundred phone calls" to find the 17-year-old Massachusetts girl he used as the focal point for a story in November on parental consent.

"From a reporter's point of view, this [abortion] is a great issue to cover," he says. "Both sides are willing to talk endlessly . . . to be quoted . . . to help a reporter . . . to be open."

Covering abortion forces a political reporter to speak with "people who are not professional politicians . . . normal people, not like the kind of people that you sit beside on the Bush White House plane," Shribman says.

"In a way, it's very refreshing," he says, because it's easier to avoid the "pack mentality" than on a campaign, when reporters, politicians and consultants all "stay in the same hotel, eat the same food, breathe the same air and pretty soon, you contaminate each other."

In trying to provide such refreshing coverage, to broaden and deepen coverage beyond the political arena, several other newspapers have made abortion, temporarily, a full-time beat, much as some papers did with AIDS a few years ago.

At the Chicago Tribune, Barbara Brotman covered abortion from August, 1989, until mid-April this year, determined to write about "the fundamental differences between the two sides that go beyond whether they believe life begins at conception. I felt there were fundamental differences in how they looked at the world that had to do with how they saw woman's role in the world, how they saw the role of God in their lives."

Brotman wrote an overview of "abortion in America," and also wrote about a home for unwed mothers; about feminists opposed to abortion; about post-abortion trauma; about women who have multiple abortions, and about individual women who "wrestled privately with the philosophical questions that inform the public debate" before having an abortion.

At the Los Angeles Times, Karen Tumulty spent about half her time covering abortion during the first six months of 1989, then spent full-time on the issue for the rest of the year.

Tumulty wrote about abortions in the later stages of pregnancy, about the ambivalence most Americans feel toward abortion and about the shortage of doctors willing to work in abortion clinics; she also profiled both Randally Terry, the head of Operation Rescue, and Kate Michelman, executive director of the National Abortion Rights Action League.

Tumulty didn't write as many major abortion stories as did reporters on the abortion beat at other papers, but other Times staffers have also written a number of such stories, among them one on the impact that criminalizing abortion would have on the adoption system and another on women who later regretted their abortions.

At the Boston Globe, two reporters took on "Abortion: An American Divide" as a special project for all of 1989, starting even before the Webster decision. Ethan Bronner, who covers the Supreme Court for the Globe, wrote about the developing legal story, and Eileen McNamara wrote about the personal and moral side.

McNamara went to Michigan to write about a 15-year-old rape victim and to Vermont to write about a company that was barring fertile women from skilled jobs involving high lead exposure; she wrote about a longtime abortionist and an early abortion crusader, about a family active in the fight against abortion and about why opposition to abortion is so strong in Louisiana.

McNamara says she tried to do "non-obvious" stories and stories away from the fringes, where too much of the abortion debate is being waged.

Abortion opponents argue, for example, that the current law "permits baby-killing right up to the moment of birth." But only one one-hundredth of 1% of all abortions—about 100 of the 1.6 million abortions done annually in the United States—occur after 24 weeks of pregnancy, according to the Alan Guttmacher Institute, a special affiliate of Planned Parenthood that does research on abortion and family planning.

Similarly, much has been written and said about abortion advocates' charges that making abortion illegal again would mean a return to the time when "thousands" of women died every year from back-alley abortions. But the Centers for Disease Control says 39 women, not thousands, died from illegal abortions in 1972, the year

before the U.S. Supreme Court legalized abortion with its Roe vs. Wade decision.

Because abortion was illegal, many deaths surely went unreported. No one knows how many.

The media pay a great deal of attention to such charges made by various advocacy groups on both sides, but "Neither NOW (the National Organization for Women) nor Operation Rescue reflect the feelings of the American public about abortion, in my opinion," McNamara says.

Thus, when she wrote about Operation Rescue, she focused on an ordinary family in the organization, rather than on Randall Terry, its founder.

Like the Globe, the Washington Post has largely divided its abortion coverage between two reporters, both of whom spent about half their time on abortion over the last year.

Dan Balz, a longtime political writer at the Post, covered the political impact of abortion until shifting to the White House beat this month, and—along with the Wall Street Journal's Shribman—he was widely praised by activists on both sides for his work on the abortion/politics beat. Balz will continue to write on abortion occasionally.

Cynthia Gorney, whose beat at the Post is called "family and society," has a special interest in the history of abortion in the United States, something most of the media ignore. Gorney, who is working on a book about abortion, has written about clergymen who formed an underground network to help women get abortions when they were illegal; about a woman who developed a "menstrual extraction" abortion kit in 1971; about the origins of the Webster case and the key figures in it, and about the controversy surrounding parental consent.

Even abortion opponents, who generally complain that the media are biased against them and superficial in their abortion coverage, think most of the work done by the various abortion specialists on these papers has been fair and comprehensive.

Susan Carpenter-McMillan, media spokeswoman for the Right to Life League of Southern California, for example, calls Tumulty's Los Angeles Times Magazine story on abortions in the later stages of pregnancy "the most unbiased thing I've ever seen, the best thing the Los Angeles Times has ever done [on abortion].".

Nancy Myers, communications director for the National Right to Life Committee, offered similar, if somewhat less hyperbolic, praise for Gorney's Washington Post Magazine profile in April on John Wilke, president of the National Right to Life Committee.

Reporters who frequently cover abortion come to know more about the subtleties and complexities of the subject and the sincerity of the people involved, which means "fairer coverage," Myers says.

Making abortion a special beat doesn't guarantee "fairer coverage," of course. Nor does everyone agree on what constitutes "fair" coverage. Ramona Ripston, executive director of the American Civil Liberties Union of Southern California, did not think Tumulty's story was fair, for example, because relatively few abortions are actually done in the later stages of pregnancy (a point the story makes clear).

But abortion is so broad a topic that no one or two reporters can cover the whole field, and even the best papers, with the best of intentions, have been criticized for bias, superficiality and sensationalism—charges that most editors and reporters deny. But a few papers also win wide praise for specific stories, even without special beat assignments.

The Miami Herald published a Sunday magazine story last fall on substandard conditions at many of the state's abortion clinics; the story led to a statewide investigation and the closure, at least temporarily, of four clinics.

The Milwaukee Journal published the entire, 21-page type-written text of Archbishop Rembert Weakland's statement criticizing the tactics of many in the pro-life movement, then printed more than a half-page of letters on the statement; Editor Sig Gissler says some priests in Milwaukee publicly urged their parishioners to buy the Journal to read the archbishop's statement.

The Philadelphia Inquirer has given its readers some of the most aggressive and provocative abortion coverage in the country since the issue became a major controversy in Pennsylvania in the mid-1970's.

Abortion opponents in Pennsylvania have vigorously criticized the Inquirer, accusing it of bias, imbalance and "prejudicial" language. One anti-abortion activist—Ted Meehan, a member of the media committee for the Pennsylvania Pro-Life Coalition—sent the paper a 23-page critique of its coverage.

James Naughton, deputy managing editor of the paper, responded last week with a 15-page rebuttal. Half a dozen top editors previously met with anti-abortion representatives to discuss their charges.

Naughton concedes there is some validity to the criticism, "here and there," but both he and Executive Editor Eugene Roberts insist that the paper's coverage has been fair and balanced overall and that most of the criticism stems from the anti-abrtionists' own subjective views and from their failure to understand the news-gathering process.

As far back as 1981, the Inquirer published a powerful account of the "hundreds of times a year in the United States [when] an aborted fetus emerges from the womb kicking and alive." The Inquirer has also published major stories on late-term abortions; on a municipal judge who "helped operate a network of abortion clinics in three states;" on the beliefs and motivations of various abortion protesters; on teen-agers involved in both sides of the abortion campaign; on the economic pressures put on companies by activists in the abortion debate, and on a doctor who performs abortions and who invited angry protesters to come into his office to counsel women seeking abortions.

The New York Times has also provided interesting, insightfull abortion coverage at times, especially in recent months, without assigning a reporter to cover abortion full-time.

The New York Times has written major stories about doctors refusing to do abortions; about abortion protesters jailed in Vermont; about abortion and the Catholic Church; about abortion and politics in Iowa, Pennsylvania, Louisiana and Connecticut; about Operation Rescue, and about several abortion controversies in New York.

Twice in the past year, the New York Times has published Page 1 stories on centers established by abortion opponents to provide unwed mothers with baby clothes, career counseling, legal assistance and housing—"the pretty side of the right-to-life movement," as the director of one such center said in the paper's May 13 story.

Activists on both sides say media coverage has generally improved of late, but they still think critical issues go largely uncovered. Many reporters agree. The moral implications of the abortion debate, in particular, are generally ignored or treated superficially in newspapers.

Perhaps that's why the most thoughtful stories on the moral dilemma of abortion have generally been done by magazines, most notably by Jason DeParle last year in the Washington Monthly and by Mary Gordon last spring in The Atlantic.

Abortion opponents cite the possible eonomic impact of abortion as another area that the media—newspapers, magazines and television alike—have generally ignored. What would the state of the U.S. economy be today, they ask, if many of the more than 20 million fetuses aborted since the Supreme Court's 1973 Roe vs. Wade decision were now alive?

Michael Novak of the American Enterprise Institute in Washington says the media should write about the effect all these potential consumers and workers might ultimately have on the "looming labor shortage," the closure of some schools and the future of the Social Security system.

Because poor people have a disproportionately large number of abortions, one could also ask what the effect of legalization might be on the tax base, welfare rolls and various other social programs.

And what, for that matter, is the psychological effect of legalized abortion on our society? Because liberals often argue that capital punishment contributes to a climate of violence and a cheapening of human life, conservatives would like to see the media examine whether abortion has had the same effect. After all, the United States—which has one of the highest abortion rates in the Western world—also has one of the highest murder rates in the Western world. Is there a connection?

The analogy may not be valid, the connection non-existent, but few in the media have even raised the question.

Nor have the media written much about the ramifications of new medical developments related to abortion and contraception, say Janny Scott and Robert Steinbrook, medical writers at the Los Angeles Times.

Although some abortion opponents argue that greater availability of contraception leads to more sexual activity, more unintended pregnancies and more abortions, studies strongly suggest just the opposite—that more effective, more accessible means of contraception would mean fewer unintended pregnancies and fewer abortions. Either way, contraception is—or should be—part of the abortion story.

But Scott says the problems of reproduction and contraception are "felt far more profoundly by women than men," and she wonders if this explains why such issues may be "given short shrift in papers where . . . the editors are primarily men."

Scott and Steinbrook are especially critical of their own paper in this regard, and they cite several examples, among them coverage in February of a report issued by the National Research Council and the Institute of Medicine. That report said the United States now lags far behind many other countries in developing new methods of birth control, a lag resulting in many unwanted pregnancies and unnecessary abortions.

The New York Times and Washington Post put the story on Page 1. The Los Angeles Times put it on Page 24.

Times editors deny that gender bias or insensitivity influenced the placement of this (or any) story. Norman C. Miller, national editor of The Times, says the story wound up on Page 24, in part because there were "other strong stories that day" and in part because international news generally precedes national news on the inside pages of the paper. (After Page 5, where a story appears in the main news section of The Times generally has less to do with the story's importance than with the configuration of available space on the pages.)

But international news also precedes national news in the New York Times, and both the New York Times and the Washington Post had "other strong stories that day," and both still put the contraception story on Page 1.

The basic problems of abortion coverage in the media go beyond one issue or one story or one newspaper, though. Despite recent improvements and a conscientious effort by most journalists, critics say coverage often remains biased and superficial, as previous stories in this series have documented.

Television "rakes off the emotional energy" on abortion, providing "the passions . . . lots of demonstrations, people yelling, very colorful sound bites," and the print media provide the political and legal arguments on both sides, says Robert Lichter, co-director of the Center for Media and Public Affairs in Washington, but "no one gives your context."

Critics often say much the same thing about media coverage of other important issues, just as they often accuse the media of bias on other issues. But abortion is an especially sensitive, complex and volatile issue, and just as some journalists do seem to have more trouble keeping their personal feelings from unfairly influencing their stories on abortion than on other issues, so coverage of abortion does seem more superficial and lacking in perspective than does coverage of other issues.

Perhaps that's inevitable.

"At base, abortion isn't about politics, and it isn't about the law," says reporter Eileen McNamara of the Boston Globe. "It's about philosophy and it's about morality and it's about your world view, and newspapers are ill-equipped to deal with those issues."●

COMMENDING THE ANTI-DRUG EFFORT IN BOLIVIA

● Mr. HATCH. Mr. President, members of the Bolivian National Police Rural Mobile Patrols Units [UMOPAR] and prosecutors of the Ministry of Interior conducted a remarkably successful series of raids and arrests in several areas of Bolivia from September 24 to 28, 1990. For the first time in Bolivia, and perhaps in the region, a police operation disabled an entire cocaine processing and trafficking organization, that of Carmelo "Meco" Dominguez, one of Bolivia's most significant cocaine traffickers. During the operation, the police and prosecutors arrested Dominguez and his organization's senior leaders and also seized the group's documents and assets. This police effort dealt a severe blow to narcotics manufacturing and trafficking in Bolivia, which has become the world's second-largest producer of refined cocaine. It also brought to light the extent to which Bolivians themselves are now involved in this illicit business.

Assisting the Bolivian police during this operation were agents of the United States Drug Enforcement Administration [DEA] who have been engaged in joint antinarcotic operations with the Government of Bolivia. While participating in this latest operation, three members of the UMOPAR and DEA came under intense fire by a large number of drug traffickers during a stake-out at a landing strip in the Chapare. During the exchange, DEA Special Agent Hawthorne Hope was shot in the arm and leg. Despite these serious wounds, he continued to participate in the action. He remained with his Bolivian and American associates until the drug traffickers were forced to withdraw and until his colleagues were out of danger. Special Agent Hope showed great courage and leadership during this encounter and his actions are a testimony to the brave men and women in our law enforcement agencies who risk their lives on a daily basis to keep our schools, streets, and communities free from drugs.

The successful operation against the Dominguez organization demonstrates the close and effective collaboration between the Bolivian and American governments in their common fight against the production and export of cocaine from Bolivia. More important, this action shows the resolve of the Bolivian Government and her people to join in the global struggle against illegal narcotics. As Congress considers how the United States may further aid Bolivia in our common effort against the production and trafficking of illegal narcotics, it should keep this commitment in mind. We must also remember to commend the efforts of the thousands of courageous individuals like Special Agent Hope who are in the front lines in this important struggle.●

VISITING NURSES

● Mr. SIMON. Mr. President, today the Judiciary Committee unanimously reports to the full Senate S. 682, a bill to protect the use of the names Visiting Nurse Association and Visiting Nurse Service.

Visiting Nurse Associations [VNA's] and Visiting Nurse Services [VNS's] were established more than 100 years ago as community-based, volunteer-supported, nonprofit organizations that provided quality home health care to everyone, regardless of ability to pay. Over the years, consumers have learned to equate the names Visiting Nurse Association and Visiting Nurse Service with reliable, dependable, and, when necessary, charitable home health care.

With the advent of Medicare in 1965, VNA's and VNS's expanded their home care service to the elderly. Only community-based, independent nonprofit organizations like VAN's and VNS's were eligible for reimbursement. VAN's and VNS's were the only organizations providing such care, and therefore saw no need to protect their names. But when Congress expanded the criteria for Medicare reimbursement under the Budget Reconciliation Act of 1981, hundreds of private, for profit home health care agencies sprang up, many taking the name Visiting Nurse Association or Visiting Nurse Service, and thus capitalizing on the accumulated good will built up by traditional VAN's and VNS's.

Not only have patients been confused and misled, but doctors and hospitals also have prescribed care by a private company calling itself a Visiting Nurse Service, not discovering until a patient complains that the company is not a traditional VNA or VNS. These private companies generally end their services when a patient's Medicare coverage terminates and he or she cannot afford to pay out of pocket. Furthermore, traditional VAN's and VNS's provide an emphasis on long-term concerns in the patient's home environment that other agencies may not provide.

Not only are the reputations of traditional VAN's and VNS's damaged when patients and physicians perceive that VNA's are not providing the traditional high standard of care, but because the private companies often skim off only paying and reimbursable patients, the traditional VAN's and VNS's who often end up taking over the care of indigent patients are left with fewer resources to provide that care.

This legislation will protect the use of the names, Visiting Nurse Association and Visiting Nurse Service. Existing companies using these names will be allowed to continue to use them. The term, "home health agency" is not intended to coincide with the statutory definition under Medicare. Furthermore, the reference to the Visiting Nurse Associations of America, which is the national umbrella organization for traditional VAN's and VNS's, is not intended to preclude the development of state or regional VNA umbrella organizations.

I hope this legislation passes quickly to protect the good name of traditional VNA's.●

HOOSIER HEROES: CORYDON RECALLS HISTORIAN ARVILLE FUNK

● Mr. COATS. Mr. President, last week Arville Funk, the distinguished lawyer, historian, author, and Civil War lecturer died at age 60. Art left

behind many fond memories among his friends and neighbors in his hometown of Corydon, IN.

Ron Simpson, Harrison County's prosecuting attorney, praised his law partner of 10 years as "a rare individual who touched and enriched many lives," and was widely respected for his high personal standards and professional ethics.

Lt. Gov. Frank O'Bannon echoed these sentiments. "In the culture of the community of Harrison County and Corydon," he was quoted as saying, "Art was a stable leader and adviser in many different activities and organizations. His sense of community was directed toward all of us who live and work there. He was trusted and well-liked in his contacts with people from all walks of life. His death is a great loss."

Art Funk earned his bachelor's degree at Indiana Central College in Indianapolis in 1955 and his master's degree in administration from Butler University in 1959. He began his professional career as a junior high social studies teacher in Southport, on the south side of Indianapolis. Soon he was named department chairman. At night he also studied law at the Indiana University School of Law. He was admitted to the Indiana bar in 1963. Two years later he and O'Bannon opened their law partnership in Corydon. During the 1970's Funk was Corydon's active town board attorney.

Art was a Civil War and Indiana history buff. Over the years he wrote and published 14 books dealing with Harrison County, Indiana, and Civil War history. He even formed his own company, called ALFCO, for the purpose of publishing historical tracts. In 1976 he wrote a history column for the Louisville Times, known as "The Hoosier Scrapbook." Funk also taught an extension course in Indiana history for Purdue University and often held his classes in the first State capitol.

Not surprisingly, Funk continued to be active in and gave generously of his time to events dealing with local history. While he taught school in Indianapolis, Funk helped organize the Indiana sesquicentennial celebration in Harrison County. For 10 years every Fourth of July, Funk read the Declaration of Independence at the Old Settlers Day celebration on the Corydon square. He organized the 125th anniversary reenactment of the Civil War Battle of Corydon as part of America's bicentennial celebration in 1988. He also was chairman of the Battle of Corydon Memorial Park Committee.

Funk was the oldest member of U.S. Senator LUGAR's Merit Selection Committee for the Military Academies of the United States. Himself a U.S. Army Reserve captain and a Korean war veteran, Funk visited South Korea recently on a goodwill tour arranged by that government for veterans of the Korean war.

Funk was active in many community organizations, including the bar association, the Harrison County Historical Society, the Civil War Round Table, the Blue River Developmental Services board, the Corydon Public Library, and the Corydon Rotary Club, of which he was past president.

Through the years Art Funk was much admired for his work in the Old Capitol United Methodist Church in Corydon. In addition to being a Sunday school teacher, he held many church offices. He chaired the administrative board and was active in the church's annual fund-raising drive.

At his funeral Rev. Michael Beck said that Funk would "probably be embarrassed at the things that have been said in his behalf * * *, but it is not stretching the truth to say that Art Funk was truly a great man." He will be missed by his family and friends and the residents of Corydon. His historical anecdotes and writings will be missed by many Hoosiers and non-Hoosiers alike.●

MEASURE PLACED ON CALENDAR—HOUSE CONCURRENT RESOLUTION 172

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of House Concurrent Resolution 172, and that the measure be placed on the calendar.

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

ROBERT McCLORY POST OFFICE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar item 841, S. 3108, designating the Robert McClory Post Office in Illinois.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 3108) to designate the facility of the United States Postal Service located at 100 South John F. Kennedy Drive, Carpentersville, Illinois, as the "Robert McClory Post Office".

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

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

AMENDMENT NO. 2944

Mr. MITCHELL. On behalf of Senators DECONCINI and LEAHY, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Maine [Mr. MITCHELL], for Mr. DECONCINI (for himself and Mr. LEAHY) proposes an amendment numbered 2944.

Mr. MITCHELL. Mr. President, I ask that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the bill, add the following:

SEC. . Section 3626 of title 39, United States Code, as amended by the general provisions of title II, is further amended by adding at the end the following:

"(k) In the administration of this section, the term 'advertising', as used in former section 4358(j)(2) of this title, does not include the publisher's own advertising in a publication published by the official highway or development agency of a State.".

Mr. DECONCINI. Mr. President, I rise today to offer an amendment on behalf of myself and Mr. LEAHY to restore second class mailing privileges to State-sponsored publications such as Arizona Highways, Vermont Highways, Oklahoma Today, and Texas Highways. These publications have been authorized to mail under the special nonprofit second-class mailing rates under section 424.14B of the Domestic Mail Manual which allows one publication of the official highway or development agency of the State to be eligible for preferred mailer status if the State publication contains no advertising. Recently, the postal rates and classification center notified each of the State-sponsored magazines that they no longer qualify under this statute, because their publications contain advertising; albeit, nonpaid advertising. As a result, the Postal Service has ordered these States to discontinue advertising or lose their second-class mailing status.

Mr. President, the advertising included in these State publications is not advertising for which a payment is received—the advertising used generates no profit for the magazines from outside for profit interests. Instead, it is in-house advertising which merely promotes house products, such as books and calendars, produced by the publication and whose proceeds go toward supporting the costs of publishing the magazines and covering the actual postal costs. Without this advertising, these State publications cannot afford to continue their services. Mr. President, I do not believe it was the intent of the original sponsors of the legislation which created the special class of preferred mail for the State highway or development agencies to prohibit advertising which promotes the sale of their own in-house products. The advertisement of these in-house products are clearly consistent with the purpose for which the special mail status was granted.

My amendment would amend section 3626 of title 39, United States

Code, modifying section 424.14B of the Domestic Mail Manual to read: "(k) in the administration of this section, the term 'advertising', as used in former section 4358(j)(2) of this title, does not include the publisher's own advertising in a publication published by the official highway or development agency of a State," so that these publications may advertise products for sale by the publishers. It will permit State publications like, Arizona Highways, to use the house advertising necessary to continue publishing its magazine, while still ensuring that the nonprofit second-class rates are not abused by advertisers seeking to turn a profit.

Mr. President, Arizona Highways has been the official State highway publication in Arizona for 65 years. It has been authorized under section 424.14B at nonprofit second-class rates since 1963. Arizona Highways has represented my home State with distinction and honor for over six decades. This highly regarded publication consistently contains articles and photographs ranging from insights into native American culture and the history of Arizona to information about the States modern cities and universities. It is both enjoyable and educational to Arizonans and non-Arizonans alike. This publication and other such State-sponsored publications, provide a great service to their States and it would be very harmful to their continuation if the present law, as interpreted by the U.S. Postal Service, was to be enforced.

Mr. President, I believe the intent of section 424.14B was to prohibit magazines authorized to mail under the second-class rates from carrying any paid advertising. At the time this section was originally added to the domestic mail manual, these State-sponsored publications did not produce any of their own products, therefore, all advertising was paid and there was no need to make the distinction between paid and in-house advertising. Allowing State-sponsored publications to advertise their own products does not violate the intent of 424.14B. In fiscal year 1989, house advertised products accounted for $3.5 million of the overall $9 million in revenue generated to the State's from these publications. Because of this product revenue, Arizona Highways does not have to depend on money from the State, collected from taxes, to fund its publication and operation.

Mr. President, this is not an unreasonable request. The Domestic Mail Manual already contains a provision, section 423.211, allowing certain types of publications to use house advertising. Section 432.211 states that "a publication which meets the basic requirements of 422 and contains only the publisher's own advertising and not, under any conditions, the adverstising of other persons or organizations is eligible for second-class mail privileges." The modification I am proposing would permit State-sponsored magazines to remain self-sustaining while ensuring that the advertising privilege is not abused. Additionally, none of the other three categories in section 424.14 covering requirements for specific types of publications eligible for second-class mailing privileges limit advertising in any way. Mr. President, it only seems to make sense for these publications to share that same eligibility, as well. The Postal Service has worked with me to develop this legislation to amend the United States Code and I urge its adoption.

Mr. President, I want to take this opportunity to extend my thanks and appreciation to the distinguished Senator from Arkansas and chairman of the Governmental Affairs Subcommittee on Civil Service, Post Office and Federal Services for his support of this amendment.

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

The amendment (No. 2944) was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT

(Purpose: To permit States to waive application of the Commercial Motor Vehicle Safety Act of 1986 with respect to vehicles used to transport farm supplies from retail dealers to or from a farm, and to vehicles used for custom harvesting, whether or not such vehicles are controlled and operated by a farmer)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] (for Mr. DOLE), (for himself, Mr. BURNS, Mr. GRASSLEY, Mr. SYMMS, Mr. BURDICK, Mr. NICKLES, Mr. BOREN, Mr. PRESSLER, Mr. WALLOP, Mr. BAUCUS, Mr. COATS, Mr. FORD, Mr. BOND, Mr. HELMS, Mr. WIRTH, Mr. KASTEN, Mr. GRAMM, Mr. SIMPSON, Mr. FOWLER, and Mr. LUGAR) proposes an amendment numbered 2945.

Mr. GRASSLEY. Mr. President, I ask that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

At the appropriate place insert the following:

That, in addition to the authority which the Department of Transportation granted to States to waive application of the Commercial Motor Vehicle Safety Act of 1986 with respect to farm vehicles contained in volume 53, pages 37313-37316, of the Federal Register (September 26, 1988), such States may extend such waivers to vehicles used to transport farm suppliers from retail dealers to or from a farm, and to vehicles used for custom harvesting, whether or not such vehicles are controlled and operated by a farmer.

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

The amendment (No. 2945) was agreed to.

Mr. GRASSLEY. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

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.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 3108

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 100 South John F. Kennedy Drive, Carpentersville, Illinois, is designated as the "Robert McClory Post Office".

SEC. 2. LEGAL REFERENCES.

Any reference in any law, regulation, document, record, map, or other paper of the United States to the facility referred to in section 1 is deemed to be a reference to the "Robert McClory Post Office".

SEC. 3. TERMS.

Section 3626 of title 39, United States Code, as amended by the general provisions of title II, is further amended by adding at the end of the following:

"(k) In the administration of this section, the term 'advertising', is used in former section 4358(j)(2) of this title, does not include the publisher's own advertising in a publication published by the official highway or development agency of a State."

SEC. 4. COMMERCIAL MOTOR VEHICLE SAFETY ACT WAIVER.

In addition to the authority which the Department of Transportation granted to States to waive application of the Commercial Motor Vehicle Safety Act of 1986 with respect to farm vehicles contained in volume 53, pages 37313-37316, of the Federal Register (September 26, 1988), such States may extend such waivers to vehicles used to transport farm supplies from retail dealers to or from a farm, and to vehicles used for custom harvesting, whether or not such vehicles are controlled and operated by a farmer.

Mr. MITCHELL. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

UNANIMOUS-CONSENT AGREEMENT—SENATE RESOLUTION 334

Mr. MITCHELL. Mr. President, I ask unanimous consent that at 2 p.m. on Wednesday, October 10, the Senate proceed to the immediate consideration of Calendar No. 935, Senate Resolution 334, regarding the Balkan States; that the resolution be agreed to; that the motion to reconsider be laid upon the table.

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

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, I further ask unanimous consent that following the action on Senate Resolution 334, the Senate proceed to consideration of Executive Calendar 23, under the following conditions:

UNANIMOUS-CONSENT AGREEMENT ON GERMAN UNIFICATION TREATY

Mr. MITCHELL. As if in executive session, I ask unanimous consent that when the Senate proceeds to consideration of Calendar 23, the Treaty on Final Settlement With Respect to Germany and a Related Agreed Minute, it be considered as having been advanced through the various parliamentary stages up to and including the presentation of the resolution of ratification.

Provided further that the resolution be considered under a time limitation of 2 hours of debate to be equally divided and controlled by the chairman and ranking member of the Committee on Foreign Relations, or their designees; that no amendments, reservations, understandings, declarations or conditions be in order, that no motions to recommit be in order, that following the using or yielding back of time, the Senate proceed to vote on the resolution of ratification; that the President be notified of the Senate's action; and that the Senate return to legislative session.

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

Mr. MITCHELL. Mr. President, I ask unanimous consent that it be in order at this time to ask for the yeas and nays on the resolution of ratification.

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

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MITCHELL. 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.

THE VETERANS COMPREHENSIVE COLA BILL

Mr. MITCHELL. Mr. President, an important legislative measure now on the calendar is Calendar item No. 702, S. 2100, the veterans comprehensive COLA bill. This is a matter that is very important to all members of our society and particularly to veterans. It is something that I hope very much the Senate will be able to consider and dispose of prior to the end of this legislative session.

Accordingly, I announce that as soon as possible, and hopefully sometime tomorrow, I intend to seek unanimous consent to proceed to that measure. If any Senator has objection to so proceeding, that Senator should be present tomorrow. I will indicate the appropriate time during the day so that any Senator who has an interest can be aware of that and be present at that time. But I am going to try to get to that bill tomorrow.

If there is objection made to the unanimous-consent request, then I hope as soon as possible to move to proceed to the bill, which I understand is a debatable motion, and then Senators can state their objection to proceeding if they so desire. So I take no action on it at this time, but merely provide fair notice to all concerned that I believe that to be an important bill, something that I hope the Senate will be able to consider and will attempt to do so sometime during the day tomorrow.

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.

UNANIMOUS-CONSENT AGREEMENT—HOUSE CONCURRENT RESOLUTION 310

Mr. MITCHELL. Mr. President, I send to the desk the estimated allocations—based on the budget in the conference report on House Concurrent Resolution 310—of the appropriate levels of total budget outlays, total new budget authority, and new credit authority among the committees of the Senate, pursuant to section 302(a)(2) of the Congressional Budget Act, and ask unanimous consent that they be considered as part of the joint statement of managers to accompany the concurrent resolution on the budget, House Concurrent Resolution 310.

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

RECESS UNTIL 10:30 A.M. TOMORROW

ORDER FOR MORNING BUSINESS

Mr. MITCHELL. Mr. President, if there is no further business to come before the Senate——

Mr. GRASSELY. There is no further business on this side.

Mr. MITCHELL. I ask unanimous consent that the Senate stand in recess until 10:30 a.m. tomorrow, Wednesday, October 10, and that following the time for the two leaders there be a period for morning business not to extend beyond 11 a.m. with Senators permitted to speak therein for up to 5 minutes each.

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

Thereupon, under the previous order, the Senate, at 6:34 p.m., recessed until Wednesday, October 10, 1990, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate October 9, 1990:

DEPARTMENT OF STATE

JOSEPH R. BIDEN, OF DELAWARE, TO BE A REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE FORTY-FIFTH SESSION OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS.

NATIONAL SCIENCE FOUNDATION

WALTER E. MASSEY, OF ILLINOIS, TO BE DIRECTOR OF THE NATIONAL SCIENCE FOUNDATION FOR A TERM OF 6 YEARS, VICE ERICH BLOCH, TERM EXPIRED.

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be general

LT. GEN. GEORGE A. JOULWAN, [redacted] U.S. ARMY.

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be general

GENERAL MAXWELL R. THURMAN, [redacted] U.S. ARMY.

IN THE NAVY

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be admiral

ADM. HUNTINGTON HARDISTY, [redacted] U.S. NAVY.

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be vice admiral

VICE ADM. DANIEL L. COOPER, [redacted], U.S. NAVY.