SENATE—*Wednesday, April 1, 1992*

(Legislative day of Thursday, March 26, 1992)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

The PRESIDENT pro tempore. As we submit our petitions and make our praises to the Lord of Lords and the Prince of Peace, the Senate will be led in prayer by the Chaplain, the Reverend Dr. Richard C. Halverson.

Dr. Halverson, please.

PRAYER

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

Let us pray:

* * * *happy is that people, whose God is the Lord.*—Psalm 144:15.

"We the people * * *." Mighty God, help the people to comprehend the immeasurable significance of those three words. Help them understand the vision of the Founding Fathers which birthed this great Nation—a government whose foundation is a sovereign people. In the words of the constitution of the State of Virginia, 1776: "* * * all power is vested in, and consequently derived from, the people; that the magistrates are their trustees and servants, and at all times amenable to them."

God of the nations, at a time of great anger and cynicism make the people realize they get what they want. Power is with the people! Business produces what they will buy. Publishers print what they will read. Pornographers produce what they will watch. Without customers, there would be no drug traffic. Politicians tell them what they think they want to hear. People represent the largest, strongest special-interest group in America.

Patient Father, may anger become involvement. Help them exercise their sovereignty by voting for the common good rather than their personal passions. Help them see that if they abdicate their sovereignty, all that America stands for is imperiled.

In Jesus' name, Lord of life and liberty. Amen.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the order entered previously, the leadership time has been reserved.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 11 a.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

Also under the order, the Senator from North Carolina [Mr. SANFORD] will be recognized to speak for up to 20 minutes; the Senator from Wyoming [Mr. WALLOP] will be recognized to speak for up to 5 minutes; the Senator from Iowa [Mr. GRASSLEY] will be recognized to speak for up to 10 minutes; the Senator from Washington [Mr. GORTON] will be recognized to speak for up to 10 minutes; the Senator from Ohio [Mr. GLENN] will be recognized to speak for not to exceed 15 minutes; and the Senator from Colorado [Mr. WIRTH] will be recognized to speak for up to 15 minutes, after which morning business will be closed.

THE 1992 APRIL QUARTERLY REPORTS

The PRESIDENT pro tempore. The mailing and filing date of the April Quarterly Report required by the Federal Election Campaign Act, as amended, is Wednesday, April 15, 1992. All principal campaign committees supporting Senate candidates in the 1992 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 April 15 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.

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

The PRESIDENT pro tempore. A point of no quorum having been made, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The Senator is recognized under the previous order for not to exceed 20 minutes.

THE PRESIDENT'S BUDGET

Mr. SANFORD. Mr. President, as long as I have served in the Senate, I have served on the Budget Committee, and I have been first distressed and later outraged that year after year, budget after budget, we have seen an increasing deficit and an increasing Federal debt of unprecedented proportions.

It seemed to me, as I examined every budget document my first year here, attempting to understand the budget part of my assignment, that the Federal budget was one of the most massive deceits with which I had ever come into contact. The President, year after year, would send over a budget out of balance, and at the same time would blandly ask for a constitutional amendment for the line-item veto, when the budget was proposed out of balance by the President in the first place—in the first step on the Federal budget process.

I have a difficult time, sometimes, explaining to people in North Carolina that Congress works with the President's budget. Now, it is true, as is often said by those who want to help the President in his coverup, that the President cannot spend any money that Congress does not appropriate. The Constitution provides that.

But all of us know that the budget procedure begins with the President's budget proposal, as he is required by law to prepare and submit. He may be required by law to send us a balanced budget. But year after year, it is submitted out of balance.

I think a little history is necessary to understand just how this has happened, what is happening, and why. If Congress is going to do anything significant to bring annual deficits under control, we must have leadership in the White House.

There is not any other way that this can be done. It is absolutely impossible to put a responsible budget together in this Government without leadership from the White House.

The leadership from the White House since 1981 has been leadership of deceit, of coverup.

The first thing that struck me as I first viewed the President's budget in 1987 was that we had to be paying more interest than was shown in the budget as net interest. As I dug back through the documents, because it was not easy to find, I found one place that exposed the honest interest number—gross interest. Federal budgets do not count the interest that is paid to Social Security and other trust funds. They just do not count it. That is hidden and helps to cover up and make the deficit look smaller than it really is.

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Then I found another big discrepancy. The real deficit, as any accountant knows, is the increase in the debt at the end of the year. But that was not what the Federal deficit reflected at all. I looked through the budget documents and found that part of that deficit was covered up with funds that do not belong to the Government—funds that belong to a trust for which the Government is a trustee. Social Security is one of those trust funds. The President's budget took those trust funds, pretended they were the Government's funds, and used them to cover up part of that deficit.

We heard President Reagan, year after year, say we are bringing the deficit down. If Congress would just cut more expenditures, we would bring it down more. That was absolutely not the truth. The truth was the debt was going up year after year under the Reagan administration and has continued to go up even faster in the Bush administration. This is important for people to know, and voters, who can do something about it. Those deficits are recommendations of the President in the President's budget.

The current and previous administrations have expressed, in an extremely crass and hypocritical manner year after year to give them a constitutional amendment to have a balanced budget. Give us a balanced budget amendment. Give us the line-item veto.

Presidents have the authority to balance the budget now. Let me just trace a little bit of history here, Mr. President, because it is important to know that it has not always been this way. I want to go back to President Truman, who was there, for all practical purposes, for two terms; and to President Eisenhower, who was there for two terms; and Kennedy and Johnson, Nixon and Ford, and President Carter, and then to Ronald Reagan for two terms and now President Bush. Let us look at the Presidents' deficits during that period of time. How much did these Presidents add to the national debt? What kind of irresponsibly covered-up deficits did President's before Ronald Reagan send Congress? Well, let us look at it.

If you go back to the Truman administration through to Eisenhower, Kennedy and Johnson, there was a very gradual increase in the Federal debt, but not going up very much. The debt increased a little bit more during the Nixon and Ford and Carter administrations, but still not that much. If this is $1 trillion, by the time all of these Presidents had sent their budgets to Congress with their recommendations, the Federal debt had not reached $1 trillion.

Just to get a fuller understanding, carry it all the way back here to George Washington. All the Presidents of this country in all of the years through President Carter accumulated a debt of less than $1 trillion. When President Reagan took office this national debt was under $1 trillion.

What has happened with the Presidential deficits since 1981—year after year of Presidential deficits, presented to Congress? Here is what has happened.

Looking at this year's estimated budget numbers, if deficits had increased at about the same rate as was the case before President Reagan, the debt would have accumulated to about $1.3 trillion, $1.5 trillion. But that is not what happened. Debt took off like a rocket—to almost $5 trillion in another year and a half. It will exceed $4 trillion in this fiscal year. The debt increased past $2 trillion in such a hurry no one noticed it. The record shows that under this President so far and the previous President, three times more has been added to the Federal debt than was added by all other Presidents before them. The responsibility for controlling the debt begins with the President. Only the President can correct the President's deficit. And only the President can send Congress a balanced budget.

We cannot let this go on. No President in the last 12 years of proposing budgets thought we could balance the budget because there is one piece of the budget that keeps it from being balanced—a new entitlement called interest. The operating budget could be balanced now. That part of the budget could be balanced tomorrow. The one piece of the budget that cannot be balanced so easily is the President's ongoing compound interest on this massive debt that these two Presidents have allowed to build up.

This sounds, perhaps, like a political statement. Is this a campaign speech? Not at all. It is the truth. And it is the sad truth. And we need to do something about it. We need to have a President who will take the responsibility this country so desperately needs and send Congress a budget that can be put in balance. We need a President that will take the responsibility—provide the leadership—of doing something about this massive debt. If we do not bring this debt under control, we will get to the place soon where we cannot bring it under control.

I am not sure now how you can bring a $4 trillion debt under control. You have to keep paying the interest on debt, and the interest keeps compounding, adding more and more to the debt. I think it is time to call a halt.

The President wants the line-item veto. You and I, Mr. President, know that does not mean what it sounds like. You and I know that is the kind of authority that, under the Constitution, under the separation of powers, should not be granted to a President. You and I also know that, not just over the span of time but in particular over these last 12 years, the budgets finally passed by Congress have essentially been budgets that reflect spending requests sent to Congress by the President in the first place. There have been a few changes, a few adjustments, but a very, very small percentage of spending has been juggled around and changed over the years. Perhaps Congress wanted to put a little more emphasis on education and a little less emphasis on something else and juggled around the figures. But overall spending has reflected requests in Presidential budget proposals.

This is an interesting point. If you look at these past 12 years of budgeteering, counting this most recent budget proposal for fiscal year 1993, one we are working on now, the total appropriations by Congress have been less—not a whole lot less—but less than the total requests by the Presidents. The Presidents budget proposals have not requested that the budgets be cut, not in a real way. To the contrary, they have recommended, year after year, a larger and larger and larger deficit. Their recommendation for this year, in this 6-pound budget—the real deficit recommendation in President Bush's budget for fiscal year 1993 is almost one-half trillion dollars.

This is outrageous. Who would have believed that a fiscally sound President would send Congress a budget recommending one-half trillion dollars additional debt? I think it is $464 billion. This figure is not included in the President's budget for fiscal year 1993. Four or five other kinds of figures are in there, because this administration tries to cover real debt income up and make it look a little bit better. The budget is out of hand. The deficit is out of hand. The debt is out of hand. But I think one of the most startling things and something that says we have to take action right now is this one-half trillion dollar deficit in President Bush's fiscal year 1993 budget. It is almost one-half trillion dollars.

To put that in perspective, from Ford back to Truman, all these Presidents together in all of those years accumulated less debt—that is an accumulation of all their deficits, total debt—than President Bush's deficit for this 1 year.

So you see, Mr. President, as you already know, the Federal debt is getting out of hand and something must be done about it. It must be clearly understood by the American people that there is not any way to bring the massive debt under control without proper leadership from the White House. Had there been proper leadership, it would have been done. Congress tried with Gramm-Rudman-Hollings, which was a good idea. But Congress could not control the one item that only the President can control, and that is the mounting compound interest on the debt.

I implore President Bush to look at this again and to provide some leadership. We have a problem with our economy. We are in a recession. Maybe we are coming out, and I hope we are, but we cannot ever get totally out of this bad economic situation as long as we must spend more to service a national debt than we spend to service the entire cost of national defense. And that is where we are.

I want to call on the President to give us the leadership this country needs. Give Congress the bipartisan congressional body, the kind of leadership it needs, so, on behalf of the people of America, we can get this deficit and this debt under control. I do not think we can wait any longer. I thank the President.

Mr. WALLOP addressed the Chair.

The PRESIDENT pro tempore. The Senator from Wyoming, Mr. Wallop.

PRIVILEGE OF THE FLOOR

Mr. WALLOP. Mr. President, I ask unanimous consent that Mr. Mike Hill, a Bevinetto fellow, be permitted privilege of the floor during the speech that I intend to make after the Senator from Washington speaks.

The PRESIDENT pro tempore. Is there objection? The Chair hears no objection. The request is granted.

The Senator from Washington [Mr. GORTON] under the order, is recognized for not to exceed 10 minutes.

MOUNT ST. HELENS

Mr. GORTON. Mr. President, 12 years ago, Mr. President, the landscape of Washington State was permanently altered. On May 18, 1980, Mount St. Helens erupted and with it, thousands of acres of forestland, wildlife habitat and recreation area were destroyed. In the aftermath, the people of southwest Washington, in partnership with this Senator and the rest of the Washington State congressional delegation, successfully worked to create a national monument to the volcano, managed by the Forest Service.

Today, the roads and facilities and trails on the monument are near completion and, with a 2- to 3-year burst of funding, we can make our vision of Mount St. Helens a reality. It will be unique among all our parks and monuments in its graphic illustration of the works of an active volcano. I support full funding at Mount St. Helens in this year's Interior appropriations bill and I will work to see that work at the monument is completed as soon as possible.

Last year, Congress appropriated nearly $10 million to keep construction of the Coldwater Ridge Visitor Center at Mount St. Helens on schedule. That project is approximately 50 percent complete and will open at about this time next year. To date, the development of the Mount St. Helens is 75 percent complete.

Last week, I met with county commissioners from Cowlitz County. They presented their priorities for this year and I am committed to see their goals realized. Without their hard work, Mount St. Helens would remain but a dream. They deserve much of the credit for the progress we have made at Mount St. Helens.

Cowlitz County, working for the Forest Service, is asking for a total appropriation of $13,872,000 in fiscal year 1993. Of this amount, the lion's share will be devoted to construction of the next recreational facility at Mount St. Helens—the Johnston Ridge Observatory. Just 5 miles from the crater, the Johnston Ridge Observatory will give visitors a spectacular view of the north side of Mount St. Helens. The observatory will house a theater and interactive interpretive exhibits. The $10.6 million request for Johnston Ridge will pay for construction of the observatory, and the installation of power, communication, and water systems. An additional $1 million will support the construction of administrative facilities, entry stations, trailheads and interpretive displays.

Also among the needs at the monument is the construction of roads and trails. The Forest Service estimates that $850,000 will be needed for trail construction and $1,427,400 is needed for road construction.

The Forest Service has not been alone in its financial support of development at Mount St. Helens. A partnership of private, State, and local organizations has contributed millions of dollars to projects at the monument. The State of Washington contributed $5.6 million for construction of facilities at Coldwater Ridge and Johnston Ridge. Cowlitz County has contributed a total of $800,000 for facilities construction. Pacific Power & Light helped pay for an interpreter. The Skamania County Sheriff's Department provides law enforcement services. The Coalition of Handicapped Citizens provided assistance in planning for accessibility to projects. Trinity Lutheran Church provides for the maintenance of Landscape Island. And the list goes on. We are not pouring Forest Service funds into a bottomless pit. The people of southwest Washington, and the State, are dedicated to making Mount St. Helens a wonderful experience for millions of visitors each year.

I support this appropriation for another reason: these projects at Mount St. Helens employ thousands of people in an area of the State hit hard by restrictions on timber harvesting. This area of our State depends almost exclusively on the timber industry for its economic base. When that base dries up, as it has over the past several years with increasing spotted owl set-asides, the families and communities that depend on a supply of timber are being destroyed. Fortunately, we can help moderately ease their troubles by injecting much-needed infrastructure dollars into the region. Mount St. Helens national monument is a major attraction and with visitors come jobs.

It has been estimated that nearly 5,000 of the approximately 20,000 Washington State jobs lost due to spotted owl restrictions will come from southwest Washington—that is one quarter of all the jobs lost in Washington State. Mount St. Helens cannot fill the entire void, but I can assure my colleagues that the funds we appropriate here will make a big difference in the lives of a lot of people. Because the diminishing Federal timber supply remains the cause of the current economic depression in timber communities, a $13 million investment will pay particularly important dividends.

As a member of the Interior Appropriations Subcommittee, I will work to see that the projects at Mount St. Helens are completed. A $13 million appropriation this year will keep the vision on track. We can finish the projects at the monument in a few years if we remain committed. The people of southwest Washington, and the State at large, support our work at Mount St. Helens and, thus, I urge my colleagues to support a full appropriation for the Forest Service work at that national monument.

Mr. GORTON. Mr. President, how much of my time do I have remaining?

The PRESIDENT pro tempore. The Senator has 4 minutes and 50 seconds remaining.

THE FAST FLUX TEST FACILITY

Mr. GORTON. Mr. President, I have come to this floor many times in the past several years to argue the need to preserve the Fast Flux Test Facility, or FFTF, at the Hanford site in Washington State. The FFTF is the Nation's safest and most modern test reactor, and is a national resource that should be utilized to the fullest extent possible.

Unfortunately, the Department of Energy has no primary mission for the FFTF. Although the reactor is tremendously capable and flexible, the Breeder Reactor Program of which it was originally a part has been scaled back dramatically. The Department, therefore, announced in 1990 its intention to shut down the reactor.

Since that time, Governor Gardner, the Westinghouse Hanford Co., and the Washington congressional delegation have worked together to solicit non-Federal entities that would be interested in using the reactor for scientific or commercial purposes. Turning FFTF into an international user facility in this fashion would reduce reactor operating costs for the Department of En-

ergy, and enable the Department to maintain FFTF for future missions.

While Congress has consistently supported the marketing effort, last year's Energy and Water appropriations bill set a deadline of March 31 for the marketing effort to succeed. This deadline has arrived, and the Department of Energy has determined that the marketing effort was not successful. I do not agree with the Department's conclusion.

The marketing team generated a great deal of interest, both at home and abroad, and with both Government and private enterprises. Japan's Science and Technology Agency included the equivalent of $8 million in its fiscal year 1992 request for work at FFTF, and this request is awaiting approval by the Japanese Diet. Indications are that Japan's financial commitment would grow in future years should DOE demonstrate a commitment to operating the reactor. Japan understandably questions DOE's desire to shut down the FFTF, but is willing to pay for access to the facility.

The European nuclear community has also expressed its intention to contribute more than 50 million dollars' worth of components and funding for FFTF. An international cooperative program for passive safety testing is also in the works, and private firms have showed renewed interest in producing medical isotopes in the reactor. Medical isotopes can be produced at FFTF at a level of purity that can be achieved in no other reactor.

To quote from the marketing team's report, "* * * if DOE were to commit to longer term operation of FFTF, over the next 4 to 6 years, the level of non-DOE funding could be brought up to a level of about half the FFTF operating costs." This, Mr. President, indicates to me that the marketing effort was quite successful.

DOE has nevertheless announced that it plans to place FFTF on standby status. Though I disagree with the Secretary's assessment of the marketing effort, I am pleased that the Secretary has chosen not to move toward full reactor shutdown. There are vital Federal missions that FFTF could still accomplish, and at this stage it would be imprudent to eliminate the facility as an option.

Perhaps the most appropriate mission for the FFTF would be to provide NASA with a reliable supply of high-quality plutonium-238, an isotope used as a power source for long-term space missions. U.S. stockpiles of Pu-238 are currently very low, and will just be sufficient to meet projected needs until the year 2000. Missions beyond that date will require a new supply of Pu-238.

Some of my colleagues may have noted in this weekend's Washington Post that the United States plans to purchase an amount of Pu-238 from the Commonwealth of Independent States. This material has been offered at an attractive price, and will be useful in augmenting our currently lean supplies. As a taxpayer, I think this is a good buy for the United States.

Over the long term, however, I am convinced that the United States needs a Pu-238 supply of its own. Aside from the policy question of whether it is in U.S. interests to fund the continued operation of the Commonwealth's defense reactors, I am concerned about the reliability of the CIS as a Pu-238 supplier. My colleagues may have seen a second article that appeared in last weekend's Post, detailing enormous safety problems in the Commonwealth's civilian reactors. These problems are at least as rampant in the Commonwealth's defense reactor system, and raise serious doubts about the reliability of the CIS as a source of high quality Pu-238.

By contrast, the FFTF is our Nation's safest test reactor, and has undergone stringent safety reviews by not only the Department of Energy, but by the Nuclear Regulatory Commission. The FFTF is the only DOE reactor to have ever undergone an NRC technical safety review.

Pu-238 could be produced at FFTF in concert with many of the other reactor uses identified by the marketing team. The result would be a reliable Pu-238 supply at a reasonable price, as well as an international user facility that would be a model for further international collaborative science efforts.

As the Department of Energy and NASA consider Pu-238 supply options, I hope they will carefully consider the great possibilities presented by the FFTF. If we can meet U.S. Pu-238 needs at a reasonable price while preserving an important Federal resource, we should seize the opportunity.

The PRESIDENT pro tempore. Under the order previously entered, the Senator from Wyoming is recognized for not to exceed 5 minutes.

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

(The remarks of Mr. WALLOP pertaining to the introduction of S. 2505 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDENT pro tempore. The Senator from Iowa [Mr. GRASSLEY] is recognized for not to exceed 5 minutes.

Mr. GRASSLEY. I thank the Chair.

NEA FUNDING

Mr. GRASSLEY. Mr. President, it was just during the past week that the outgoing Chairman of the National Endowment for the Arts, John Frohnmayer, criticized Members of this body who voted to require that the NEA consider general standards of decency when awarding grants. I believe that Mr. Frohnmayer's criticisms are based on an erroneous view of constitutional law.

Voting to prevent funding of works depicting sexual activities or organs has no relation whatsoever to free expression. No one has a constitutional right to have taxpayers' funds subsidize their views. When the Government chooses not to fund offensive expressions, the artist, however, is still very free, as he or she should be, to engage in constitutionally protected artistic expression. However, he or she just will not receive public funds for exercising that constitutional right.

The first amendment rights that are at stake in the NEA controversy are not those of the artist. They are instead the rights of the taxpayers of the United States. Citizens do have the first amendment right not to be taxed to support expression with which a majority disagrees. Citizens also have the right not to be taxed to subsidize the production and the dissemination of obscenity. This is a category that is not entitled to first amendment protection.

It is a right of our constitutional system not to pay for someone else's expression with which one might disagree.

The Supreme Court has zealously guarded the first amendment right of citizens not be compelled to speak.

Let me refer to a few instances of the Supreme Court speaking on this issue.

Citizens cannot be forced to display on their private cars a State mandated message on license plates with which they disagree. Nonunion members of a collective bargaining unit cannot be compelled to pay for union political advocacy activity unconnected with the collective bargaining process.

Utility companies cannot be forced to include in their billing envelopes messages from organizations whose views they oppose. When Mr. Frohnmayer complains that voting not to fund indecent material "is unconstitutional under every test he knows," the appropriate response is, learn more tests.

Public funding represents the policy's view that the object funded is worthy of public support.

Mr. Frohnmayer's argument to the contrary is inaccurate and contrary to all existing constitutional precedent. Indeed, when he contends that Government funding does not suggest endorsement of a word any more than Federal campaign funds constitute an endorsement of a candidate's political views, he proves my point and not his.

The only reason why Federal matching funds for Presidential candidates do not violate the first amendment is that the source of the funds is not Federal tax payments, but voluntary contributions. Indeed, one of the reasons why I believe that fewer and fewer taxpayers are checking off the $1 contribution box is precisely because they do not want their money used to support the political views of candidates that differ from their own.

In a democracy, the majority chooses how taxpayer money will be spent. If the taxpayers decide that they do not want to fund offensive material, then we validate rather than destroy the first amendment by respecting their views. The threat to the first amendment is the insistence of a minority of artists and elitist Government officials that taxpayers be compelled to fund whatever that minority may deem worthy.

Mr. Frohnmayer is free to express whatever views he wishes as to the types of art that should be publicly supported, and he is free to criticize this body for its votes any time he wants to. But, Mr. President, after this month, taxpayers will not be paying for him to criticize this body.

Mr. President, how much time do I have left?

The PRESIDENT pro tempore. The Senator has 3 minutes and 50 seconds.

THE CONGRESS IS OUT OF TOUCH

Mr. GRASSLEY. Mr. President, it is no surprise that the American public has lost its confidence in Congress. The House banking scandal is just the latest reason for the public to stop trusting Congress.

Most everyone recognizes that Congress is going to have to clean up its act in order to restore public confidence and trust. But there are some inside the beltway players who still do not get it.

A recent Sunday New York Times had a story about some Washington insiders who will resist the needed reform and restored accountability. The article said that:

> Many here are gloomily assessing whether it is worth living in a world where they are expected to behave like ordinary mortals.

But Americans want their public servants to be ordinary mortals, and those who cannot live by that standard better retire from doing the public's business here.

That is why I was quite surprised to read in that same article about the former National Chairman of the Democratic Party, John White, who was complaining that with the new ethics scrutiny, "you might as well be in Des Moines."

Of course, I take offense with his insult of Des Moines and the good people of Iowa. Iowans have standards of decency and morality, and if we had a little more of that around here, Congress would not be in the trouble it is right now. White's attitude explains how out of touch Congress is with the American people.

Well, the American people have finally caught on, and they are announcing, all over the country, that they are not going to put up with the nonsense that goes on here in Washington. Congress is supposed to be about representative government. Our constituents send us here to make the Federal Government responsive to their needs, not to live by some different set of rules or standards, and certainly, not to listen to some inside pols who do not speak for anyone but themselves.

The Congress would do well to adopt moral and ethical standards of the people of the Midwest. Chances are we would accomplish a great deal of more significant work on behalf of the American people, if we were to do that.

I yield the floor, Mr. President,

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

The PRESIDENT pro tempore. The absence of a quorum having been suggested, the clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

The Senator from Arkansas is recognized for not to exceed 5 minutes.

REFORMING THE WAY THE FEDERAL GOVERNMENT RECEIVES ADVICE

Mr. PRYOR. Mr. President, I have spent some 14 years researching, investigating, and seeking to reform the way our Federal Government receives its advice. Today, I want to discuss one aspect of this system, and that aspect is the Federal advisory committees.

When I attempted to cut the funding of nerve gas and the production of nerve gas in the early 1980's, I was told then that the Defense Science Board had advised the Department of Defense that the nerve gas production was vital to our security. I was not surprised to later learn that the Defense Science Board is made up of the very movers and shakers of the defense contractor community. If we want to learn about the military industrial complex, all we need to do is to analyze the membership of the Defense Science Board, and we will discover that the buck starts there.

Mr. President, DOD is not the only agency using these advisory committees. There are over 1,000 of these committees advising virtually every part and every aspect of our Federal Government today.

Today, I want to highlight one Federal entity and their inept, negligent, and outrageous usage of these advisory committees.

I am speaking today of the Office of U.S. Trade Representative, the USTR. In the course of conducting some routine oversight, I discovered two amazing facts about the USTR. First, they had persons serving on their advisory committees who were registered as foreign agents. If that is not outrageous enough, the second discovery was that the USTR did not even know of this situation.

Mr. President, this is unthinkable. These advisory committees have access to some of the most sensitive information in our Nation. They often meet in closed sessions. They have input into some of the most fundamental trade decisions that affect the lives of millions of Americans. And, coming as no surprise, some of the people on these committees were signed up to be advocates for foreign governments and foreign corporations.

What was the reaction of the USTR, our U.S. Trade Representative, when I brought this matter to her attention on May 10, 1990? Months after I wrote to Ms. Carla Hills, I got back a letter. On October 29, 1990, 6 months later, I received a response. Yes, there are foreign agents serving on U.S. Trade Representative advisory committees, I was told. No, our U.S. Trade Representative did not actually know of this fact. And what swift action did the USTR take? Well, they wrote a letter to the Department of Justice to see if there was anything wrong with these arrangements.

Was there a sense of urgency to correct the situation? Of course not. Was there a public disclosure of this scandal? Of course not.

Mr. President, we have battles we need to fight in the arena of international trade. We have to stand up for our interests, just as our friends and adversaries will stand up for their interests. But does anyone think for a moment that the highest levels of internal trade deliberations of the German or the Japanese Governments are open to lobbyists for United States corporations or United States interests? Do they allow agents of American trade interests to sit in the inner circles of their deliberations? Of course not.

When I consider the potential conflicts of interest and the potential harm done to U.S. agricultural, commercial, or other sectors, I take no comfort in the sentence contained in the October 29 letter from the U.S. Trade Representative that states:

> We are unaware of any advice given by any of the advisers listed above to the U.S. Trade Representative that could have affected their foreign clients.

Mr. President, I have no doubt that our USTR is unaware. Remember, they were unaware that a foreign trade agent served on their advisory committees until I pointed them out.

Here are some of the clients represented by these foreign interests that have been sitting on some of the advisory committees, advising our U.S. Trade Representative. Here are some of the clients: the Embassy of Iraq.

The PRESIDING OFFICER (Mr. BRYAN). The Chair will inform the Senator that the time under the special order assigned to him has expired.

Mr. PRYOR. Mr. President, seeing no other Senators seeking to gain recognition of the floor I ask unanimous consent for four additional minutes.

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

Mr. PRYOR. Mr. President, here are some of the clients represented by these foreign agents. The Embassy of Iraq, the Government of Chile, the Canadian Sugar Institute, Nippon Steel Corp., and the Brazil-United States Business Council. I have news for our Trade Representative, Mr. President. Registered lobbyists, foreign agents, that are being paid to advance the clients I just listed should not be allowed in top-level Government meetings to discuss U.S. trade policy much less to advise our own trade negotiators.

Mr. President, how long did it take the Department of Justice to respond to this situation? Not days, not weeks, but months. Six months, as a matter of fact. Not until April 29, 1991, did the Department of Justice respond. What was that response? The fact is that no one has seen the actual letter besides our U.S. Trade Representative, a White House attorney and the Justice Department lawyer who wrote it. I have been unable to obtain it.

But apparently this ruling said that it is illegal to have foreign agents on the advisory committees. In fact, there is a specific violation in this instance of 18 U.S.C. 219. That section calls for criminal penalties, but to this day no one has ever been criticized for these violations, let alone penalized. U.S. Trade Representative, apparently, Mr. President, again I have not been informed by them directly, politely asked the foreign agents to kindly leave the advisory committees or maybe to stop representing their foreign clients. Twelve months later, a full year after I brought this matter to attention of our Trade Representative, the foreign agents were quietly taken off the advisory committees.

Mr. President, we have no way of knowing what advice these persons gave on those advisory committees, how it could have affected their clients. But the point is that they should never have been on there in the first place. There were no checks, no red flags, to see if any of these advisers were foreign agents; I see no adequate check or red flags in existence today or in the system today to advise us in the future of foreign agents advising our Trade Representative in trade negotiations.

Furthermore, once I brought this situation to the attention of our U.S. Trade Representative it should not have taken a year for those foreign agents to have been taken off of the advisory committees.

Mr. President, this ruling was apparently not sent to other agencies. Is it appropriate for advisory committees of the Department of Agriculture, State, Commerce, or defense to have registered foreign agents on them? I ask that question. I believe the same potential for abuse is there and I wonder why the Department of Justice has not taken swift action on this matter.

My own quick look yesterday at the Department of Justice foreign agent registration data base reveals this: There is a registered foreign agent on the Defense Science Board. There is a registered foreign agent on the Department of State's Advisory Committee on International Investment. There is a registered foreign agent on the Advisory Committee to the Arms Control and Disarmament Agency.

Are these people criminals? Do the respective agents know about this? Has Justice informed the respective agents of their ruling? Is anyone concerned that sensitive, internal, governmental meetings, often closed to the public, often with no minutes of the meetings taken, are attended by registered foreign agents? I ask those questions, Mr. President, and thus far I have received no response.

Mr. President, this is a callous disregard for potential conflicts of interest and it is unacceptable. While it is no surprise to me that the present U.S. Trade Representative was aware of these foreign agents it raises real questions in my mind about the type of advice on trade matters being given to the President of the United States over the past few years. I take no comfort in the USTR's one-sentence claim they are unaware of any advice given by these foreign agents that could be effecting their foreign clients. The USTR has permitted this situation to exist for several years and this represents an unthinkable an unacceptable breech in the integrity of our Government.

Mr. President, this situation is outrageous.

In conclusion I ask unanimous consent that a letter I wrote to the Honorable Carla Hills on this matter be printed at this point in the RECORD.

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

U.S. SENATE,
COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, DC, March 16, 1992.

Hon. CARLA HILLS,
U.S. Trade Representative, Office of the U.S. Trade Representative, Washington, DC.

DEAR MS. HILLS: I just learned today that the Department of Justice, Office of Legal Counsel has informed you that persons who are registered as foreign agents may not serve on federal advisory committees. Although I find it unthinkable that these foreign agents were allowed onto advisory committees in the first place, especially advisory committees involved in U.S. trade matters, I am anxious to learn as to what specific actions you have taken since you received the Justice Department letter from Deputy Assistant Attorney General John Harrison on April 29, 1991.

As you know, before I informed you that registered foreign agents were serving on your advisory committees, your office had no procedures to routinely stop this from occurring. What procedures have you put into place to prevent this from occurring in the future? What specific actions did you take with the particular individuals that were serving on your advisory boards while they were registered foreign agents? Are these individuals still on your committees?

Furthermore, as you stated to me in your letter of March 15, 1990, USTR obtains advice from 40 advisory committees throughout the federal government. As the Justice Department's ruling was very clear as to the law of the land, please inform me as to what, if any, specific actions you have taken to ensure that USTR is not receiving any advice from an advisory committee that has a registered foreign agent serving on it? Please provide me with a list of these committees.

Again, in my long history of investigating who is advising the federal government I have seldom seen such an outrageous example of conflict of interest. I am disappointed that I had to uncover this situation and point it out to your office. I hope to discover that you have taken swift and effective action to ensure that no future policy position of the USTR will be tainted by suspect advice from someone who has registered to advance the interests of a foreign nation or company.

I would like to hear from you as soon as possible. Thank you for your assistance on this matter.

Sincerely,

DAVID PRYOR.

Mr. PRYOR. Mr. President, I ask unanimous consent that a March 16 letter I wrote to the Honorable J. Michael Luttig, Assistant Attorney General, Department of Justice, on this matter be printed at this point in the RECORD.

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

U.S. SENATE,
COMMITTEE ON GOVERNMENT AFFAIRS,
Washington, DC, March 16, 1992.

Hon. J. MICHAEL LUTTIG,
Assistant Attorney General, Office of Legal Counsel, Department of Justice, Washington, DC.

DEAR MR. LUTTIG: I have just learned today that the Department of Justice, Office of Legal, wrote to the White House General Counsel to inform them that persons that are registered as foreign agents cannot serve on federal advisory committees. Your office made this ruling in response to my informing the Office of the U.S. Trade Representative that the advisory committees upon which they were relying for trade advice, had several persons and firms that were registered as foreign agents. As you know, the letter of April 29, 1991, from Deputy Assistant Attorney General John Harrison to the White House Counsel stated that 18 USC, Section 219(a) was grounds for this decision.

While I agree with your decision, I am disappointed that it took six months for your office to respond to the USTR's inquiry. Furthermore, I question when you planned on making a broad government-wide announcement on this matter. I do not think that anyone else in the federal government knows that it is illegal for registered foreign agents to serve on federal advisory committees. Has this ruling been sent to other agencies? If so, when? If not, why not?

As you know, there are criminal penalties associated with the part of the U.S. Code that you cited. Are you recommending that registered foreign agents serving on advisory committees be prosecuted? Or is the absolute ineptness and negligence of agencies, like USTR, in neglecting to ask for this information a defense for these individuals?

In addition, the USTR informed me that they receive advice from 40 advisory committees. Did you review the membership of those committees? Were there foreign agents on those advisory committees? Who were they and what foreign clients did they have?

As you know, there are over one thousand federal advisory committees and hundreds of person serving on them. These committees advise the USTR, the Departments of Commerce, State, Defense, Treasury, and in fact, every significant part of the federal government. How many registered foreign agents have served on these advisory committees since January 1989? How many registered foreign agents are presently serving on these committees? What specific actions do you plan to take to investigate the conflicts of interest that are inherent in these situations?

It is unthinkable that such a situation has been allowed to exist. These advisory committees have access to some of the most sensitive advice in our nation. The advice of these committees is relied upon by senior officials in each agency. The conflicts of interest in even one agency, like the USTR, staggers the imagination. In conducting my government-wide review of who is advising the federal government, I discovered this situation. I shudder to think what other undiscovered and unexamined conflicts of interest are out there.

Again, while I agree with your decision, I am disappointed that no one seems committed to acting swiftly and effectively to prevent such conflicts of interest from occurring again.

I look forward to receiving answers to the above questions by March 31, 1992. Thank you for your assistance with this matter.

Sincerely,

DAVID PRYOR.

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

I yield the floor.

The PRESIDING OFFICER. The Senator from Colorado [Mr. WIRTH] is recognized under the previous order to speak for a period up to 15 minutes.

Mr. WIRTH. Mr. President, I thank you for your courteous recognition.

(The remarks of Mr. WIRTH pertaining to the introduction of S. 2506 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Pursuant to the previous order, the Senator is recognized for 15 minutes and the additional time that has been yielded to him.

Mr. GLENN. I thank the Chair.

(The remarks of Mr. GLENN pertaining to the introduction of S. 2506 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. MACK addressed the Chair.

The PRESIDING OFFICER (Mr. ROBB). The Chair recognizes the Senator from Florida [Mr. MACK].

Mr. MACK. Mr. President, I ask unanimous consent to address the Senate as in morning business for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Florida is recognized for up to 10 minutes.

REPEALING THE LUXURY TAX

Mr. MACK. Mr. President, there are many things that the Congress could do to help give people the opportunity to work and to find jobs and to help in the creation of jobs. This morning I would just like to focus on one.

Several weeks ago, there was an effort on the part of the Congress to put together in growth package that, frankly, many of us believed almost from the beginning was doomed, that it was going nowhere. But I think there was something that was positive that came out of the process, and that is that both sides, both the Democrats and the Republicans in the Senate, both Democrats and Republicans in the other body, and the administration all supported the idea of repealing luxury taxes.

And so what I would like to suggest this morning is that we ought to try to find those things that we agree upon and, in particular, the luxury tax, and that in a bipartisan approach we work together to try to see if we cannot craft a piece of legislation that would be passed by June 1 that, in essence, would eliminate the luxury tax.

I am going to be circulating a letter in the next couple of days that will basically encourage Members to sign on indicating their willingness to support repeal of the luxury taxes and at the same time to make a commitment that they would oppose any amendments to that particular bill or that particular piece of legislation.

What we would do is we would pass the bill and we would hold it at the desk until the other body had passed similar legislation.

Let me touch on the history of the luxury tax for just a moment. In the 1990 budget agreement, a 10-percent luxury tax was placed on the following items above a certain amount: automobiles, for example, $30,000 and above; boats, $100,000 and above; nonbusiness aircraft, $250,000 and above; jewelry and furs, $10,000 and above.

The theory was that by imposing this luxury tax, we would tax those who are most able to pay, and the conclusion was drawn that there were no consequences for that decision; that, in essence, everything else would remain the same with the exception of the 10-percent luxury tax. Many Members of both bodies voted for the budget agreement not really believing that a 10-percent luxury tax was going to put people out of work; that a 10-percent luxury tax, they believed, would not have an effect on those who buy those kinds of products. We now know from experience and we know from the data that has been collected that is not the case.

I think probably our colleague from Maryland, Senator MIKULSKI, said it best. She said, "America doesn't need a tax system that puts people out of work. That's just what the luxury tax * * * is doing. We thought we were going after the Donald Trumps and the Leona Helmsleys when we put this tax into the budget package. It turns out that we're just hurting the mom and pop small businesses * * * around the country." Again, I think she says it very well.

In my own State, there have been some very real effects. Florida retailers sold just 45 luxury boats in the first 3-month period following the luxury tax which went into effect in 1991. In the same period a year earlier, Florida retailers sold 164 of those boats. In other words, it dropped from 164 to 45. In 1990, 1,353 Floridians were employed by luxury boat manufacturers. In 1991, that number fell to 668. The State of Florida expected to lose $3.5 million in sales taxes alone as boat buyers delayed purchases, buy tax-exempt used boats or register their boats outside the United States. At Wellcraft Marine in Bradenton, FL, sales have declined by approximately 60 percent. Approximately 400 jobs have been lost at Wellcraft, and they are directly attributable to the boat tax.

I paid a visit to the Wellcraft boat manufacturing operation last August, I believe it was, and had an opportunity to meet both with the managers of Wellcraft and with employees, both those who were working and those who lost their jobs. Many of those people who had lost their jobs had been working for Wellcraft for some 13 or 14 years. The people at Wellcraft called the luxury tax a layoff tax because they were trying to make the point that the only one who paid as a result of the 10-percent luxury tax were the people who lost their jobs because, again, a higher tax affected the purchasing patterns of the wealthy in the country.

There are several other items I would like to mention, one of which, again, talking about Wellcraft Marine, Robert Long, president of Wellcraft Marine in Sarasota, estimates he had to lay off about 1,200 people, about 60 percent of his work force. Bob Smith, the president and CEO of Bertram Yachts in Miami said he sold 34 boats to dealers in the first 3 months of last year. That was in 1990 before the luxury tax. After the tax went into effect, he sold only four boats in the same period.

I might just add, it is not a surprise, since Congress did not act to repeal the luxury tax, that Bertram Yachts filed for bankruptcy just a few days ago.

Again, the intention, without debating political sides of this, was to raise more revenue. But the reality is it did not work. In fact, there have been some estimates that it cost more money to collect the few dollars the luxury tax is bringing in than what is actually being brought in.

There is another article entitled "May Day! May Day! May Day!" And referring to the luxury tax, it says:

The rich have decided they won't be taxed—at least not with the 10 percent luxury tax. They have all but stopped buying $100,000 plus boats.

That is right. For the first 2 months of this year so few new boats over $100,000 were sold at retail that the boating industry is now on the verge of complete collapse. This is not hyperbole.

The finest, oldest, and best names in the business are, at this very moment, teetering on the precipice of disaster. At least three large yacht builders have gone out of business in the last 30 days. More, undoubtedly, will follow.

A weak economic situation in 1989, 1990, and now the 1991 luxury tax, is simply too much for many of the low volume boat builders to withstand?

An interesting thing also has occurred, and that is that we are now seeing that the purchase of so-called luxury boats is not taking place outside the country. So not only are we shutting down operations in this country, but we are now finding that boats are being purchased outside the United States. It says the luxury tax is driving potential boat buyers into the hands of our capable foreign competitors from Germany, Holland, and England, who have been successfully luring American customers away, in order to avoid the 10-percent luxury tax, going to places and flagging these new yachts in locations like the Bahamas and in Bermuda.

Here is what one boat manufacturer had to say about the fairness of the boat tax.

A yacht costing $1 million to build contains about $200,000 in direct labor costs that goes straight into the worker's pocket. Another $200,000 goes into overhead which includes more labor cost. The remaining 60 percent goes for materials, engines, fiberglass, wood products, electrical and mechanical equipment, appliances, furnishings and electronics—all products that are made by real people with real families. What's wrong with taking the rich guy's million bucks for a yacht and spreading it around a little?

The overall effect of the boat tax has been to destroy 7,600 jobs nationwide in 1991 alone, according to an estimate by the Joint Economic Committee.

Mr. President, again I am going to ask my colleagues to join with me in this idea of signing on to a letter that in essence says we want to bring legislation to the floor here in the Senate by June 1 to repeal the luxury tax. By signing on to that letter, we agree that we would not accept any other amendments, and we would hold that legislation at the desk until the other body were to do something similar to this approach. I ask my colleagues to take a look at that letter. It, in fact, will give us the opportunity to help put more Americans back to work.

I thank the Chair.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alaska [Mr. STEVENS].

Mr. STEVENS. Mr. President, I ask unanimous consent to proceed as if in morning business for just a brief period, a minute or so.

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

THE ATTENDING PHYSICIAN

Mr. STEVENS. Mr. President, there has been a lot of discussion lately about the Office of the Attending Physician. The permanent staff of the Rules Committee has made a study of the history and the operations of that office. I will ask unanimous consent to insert it in the RECORD and commend it to Members of Congress and to others who are talking about the Office of the Attending Physician.

This does detail its history and what it does, and I think it demonstrates that Admiral Krasner and his staff provide a very vital service not only to the Congress and those people who visit the Capitol but to the staff of the Capitol Police, the pages, members of the Supreme Court, and others who are in need of emergency medical service within the scope of their jurisdiction.

Again, Mr. President, I urge Members to understand the valuable asset that exists in the Office of the Attending Physician and keep that in mind as we deal with the subjects that are before us now.

I ask unanimous consent that the statement prepared by the Rules Committee staff be printed in the RECORD.

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

THE OFFICE OF THE ATTENDING PHYSICIAN

BRIEF HISTORY

The Office of the Attending Physician (OAP) was established in 1928, 70th Congress, 2d session, after the collapse of several Members of Congress and the death of one Member of the House of Representatives. In each case, the arrival of a doctor was delayed several hours. After those incidents, Representative Fred Britten of Illinois, chairman of the House Naval Affairs Committee, consulted Speaker Nicholas Longworth about the placement of a naval medical officer at the Capitol.

On December 5, 1928, Representative Britten introduced House Resolution 253, which passed unanimously that same day. It stated:

"*Resolved*, That the Secretary of the Navy is hereby requested to detail a medical officer of the Navy to be in attendance at the Hall of the House of Representatives during the sessions of the House."

Lieutenant Commander George Calver was assigned by the Secretary of the Navy, Curtis Wilbur, to this position on December 8, 1928. He remained in this position until his retirement in October 1966.

Dr. Calver initially worked in the Democratic Cloakroom and later was assigned office space in rooms H-165 and H-166 of the Capitol where the office still remains.

On June 4, 1929, Senator Royal Copeland of New York introduced Senate Concurrent Resolution 14 to request the Secretary of the Navy to detail a medical officer for duty as physician to the House and to the Senate; and thus, extend Dr. Calver's services to Senators. The measure was referred to the Senate Committee on Naval Affairs, reported favorably (S. Rept. 71-328) in April 1930, and passed unanimously by the Senate on April 7, 1930. It was then referred to the House Committee on Accounts which took no action on it. However, Dr. Calver later stated that after this resolution passed the Senate, the Secretary of the Navy ordered him to "look after both houses." Since that time, the Office of the Attending Physician has been continually maintained for the provision of medical services of Members of Congress.

Although the Attending Physician has always been on the payroll of the Navy, it was not until the enactment of the 1931 Legislative Branch Appropriation Act (P.L. 71-311) on June 30, 1930, that Congress appropriated funds for necessary supplies and equipment in the Office. In its report accompanying this appropriations bill, the House Appropriations Committee stated:

"The contingent fund has not heretofore been available for medical supplies and equipment for the emergency room and physician's office and the committee is of the opinion that some amount should be available for the purpose instead of relying entirely upon the Navy Department for such necessities."

A survey of the Legislative Branch Appropriation Acts since then indicates that expenses for supplies and equipment have continued to be paid from the contingent fund of the House, often listed in those Acts as "Joint Items."

Congress has also appropriated money for allowances such as technicians and hospital corpsmen, who have assisted in the office since 1929. House resolution 279, passed July 1, 1930, stated:

"*Resolved*, That until otherwise provided by law there shall be paid out of the contingent fund of the House an allowance not to exceed $30 per month each to two assistants in the office of the attending physician starting December 1, 1929."

This allowance has been included in subsequent Appropriations Acts and the House has passed resolutions which increased the number of assistants in the office. A more recent practice has been for the legislative branch appropriations act to authorize an increase in the amount of the allowances and the number of Navy personnel who may receive such allowances, rather than the authorizing resolutions.

Since the enactment of the Second Deficiency Appropriations Act of 1940, P.L. 76-668, the Attending Physician has received an allowance which is presently $1,000 per month.

In addition to medical personnel, there is a non-medical technical assistant appointed by the Attending Physician, subject to the approval of the Speaker of the House. He is on the payroll of the Clerk of the House. A survey of past Appropriations Acts indicated that this position did not exist until the enactment of the 1947 Legislative Branch Appropriations Act, P.L. 79-479. There are also presently 16 nurses on the payroll of the Architect of the Capitol who assist the Attending Physician. They staff the first aid rooms in the Capitol and Office buildings.

Beginning with the 1976 Legislative Branch Appropriations Act, P.L. 94-59, Congress began the present practice of reimbursing the Department of the Navy for expenses incurred for staff and equipment assigned to the Office of the Attending Physician. These

reimbursements are now credited to the Navy's annual appropriations. Consequently, Congress now appropriates the reimbursements to the Navy as well as the allowances for the Navy personnel assigned to the Office of the Attending Physician.

P.L. 94-50 also began the present revolving fund in the U.S. Treasury for the Office of the Attending Physician. As recommended by the GAO, this fund is for the deposit of money received from the sale of drugs and any other sources and is available for the purchase of drugs for resale.

SCOPE OF SERVICES

Members may voluntarily open medical records with the Attending Physician and are encouraged to participate in a preventive health program through annual physicial examinations. Medical information about members and the results from examinations conducted by the Attending Physician are kept confidential but may be sent to Members' private physicians upon written request by a Member. In addition, the Office provides a 24-hour telephone answering service. The OAP has expanded from its original mission to include the following functions:

a. Provides comprehensive ambulatory care to meet the health care needs of the Members of Congress, and Capitol Officials consistent with professional and facility capabilities.

b. Maintains liaison with military and civilian hospitals to facilitate necessary referral of Members and other eligible beneficiaries requiring hospitalization.

c. Provides limited ambulatory health care services to other eligible beneficiaries to include: Staff, Pages, and the U.S. Capitol Police.

d. Cooperates, and when requested, participates in planning medical support for mass casualties with Military District Washington, Chief of the U.S. Capitol Police, Architect of the Capitol and other officials as appropriate.

e. Supervises the operations of nine satellite first aid rooms located in House and Senate Office Buildings that provide support to the over 20,000 staff personnel who work for Congress.

f. Provides CPR and First Aid instruction to Congressional staff.

g. Medical consultant to the 1,200 man U.S. Capitol Police.

h. Provides medical support for Inaugurations, Joint Sessions of Congress, visiting Heads of State, and a myriad of other special events at the Capitol.

i. Serves as medical consultants for various medical screening programs, blood drives, bone marrow registries, and health fairs for the over 20,000 staff personnel who work for the Congress.

j. Oversees certain aspects of the environment and occupational health requirements of the Capitol and other House and Senate Office Buildings.

k. Provides supervision of the sanitary handling of food and the health of food service workers in the Capitol complex.

l. Provides emergency care, utilizing a highly trained medical response team, for the over one million tourists, medically handicapped visitors, school children, church organizations, and service groups that visit the Capitol each year.

m. Provides allergy shots to staff conditional on their providing the serum. Immunizations are provided to Members of Congress and their staffs for approved Congressional travel. Annual flu shots are provided to Congressional staff for a nominal fee.

n. Specialized services provided to Members include: a Medical Response Team with emergency equipment which is on call when the Office is open; ambulance service; complete laboratory, X-ray, pharmacy and physiotherapy services; electrocardiographic service (each Member is furnished with a wallet-size copy of his/her electrocardiogram).

Anecdotes about incidents in which Attending Physician has been involved recently:

Cared for 5 Catholic Nuns who had gotten frostbite of toes protesting in snow in front of Capitol;

Cared for protesters on hunger strike for homeless when they passed out;

First on scene and stabilized Vietnamese protester who tried to commit "Hari Kari" with sword on steps of Capitol;

First on scene and tried to resuscitate man who doused self with gasoline and burned self to death on West Front;

Aided and probably saved life of groundskeeper who had tree limb fall on head near Grotto;

First on scene, helped resuscitate and evacuate a policeman and two visitors who had heart attacks during Inauguration;

Treated and "patched up" Lech Walesa's translator when he had fever and laryngitis so that he could work during Joint Meeting;

Treated several visiting members of foreign Parliaments, including Italian, Japanese, and English during official visits;

Assisted after a young woman delivered a baby in capitol bathroom;

Assisted in treating illnesses of Congressional witnesses; and

Assisted on numerous occasions when large group of handicapped or other groups of people with such disorders as diabetes, epilepsy, multiple sclerosis, sarcoidosis, who have come to the Capitol and have subsequently become acutely ill.

The PRESIDING OFFICER. The Chair recognizes the Senator from Pennsylvania [Mr. SPECTER].

Mr. SPECTER. I thank the Chair.

Mr. President, I ask unanimous consent that I might speak for a period up to 8 minutes as if in morning business.

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

Mr. SPECTER. I thank the Chair.

(The remarks of Mr. SPECTER pertaining to the introduction of S. 2508 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The period for morning business is now closed.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

EXTENSION OF MORNING BUSINESS

Ms. MIKULSKI. Mr. President, I ask unanimous consent to proceed in morning business for no more than 5 minutes.

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

Ms. MIKULSKI. I thank the Chair.

(The remarks of Ms. MIKULSKI pertaining to the introduction of S. 2508 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, last evening, I sought to obtain consent to proceed to the consideration of House Joint Resolution 456, the continuing appropriations bill for foreign operations. At that time, the distinguished Republican leader indicated that he was not able to give that consent since he had received a copy of the proposed agreement and the resolution by the distinguished Senator from New Jersey only a couple of hours before that time and had not had the opportunity to fully consult with his colleagues.

I am now advised that such consultation is underway at this moment, and that at approximately noontime, the distinguished Republican leader will be in a position to respond.

Accordingly, Mr. President, I am going to, momentarily, seek consent to extend the period for morning business until noon, and will at that time, at approximately noon or shortly thereafter, proceed to renew the request and to gain approval for the Senate to proceed to the consideration of the continuing appropriations bill for foreign operations.

If we can proceed to that, it is my intention that we will remain on that measure until it is disposed of, and then we will proceed to complete action on the NIH authorization bill, which we began consideration of yesterday, with respect to which we obtained an agreement limiting amendments, which agreement is published at page 2 of today's Calendar of Business.

EXTENSION OF MORNING BUSINESS

Mr. MITCHELL. Mr. President, I now ask unanimous consent that the period for morning business be extended until 12 noon, with Senators permitted to speak therein for up to 5 minutes each.

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

FOREIGN OPERATIONS CONTINUING APPROPRIATIONS

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I do not intend to speak beyond emphasizing what the distinguished majority leader has just said. He has stated his intent that when we go on the continuing resolution, to stay on that. I commend him for his efforts in seeking a time agreement. I hope that Senators will

join in a time agreement on this matter. Otherwise, we face unnecessary expenditures in Government, as we find the Peace Corps, refugee assistance, and other areas absent funds.

In my own discussions with Senators of both parties, I find general agreement. If we had, for example, a vote on the continuing resolution right now, it would pass overwhelmingly. We ought to get on with it.

Senator LAUTENBERG has a sense-of-the-Senate resolution that is straightforward and certainly far less than he would have liked to have seen on his bill. We ought to be able to dispose of that. Seventy or more Senators last fall joined in something much more far-reaching. Senator LAUTENBERG in his resolution has allowed that to be disposed of. I hope that we will do this quickly. We have a number of very serious matters here.

Again, I commend the majority leader, and I commend Senator LAUTENBERG, and others, who have worked with him in trying to move this forward. I commend my distinguished ranking member on this bill. Let us get on with it.

Mr. LAUTENBERG addressed the Chair.

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

Mr. LAUTENBERG. Mr. President, first, I want to thank my distinguished colleague and friend, the chairman of the Subcommittee on Foreign Operations of the Appropriations Committee, the Senator from Vermont [Mr. LEAHY]. He has tried to fashion a compromise that would take care of a humanitarian obligation that we have. A centerpiece of U.S. foreign policy for years was Jackson-Vanik, which said to the Soviet Union: we are not going to do any business with you, in terms of commerce or trade, unless you observe the most basic of human rights, and permit people to emigrate or travel as they choose.

So it has been more than 15 years of pursuing the issue of freedom to emigrate, particularly for Soviet Jews, and also for other religious groups in the Soviet Union that wanted to go to freer lands.

So we are now faced with a situation where the debate, as I see it, is going to enlarge substantially, unfortunately.

I have a resolution that is going to be offered that simply confirms the fact that we have, for years, believed that it is a responsibility of the United States to try and help one of our most important allies absorb a population growth of about 20 percent of its base population.

Can you imagine what would happen if the United States were suddenly called upon to absorb 50 million immigrants in a year? It would strain our system totally and would cause chaos in our society.

Well, the Israelis are apparently willing to do that. I respect their welcoming of these possible distant relatives into their society as full-fledged members. They want to do it in a year.

They have asked us to do one very simple thing, and that is to provide loan guarantees. This does not mean loans. There is a lot of confusion in the American public. I agree that our economic problems here at home are overwhelming for millions of Americans. Jobs are at risk, homes are at risk, families are at risk, education is at risk. We ought not to, in any way, diminish our seriousness about helping those people in thousands of communities across the country. That comes first on my list. There is no doubt about it.

But almost on a parallel track, Mr. President, are decisions about where we stand in terms of our friendships, where we stand in terms of international leadership. Do we want to preserve our opportunity to lead this world, not only politically and functionally, but economically? And you have to do a lot of things to maintain that leadership, not the least of which is to step up when other countries cannot. Soon to be formally announced, were are hearing about billions of dollars worth of aid to a former significant enemy, because of which we spent more than a trillion dollars in defense preparation. And now this former enemy has become a current friend. We hope that they remain stable and viable, and we ought to think about helping them.

But does that mean we turn our back on old friends, friends who have been there for decades, a friend like Israel who destroyed the nuclear reactor that Iraq was building in 1981?

Mr. President, you know very well what that would have meant in the Persian Gulf conflict, if madman Hussein had nuclear weapons. They do not have to be missiles. They do not have to be bombs. The occupant of the chair knows something about the military and war, because he served in Vietnam. I served in World War II. Nuclear artillery is almost as devastating. Artillery shells are believed to have the power of the bombs dropped at Hiroshima and Nagasaki.

Had Saddam Hussein had nuclear weapons, not only might we have faced the loss of thousands of American lives, but maybe we would have been so disadvantaged that we would not have been able to respond to that need.

So, Mr. President, what I am looking at here today is to assert our good intentions. The Senator from Vermont was absolutely right. This does not satisfy what I think is an American obligation. This does not satisfy an implied promise that was made over the years, but at least it says in this body we individually believe or do not believe that we ought to respect the relationship that we have with an ally and friend, one who we are liable to need even more in the future than we did in the past.

Today, Mr. President, I was shocked to hear the news that the United Nations, this body of world opinion and force, this body of world government, if we can call it that, approved sanctions against Libya because she refuses to turn over two suspects and four accomplices that it is believed participated in the bringing down of an American airliner, Pan Am 103. That incident will be forever marked in American history, and will forever define the ultimate in terrorism: 270 people, many of them young, many of them college students, returning home for the Christmas holiday. None of them participated in any activities that beget or deserve that kind of response.

Well, today or yesterday, the United Nations approved sanctions. And what did we hear from the Middle East this morning, from Cairo? Protest by dear friends, by the Arab League, that has now established its headquarters back in Cairo, that this is imposing too much force, too much pressure. And we heard that also from Morocco, and other people who were or are currently friends.

Mr. President, I ask unanimous consent that I be permitted to speak for 2 additional minutes.

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

Mr. LAUTENBERG. That, from these friends, Mr. President; Egypt, whom I consider a friend, for whom I worked very hard, when the President proposed forgiving 7 billion dollars' worth of funds owed. When the Egyptians asked me, when I was at a meeting on August 20, 1990, for a $160 million waiver of interest due in September, the President so generously—I might even say correctly—agreed to forgive 7 billion dollars' worth of loans. I say correctly with some misgiving; I think we could have done it better. It cost every taxpayer in America a contribution to that 7 billion dollars' worth of loan forgiveness.

The President made the decision. I was called to the White House with other members of the Appropriations Committee to help defend the President's commitment, his honor, his integrity, his credibility. I disagreed. I said: Take that $7 billion and amortize it over 10 years and make it $700 million a year we can forgive, and that way we can kind of attach a little bit of a chain, a little bit of linkage to the forgiveness of the debt.

But once the decision was made, I was determined to permit the United States the honor of fulfilling its commitment, and I fought hard. And I sat in the conference, Mr. President, over on the House side, at 6 a.m. in the morning from the day before, trying to make sure that the commitment made by the President of the United States was upheld and that we did forgive the 7 billion dollars' worth of loans.

Now, what we are talking about is loan guarantees to an old friend, someone who is not going to stand up and criticize because we want those terrorists in our hands. We want to try them, and we are willing to have them tried by the United Nations. I wish we could get our hands on them. But the fact is that Israel will never say no to something like that.

And so we have a chance to help this democracy, this democratic society, different than almost every other one in that region, to honor its commitment to absorb refugees—they never say no to someone who wants to come there—to help them provide housing, provide jobs, and provide some infrastructure.

I intend to offer a sense-of-the-Senate resolution or amend the CR; I am going to take whatever vehicle I can to make sure that the United States honors a commitment.

Mr. President, if I am running out of time, I see my distinguished friend and colleague from Ohio ready to speak.

Mr. METZENBAUM. The Senator may finish.

Mr. LAUTENBERG. I get the signal here it is all right for me to continue for a few more minutes, and I ask unanimous consent that I be permitted to speak for another 5 minutes.

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

The Senator from New Jersey is recognized for an additional 5 minutes in morning business.

Mr. LAUTENBERG. I thank my friend from Ohio.

Mr. President, we are talking about a means of establishing or reestablishing our credibility on this issue. Do we or do we not mean what we say, whether "say" means to speak the words or to imply it. When governments like the United States wink an eye or shake a head or quietly agree to something, that means an awful lot. And that was the promise made over the last roughly 15 years, since Jackson-Vanik was enacted into law.

Again, Mr. President, to reestablish the concept upon which the loan guarantees are made, what we are asking is the United States, say, says: We will underwrite loans made from the commercial institutions, maybe even individuals—I am not sure what the structure is—that we will guarantee that there will be no default. Israel's record is so good on this issue. She has never defaulted, never missed a deadline for funds that she owed. I wish we could say the same for all of our nations around the globe that we extended those credits to.

It will permit her to borrow money at a lower rate. It will cost the American taxpayers nothing. Israel has agreed to pay the origination fees on these loans; Israel has agreed to absorb whatever costs. As a matter of fact, under the Leahy-Kasten plan, any money spent in the administered territories will be deducted from these loan guarantees.

I do not agree with that policy. I think that issue has to be settled across the table with the parties negotiating for peace. But nevertheless, that is the kind of proposal that is out there, and frankly I would accept that.

What I am asking for is my colleagues to stand up and say yes or no, we believe that that obligation, a moral obligation, is really there, and we ought to consider—consider—it; not do it. Because this resolution, Mr. President, a sense-of-the-Senate resolution, as the Chair very well knows, has no force of law; it simply declares an intent.

And I will ask my colleagues, when debate is going to follow, whether they have the courage to stand up and say yes or no. I know there is pressure back home from people who want to see investments in the community, and I said earlier and I still say yes, those investments have to be made; 100 economists yesterday, including 6 Nobel laureates, said we have to invest more in the infrastructure of this country, regardless of the deficit implication, because of the severity of the recession we are under. They say it, and I agree: Let us invest more in the infrastructure.

I helped author a bill that provides $151 billion over the next 6 years in investment in infrastructure to repair our deteriorating roads, our obsolete bridges, to permit traffic to move faster, to permit us to be more competitive, to conform to clean air, and reduce dependency on foreign oil. I agree with that. That has nothing to do with the loan guarantees that are asked for.

I will say to my colleagues: Listen, you have to have a clean conscience when you go home. This is part of a price for maintaining America's strength in the Middle East, because if Israel had not been there over these years, we would have spent billions, far more than it cost us to maintain our presence there. Stability there would have been an impossible condition to achieve.

You know, Mr. President, the irony of all of this. We went to war ostensibly to save Kuwait and Saudi Arabia from being invaded and coopted by Iraq, and what happens? These are among the richest people on the face of the Earth, people whose profligacy is known to many, people who have giant airplanes at their beck and call, people with castles and palaces and homes all over the place. And we saved their country. We saved it from invasion and capture and occupation.

And the Saudi Arabians still owe us $1 billion. It is an insult to every American who had an interest in what was taking place there, to those who perished in pursuit of democracy, allegedly democracy, in Kuwait and Saudi Arabia. They still owe us $1 billion.

And when I asked the Secretary of State, "When is this money going to be collected?" He said, "We have no prescribed date for this. It is not on the calendar." Not on the calendar? We went there and placed our whole military force in the region to take the risk to fight for what, again, was alleged to be a democratic society. Yesterday, or last week, King Fahd said he is not going to permit voting. He did not want to go that far with reform. Spread the jobs out a little bit, but vote, heavens no.

They still owe us a billion bucks. Iraq had a loan guarantee in 1989 of $500 million upon which they defaulted as they prepared to make war on their neighbors.

Mr. President, if I may ask the Chair, what is the prescribed time for morning business?

The PRESIDING OFFICER. The period for morning business, by unanimous consent, has been extended to the hour of 12 noon. The time allocated to the Senator from New Jersey has expired.

Mr. LAUTENBERG. Mr. President, I will have a chance to talk about this at some length later on. I just hope that my colleagues in their offices hear the plan, hear the program, and will give us the support to honor an obligation of understanding. With that, I yield the floor and I thank the Chair, and I suggest the absense of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. NICKLES. Mr. President, I ask unanimous consent to proceed as in morning business for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator is recognized to speak for 5 minutes.

Mr. NICKLES. I thank the Chair.

(The remarks of Mr. NICKLES pertaining to the introduction of S. 2509 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. REID. 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 Nevada is recognized.

Mr REID. It is my understanding, making a parliamentary inquiry, we

are now in morning business and will be until 1:45?

The PRESIDING OFFICER. The Senator is correct.

WOMEN'S HEALTH RESEARCH

Mr. REID. Mr. President, I rise today in support of the National Institutes of Health reauthorization bill, and I rise specifically as it addresses an underrepresented group in the U.S. Congress, namely women.

Mr. President, several years ago in my Las Vegas office, I was approached by three women. They asked if they can come and visit with me in my office, and I of course agreed to that. When we met, these women were not happy to be there; they were embarrassed that they had to come to my office.

They proceeded to tell me, each of them in their own way, that they had a disease called interstitial cystitis. This is a disease of the bladder. It is a disease that afflicts approximately half a million women, 500,000 women, in the United States today, as it did then.

These women proceeded to tell me that there was no research being done as to why people got sick with this disease. There was no research being done as to how they could get well. They, in effect, were crying out for help.

As a result of their meeting with me, I came to realize that this disease that these women had was a disease specific to women, and, as I looked around, I found there were other diseases that were specific to women that we, in effect, as a national body, had failed to recognize, had failed to do any research, and had failed basically to do anything to help women with these diseases. Why? Probably 200 years of male-dominated legislatures, both on the national level and the State level, has left its mark on women in many areas, but no area more particularly than that of medical research.

Mr. President, traditionally men have decided, and still do, to a lesser degree, of course, what types of medical research get funded and at what levels they get funded. Men are in the majority in the Congress. Men are in the majority in medical research. This means and has meant for many years past that the needs of women are overlooked. So here this afternoon, for a few minutes, I would like to speak of those women currently suffering from specific female diseases and for those who may die from these female-specific diseases. If men suffered from illnesses such as the disease about which I spoke, interstitial cystitis or multiple sclerosis—not everyone who has multiple sclerosis but the vast majority of people who have that disease are women. Lupus. Approximately 90 percent of the people who have lupus are women. Osteoporosis. If men suffered at the same rate women do from these diseases, I would wager that a lot more research would be done on these illnesses. Perhaps there would even be cures now if we had started on these diseases some time ago.

I can see this inequity as nothing less than medical sexism, Mr. President. Last year, as a member of the Appropriations Committee of this body, I was able to help secure $50 million for breast cancer screening programs, $40 million to establish an Office of Women's Health at the National Institutes of Health, and $3 million, which was the second track of money, for research on interstitial cystitis, the disease about which I have previously spoken.

These appropriations, while not a cure-all, a save-all, were a significant step toward placing women's health and research on women's health on a par with men's. Today, we are fortunate to have the opportunity to step forward, to go further.

The bill we are debating today, is a bill to provide permanent authority for an Office of Research on Women's Health within the Office of the NIH Director. This office will ensure that NIH complies with the congressional mandate for inclusion of women in clinical research and will coordinate among the institutes the various research projects involving women. For too long women have been excluded from research projects due to arbitrary considerations. Researchers evidently have believed that women have a more complicated hormone system and results of studies on women would be difficult to interpret and more costly to gather. Therefore, Mr. President, women have been considered a special case and men have been considered the norm.

How can we consider a majority of the population—and that is what women are—as a special case? How can we refuse to test more than half our population because we say they are not the norm? This makes no sense. It is, Mr. President, blatant medical sexism.

The bill to which I refer, the NIH authorization, establishes a Clinical Research Equity Subcommittee in every institute in the National Institutes of Health to ensure that women and minorities are included as subjects in each project.

Millions of women have read the studies that suggest that an aspirin a day may prevent heart disease. In fact, a baby aspirin a day, we are told, will help alleviate a heart condition. But these same people, do they realize that the sample group that was taken to come to these conclusions was entirely male? Twenty thousand men were tested, not a single woman, to arrive at this result. In fact, we really do not know scientifically whether an aspirin a day, a baby aspirin or otherwise, is harmful or beneficial to women with heart disease. Probably they are, but we do not know for sure. It is patently unfair to assume that men and women are not different in response to aspirin or to ignore any difference as not technically significant. Heart disease claims the greatest number of female lives in this country, yet all major studies of causes and prevention have involved exclusively men. Once again, women are left in the dark because of medical sexism.

Unfortunately, Mr. President, physicians have a poor understanding of the effects of aging on the development of diseases in older women. One-third—and some even say as much as one-half—of women in America are postmenopausal, and doctors are without the tools to treat the accompanying aging problems. This bill, the bill to which I referred earlier, requires research on the aging process in women, especially on the effects of menopause and the loss of ovarian hormones. Further, $40 million is appropriated in this bill for research of osteoporosis, a disease some say affects again as many as one-half of postmenopausal women and resulting in 50,000 deaths annually. In addition to research in osteoporosis, the effort shall include a study of Paget's disease and related bone disorders.

Information is the greatest necessity in women's health today. This bill establishes a clearinghouse and data bank to provide information on research and prevention activities in women's health. A registry is established to provide a sample pool and data for continuing research projects. Despite our advances in technologies, the number of women diagnosed with breast cancer each year has increased from 1 in 14 to 1 in 9. In my State, the State of Nevada, it is estimated that in such a sparsely populated State, this year 200 women will die from breast cancer. This, Mr. President, is unacceptable. The bill will appropriate $80 million in title III for breast cancer research, prevention, education, and establishment of research centers. We, as a body, must continue to provide the assistance needed to investigate and combat this pervasive, deadly disease.

As I have said before, women have been underrepresented in positions that affect this Nation's health policy. Health problems unique to women have received inadequate attention. I intend to work to change that trend. I urge all my colleagues to support this important legislation for the health of our wives, daughters, mothers, and all American women.

Mr. President, I extend my congratulations and appreciation to the chairman of the committee, Senator KENNEDY, and the entire committee for reporting this legislation, which will not only help in the specific area about which I have spoken, namely, women's health, but also a great deal to maintain the one area where we can say without question we are still predominant in the world, and that is research

on health issues. And so, again, I congratulate and I applaud the committee for its fine work in reporting this bill to the floor.

Mr. KENNEDY. Mr. President, I express my appreciation to the Senator from Nevada. I would like to ask if his comments could be included at the appropriate place in the RECORD when the Senate reverts to the debate on the legislation, which is the pending legislation, dealing with the reauthorization of the NIH bill.

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

Mr. KENNEDY. If that is agreeable with the Senator.

Mr. REID. I thank the Senator.

Mr. KENNEDY. I might add to what the Senator has pointed out, which I think is an excellent summation of the disparity that exists in terms of research programs at NIH focusing on women. As the Senator pointed out, not only have the kinds of diseases which most affect women not received the attention and the funding, as he has mentioned, but from even those clinical trials for diseases which include a very high percentage of women, women have been excluded. When we look at the fact that such diseases as ovarian cancer, for example, cancer of the breast, which are some of the major killers of women, our fellow citizens, the Senator ought to take a sense of pride that in those areas, particularly in cancer of the breast, we have taken independent action as well.

We know we cannot mandate cures for particular cancers, but what we can do is try to bring a greater focus and attention on some of the research that has been done that offers hope and opportunity to women in those particular areas.

I want to commend him for emphasizing that aspect of the legislation.

We had a very good debate yesterday focusing on the fetal transplantation issue. But the Senator has identified one of the other very important aspects of this legislation. I commend him, and as a member of the Appropriations Committee I note his continued involvement in trying to fund these issues, which will be very, very important. I express my appreciation to him for his work.

Again, I recognize as well Senator MIKULSKI who has been so much involved in this effort.

I thank the Senator.

ORDER OF PROCEDURE

Mr. PELL. Mr. President, I first ask unanimous consent to proceed as if in morning business for 10 minutes.

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

TIME FOR BIPARTISANSHIP ON POLICIES TOWARD THE FORMER SOVIET UNION

Mr. PELL. Mr. President, I welcome the President's decision to offer leadership in responding to one of the greatest events of the 20th century: the fall of communism in what was the Soviet Union. Since the Soviet Union's breakup on Christmas day, I and others in the Congress have been urging the administration to respond swiftly to the situation to ensure that democracy and free market economy will take root in the 11 new countries.

Three days after the break up of the Soviet Union, I traveled to Moscow and, in the days following, to Minsk, Kiev, and Yerevan for a firsthand look at the situation in those capitals. I came away from that trip concerned about the prospects for the success of the reform efforts in each of those countries.

Upon returning from the former Soviet Union, I made a series of recommendations for the United States response to the situation in the newly independent republics. Among other things, I suggested that the United States should monitor closely the humanitarian needs in the new countries of the former Soviet Union and respond with sufficient urgency to any situation that might reverse the democratic trend in Russia and the other former Soviet republics; that the United States should support efforts to keep nuclear scientists employed in the Commonwealth of Independent States in projects not involving weapons for other countries; and that the United States should respond positively and quickly to requests from the leaders of the new countries for technical cooperation and training in areas such as small business development and banking reform. I continue to believe that the United States should view cooperation with the new republics in these areas as an opportunity to build markets for United States goods, to increase United States output and employment, and to create greater economic and political stability in the former Soviet Union.

In February and March, I chaired several hearings of the Foreign Relations Committee at which witnesses ranging from the Librarian of Congress, Dr. James Billington, to our Ambassador to Russia, Robert Strauss, agreed on the urgency of helping the former Soviet Union. All our witnesses agreed that it will be difficult for the new democracies to survive if their people perceive that they are worse off than they were when the Soviet Union existed. I was particularly struck by Dr. Billington's thesis that it may be the peoples' anger, not hunger that threatens the fledgling democratic and free market reforms in the former Soviet Union. I have said time and again that I am concerned that Russia might be vulnerable to an authoritarian demagog if economic conditions do not improve.

Last month, President Nixon served a warning notice when he called the U.S. response "pathetically inadequate." In a speech on the Senate floor on March 12, I outlined my view that it is an act of fundamental national self-interest for us to help Russia and the other countries of the former Soviet Union.

I welcome the administration's readiness to move ahead with a program of cooperation with the newly independent countries of the former Soviet Union. I—and I am sure many of my colleagues share this sentiment—have been frustrated by the apparent slowness in our Government's response to the situation thus far.

I heard it said recently that the timing could not have been worse—the Soviet Union disintegrates during a Presidential election year in which the domestic economic situation is dismal, leaving little room for a broad United States response. The challenge now is to demonstrate that it is in our vital national interest to extend the hand of friendship to the people of the former Soviet Union, to demonstrate that in this greatly changed and ever smaller world, domestic, and foreign policies cannot be separated.

Despite the fact that this is an election year, the time has come to put aside partisanship and to forge a consensus response to the disintegration of the Soviet Union. If the Congress could muster bipartisan support to fight communism in the 1950's, surely we can cooperate in helping to rebuild countries devastated by 70 years of dictatorship and repression.

Many of us in Congress have been prodding the administration to take a greater leadership role on this issue. I believe that we in Congress have a duty to follow through on our challenge and work with the administration on this issue. During a recent Foreign Relations Committee hearing with Ambassador Strauss, several of my colleagues pledged their support for a Presidential initiative, should it be forthcoming, and we prayed that it was.

The President has, at last, responded to our appeals, and it is now time to work with him to enact a program that will advance our vital national security interests. For my part, I will do all that I can to help enact legislation as quickly as possible. Now is the time to step forward and assert American leadership. If democracy and economic reform do not survive in the former Soviet Union, new threats to peace and stability in Europe and elsewhere are likely to arise. We must not allow that to happen.

Looking back in history, in 1919, there was a democratic revolution in Russia and Kerenski was elected. He was not helped by the West, and condi-

tions grew more and more miserable. The Russian people rose to welcome a man on a white horse, in this case Lenin, coming in with an authoritarian system. We do not want to see now, by lack of response on our part, the opening of the door for some other authoritarian system, and not a democracy, which would render useless all of the advances made in the last few years.

I yield the floor.

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

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

ORDER OF PROCEDURE

Mr. LEAHY. Mr. President, the distinguished majority leader has worked extremely hard in trying to get people to agree to a time limit on the continuing resolution. The distinguished chairman of the committee, the senior Senator from West Virginia, has certainly been cooperative in trying to move forward on this. As chairman of the relevant subcommittee, both I and the ranking member of that subcommittee have said that we would agree to as short a time limitation as possible.

Mr. President, all I can say is that we ought to get on with it. Everybody tells me they want to get this matter taken care of. The fact is that time has run out.

Let us vote up or down. If people feel a particular way on a particular issue on the foreign aid bill, vote it up or down. That is what we are paid to do around here, not to sit around contemplating the best way to avoid having to be responsible for something. So let us just vote one way or the other. The American people would like to see that.

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

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

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

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOX SCORE

Mr. HELMS. Mr. President, the Federal debt run up by the U.S. Congress stood at $3,871,749,320,523.67, as of the close of business on Monday, March 30, 1992.

As anybody familiar with the U.S. Constitution knows, no President can spend a dime that has not first been authorized and appropriated by the Congress of the United States.

During the past fiscal year, it cost the American taxpayers $286,022,000,000 just to pay the interest on spending approved by Congress over and above what the Federal Government collected in taxes and other income. Averaged out, this amounts to $5.5 billion every week, or $785 million every day.

What would America be like today if there had been a Congress that had the courage and the integrity to operate on a balanced budget?

NOMINATION OF DANIEL S. GOLDIN TO BE NASA ADMINISTRATOR

Mr. HOLLINGS. Mr. President, yesterday the Senate confirmed Daniel S. Goldin to be Administrator of the National Aeronautics and Space Administration. Mr. Goldin will replace Adm. Richard Truly, who has resigned and will be leaving NASA this week.

Mr. President, the Committee on Commerce, Science, and Transportation held a hearing on Mr. Goldin's nomination on Friday, March 27, which I chaired. Mr. Goldin responded to a variety of questions from many Members of the Commerce Committee. Clearly, Mr. Goldin will face many tough issues in the management of NASA and our civil space program.

Mr. Goldin will be serving at a time when NASA faces a difficult situation. For the last several years, in the belief that funding increases would continue indefinitely, NASA has been adding to its list of projects and missions. Certainly, there are many meritorious proposals for getting into space being advanced by the scientific and engineering communities. However, Federal spending must be controlled by choosing among these proposals.

I am concerned about NASA's ambitious agenda not because I am opposed to continued space exploration or aeronautical research. Quite the opposite. I am concerned because I have been a strong supporter of these programs and am committed to seeing that we make the necessary choices to ensure that the United States retains its leadership position in space.

In a year when budget deficits exceed $400 billion, I question whether there will be support in the Congress for a 5-year NASA budget that exceeds $92 billion, as NASA currently has planned. The ongoing debate about whether to continue funding for the space station stems from the fact that, for the next several years, we will not be able to fund all of the NASA budget. Something has to give.

Mr. President, it is my hope that, working with the new NASA Administrator, we will move forward with the debate about the future direction of NASA and the U.S. space program. As chairman of the Commerce Committee, I look forward to working with Mr. Goldin as we undertake that effort.

Mr. HOLLINGS. I yield the floor.

The PRESIDING OFFICER. Does anyone seek the floor?

TRIBUTE TO WILLIAM MAUPINS

Mr. DURENBERGER. Mr. President, today I rise to pay tribute to a great Minnesotan and a great American, the late William Maupins of Duluth. He died of cancer on March 28. His life as a civil libertarian and community leader is an important piece of U.S. history.

I would like to present for the RECORD the following Duluth News-Tribune account written by Susan Stanich:

Maupins, 69, served as president of the Duluth branch of the National Association for the Advancement of Colored People for 11 years, was considered by many the patriarch of the northern Minnesota black community and a voice of conscience of the community at large.

"I'm just proud to be his daughter," said Carrie Lindahl of Wayzata. He affected the life of virtually every black person in the area said Lurline Baker-Kent, state assistant commissioner of corrections and former Duluth School Board member and Woman of the Year. "I don't think I would have been personally successful without him," she said. "He was my mentor. He was the mentor of most of us."

His biographer, historian Gary Brueggemann of St. Paul, who has been researching Maupins' letters in the University of Minnesota-Duluth archives, said his legacy is that of a "great leader." "He tackled the real big state and national issues; but at the same time he tackled the little daily problems: a man who couldn't get a job, a woman falsely arrested. He'd help them out * * * I've been slowly piecing together what a magical guy this was."

Abandoned as a newborn in a Duluth hotel, orphaned by his adoptive mother at age 4, Maupins was raised by his adoptive father, a college graduate who worked at jobs then available to black men in Duluth: elevator operator and shoe-shiner.

Maupins graduated from Duluth Central High School, served in the Navy during World War II and attended the University of Minnesota-Duluth, where he studied political science and graduated in three years with the class of 1951.

He said in a 1975 interview that none of the major Duluth companies would accept his job applications at first. Eventually he landed a job with the Duluth, Missabe and Iron Range Railway and then at UMD, where he worked as a laboratory supervisor in the Chemistry Department for 33 years until his 1982 retirement.

He married a Texan, "Dimples" Ellison, who gave birth to four children before dying in 1957. Maupins raised the children alone, working two jobs and pursuing an active community life.

In the early days of the civil rights movement, Maupins organized a food drive for Mississippi blacks that Southern white truckers threatened to block. Maupins persuaded the Teamsters Union local of Duluth to help, and Duluth Teams successfully delivered truckloads of food, Lindahl said.

Maupins was active in the DFL Party and pressed action on the Fair Employment Practices Act. When some residents of the Lakeside neighborhood attempted to keep a

black family from moving into the area, he helped launch a campaign that resulted in the city's fair housing ordinance, one of the first such ordinances in the nation. He continued to the end of his life to be concerned about public school education and its effects on black children, and would call teachers and liaisons to tell them to check up on a particular child, said his friend and neighbor, Duluth educator Gerry Stalling.

During the past few days, Maupins called his friends and family and told them goodbye, Lindahl said. "He thanked us. He said he had had a wonderful life and had no regrets in leaving. We couldn't have asked for more."

In 1990, he received the UMD Chancellor's Distinguished Service Award. He worked in Congress for the 1964 Voting Rights Act and was a delegate to the 1968 Democratic National Convention.

William Maupins was a visionary, and he possessed God given strength to accept challenges. He rightly refused to accept injustices of this world and contributed to righting many of those wrongs. Mr. Maupins certainly made a difference and left this world a better place for future generations.

He is survived by two sons, Michael A. of Duluth and William M. of Rosemount; two daughters, Carrie Lindahl of Wayzata, and Sylvia Herndon of Eagan; and six grandchildren. My best wishes go out to all of them. May we never forget the lessons taught by this great man.

ALBANIA'S ELECTIONS

Mr. DOLE. Mr. President, March 22 was a historic day for Albania; the people of Albania took a giant step to end the reign of communism in their country.

In parliamentary elections held that day, the Democratic Party won 62 percent of the vote. There is no doubt that Dr. Sali Berisha, the energetic and committed leader of the Democratic Party, deserves a lot of credit for his efforts to promote democracy. He traveled throughout Albania to get the message of democracy to people in urban and rural areas. But, ultimately though, I believe the credit for this resounding victory lies with the Albanian people. The Communists changed their name and tried to change their image, but the Albanian people were not fooled. The Albanian people were not taken in by the doom and gloom predictions the Socialists made about a possible democratic victory. They knew the truth—they knew that the previous 4 decades of extreme poverty and severe repression were years of doom and gloom and that the Communists were responsible.

Mr. President, these elections ushered in a new era of hope and opportunity for the people of Albania who have suffered for so long under one of this century's most brutal regimes.

Clearly, the Democratic Party has a tough road ahead. It must overcome abject poverty and social unrest. And it must develop a comprehensive plan to rebuild Albania. But, now that the democrats control the Albanian parliament, I am confident that political and economic reforms will be successful—despite current conditions and obstacles. However, I also believe that the United States will need to be supportive of Albania, both politically and economically. No doubt, industrious and entrepreneurial Albanian-Americans will be at the forefront of efforts to bring investment to Albania; they will also be able to provide economic advice. But, in my view now that Albania has chosen democracy, the United States Government has an important role to play, as well.

In the short term the Albanians desperately need humanitarian assistance—food, clothing, medicine and medical equipment. A large percentage of Albanian children suffer from malnutrition. Many Albanian babies are born prematurely because their mothers' diets are deficient. Yet, there are not enough incubators for these premature infants, nor is there a sufficient supply of antibiotics to treat them or older children when they become ill.

In addition to these urgent humanitarian needs, Albania needs technical assistance to help it manage and exploit the resources it has—such as chrome, oil, copper and fertile farmlands—and to get people back to work.

Mr. President, the people of Albania are looking to America to guide and assist them at this critical time. I am hopeful that we will do what is right and provide the Albanians with the help they so desperately need.

UNITED STATES AID TO FORMER SOVIET UNION

Mr. DURENBERGER. Mr. Speaker, in recent weeks, there has been increased public discussion about United States aid for the former Soviet Union. Given the significance of events in that region and the critical juncture at which we find ourselves, this attention comes not a day too soon.

Today, President Bush announced a substantial, comprehensive plan of action to help consolidate the democratic advances in the former Soviet Union. This plan is important because it recognizes, quite appropriately, that United States national interests are best served by doing as much as we can to ensure the success of democracy, liberty, and freedom in Russia and the other republics.

I also want to commend and congratulate our colleagues Senators NUNN and LUGAR for their persistent leadership on this issue in the Senate. Perhaps more than any other Senators, these two distinguished colleagues have provided the guidance and good counsel that has otherwise been lacking on this issue of critical importance to the future security of our Nation.

We are living in the most extraordinary of times, a period of opportunity and hope unparalleled since the end of the Second World War. Having finally laid the cold war to rest, we are at the threshold of a new era. We have a unique opportunity to participate in the shaping of this new era.

Russia and the other republics are among the most critical test cases of whether emerging democracy and free market economics will successfully replace totalitarianism and central planning. If the ideas of freedom prevail there, the prospects for success in Eastern Europe expand dramatically. And success will inevitably influence events in the world's last bastions of communism—China, North Korea, Vietnam, and Cuba.

This Senator is firmly committed to ensuring that the United States retains a leadership role in the world. But participating productively in the process of shaping the future requires engagement. As former President Nixon has noted: Being engaged requires backing up our leadership aspirations with real resources. And that's what President Bush announced earlier today.

Foreign aid is never among the most popular Government programs. It is certainly even less popular in these days of economic slump. Yet, the challenge of leadership is to convince the people that what is unpopular may well be in the Nation's best interest after all. Never was this maxim more true than it is today regarding United States assistance for the building of democracy in the former Soviet Union.

It is essential that we recognize the unavoidable link between our foreign and domestic policies, between international events and conditions here at home. It is simple and superficial to argue that taking care of our problems at home requires us to withdraw from the rest of the world. Just the opposite is true. Peace and prosperity abroad impact us directly at home. To the extent that we can promote these conditions throughout the world, so are we enriched right here in the United States.

No one seriously believes that the United States and the West alone can ensure the success of the democratic experiment in the former Soviet Union. Success there ultimately depends on the Russian people themselves and the people of the other former republics. With a sensible, well-crafted aid and policy package, however, we do have the capacity to markedly increase the probability for success.

Such success will not only serve United States national interests, but will do so at bargain basement costs compared to the price we'll have to pay in the future if democracy and freedom fail in Russia.

If freedom and democracy succeed in Russia and the other republics, future generations of Americans will have a

much diminished security burden. Stability around the world will be enhanced as cooperation replaces competition.

If market reforms succeed and trade continues to expand, wealth in America will be created at vastly greater rates because of expanded trading opportunities. The more we trade, the more wealth we create. That means jobs at home. It means markets for our exports and access to more imports.

Mr. President, I believe it is in our national interest to provide assistance to the former republics. We too have a stake in the success of their experiments in democracy and free markets. We should provide immediate assistance to address pressing food and medical shortages. We should help them get started, get over the hump so to speak.

We need to focus on the longer term as well. Our aid in this respect should center on programs that are intended to help the Russians help themselves. We can provide all manner of technical expertise and assistance to teach them how democratic and market institutions work. We should help them build the foundations for democracy and free markets. In that way, the reforms will take root, grow stronger, and prosper.

That will be the real measure of success of Russia's experiment with democracy. It must last for the long term. We will benefit immeasurably from the success. To the extent that we can influence events and shape the future, we should do just that. It's an investment in the future—theirs and ours.

Thank you, Mr. President, I yield the floor.

THE ADMINISTRATION'S PROPOSAL TO CUT THE NATIONAL GUARD AND RESERVE UNDERMINES OUR DEFENSE BUDGET PRIORITIES

Mr. DASCHLE. Mr. President, on March 26, Defense Secretary Cheney sent Congress a list of 830 National Guard and Reserve units that the Department of Defense is targeting for reduction or deactivation during the next 2 years. This plan calls for the closure of National Guard and Reserve units in all 50 States, the District of Columbia, and Puerto Rico.

In my State of South Dakota, 154 positions in the National Guard would be eliminated in fiscal year 1993 by the proposed deactivation of the headquarters detachment of the 137th Engineer Battalion and the headquarters battery of the 147th Field Artillery Brigade. In fiscal year 1994, South Dakota would lose still another 60 guard and reserve members through the proposed deactivation of the 1087th Medical Unit and the 139th Transportation Battalion.

Overall, the administration's proposal would end the military careers of more than 140,000 guard and reserve members around the country. While the number of personnel cuts in South Dakota may seem small compared to the forced reductions in other States, the contribution of these National Guard units to their communities and to our country is unparalleled.

I am strongly opposed to the administration's proposal for two important reasons.

First, the administration's plan fails to take into account the cost-effectiveness of maintaining a strong National Guard and Reserve. In his State of the Union Address, President Bush outlined his proposal to cut $50 billion in defense spending over the next 5 years. An integral part of the President's proposal calls for the Department of Defense to implement what is known as the base force strategy. This strategy includes the reduction in the number of active military personnel by about 25 percent from its level in fiscal year 1987 to fiscal year 1997.

The more the Department of Defense reduces its active military personnel, however, the more I believe it should rely upon our National Guard and Reserve Forces. I agree that global political changes will make some cuts in all components of military personnel inevitable. However, the base force strategy proposed by the Department of Defense refuses to acknowledge the value of the National Guard and Reserve. The fact of the matter is it simply does not make sense to make drastic cuts in the National Guard and Reserve that have proven to be one of our most cost-effective means of maintaining a strong national defense.

A report recently released by the National Guard Association of the United States and the Adjutants General Association of the United States effectively points out the substantial cost differential between the Active, Guard, and Reserve Forces. The report stated:

> Ground forces in the Guard and Reserve are approximately 25 percent of the recurring costs of active forces all the same level of organization. For example, the animal operating cost of a light infantry division was reported to be $400 million for an Active unit and $103 million for an Army Guard unit.

This example effectively illustrates the fact that the Department of Defense can retain approximately four guard or reserve members for what it costs to retain one active-duty person. Simply stated, we can do a lot more with a bit less by utilizing the National Guard and Reserve.

Second, I am frustrated by the fact that the administration is proposing drastic cuts in the National Guard and Reserve and at the same time, continuing to request funding for the procurement of unnecessary and unworkable defense systems.

The administration's plans call for our Nation's defense budget to be reduced by $10 million in fiscal year 1993. The Department of Defense is requesting that over $2 billion, or approximately one-fifth of these savings, be made by cutting the National Guard and Reserve. The President is also proposing that our defense budget be reduced by $50 billion by fiscal year 1997. The Department of Defense apparently expects almost one-half of these reductions, or approximately $20 billion, to come from cuts in the National Guard and Reserve.

I applaud the President for acknowledging the fact that the uninhibited defense spending that has paralyzed the economy of this country since the 1980's must come to a halt. I also commend the President for taking the first step toward reducing our Nation's defense spending and beginning to address our Nation's domestic problems. Unfortunately, however, the President's proposal simply fails to establish the priorities that we desperately need within our defense budget. The administration's announced intention to close 830 National Guard and Reserve units is a testament to that failure.

For example, while the President is proposing to save $2 billion by cutting the National Guard and Reserve, he is simultaneously requesting $4 billion for 4 additional B-2 bombers. The President also hopes to use an additional $1 billion for a fifth bomber for a total request of $5 billion. Five billion dollars in fiscal year 1993 alone.

We all know the B-2 was originally designed as a nuclear bomber to penetrate Soviet defenses. However, the disintegration of the Soviet Union, the demise of the Warsaw Pact, and the limited capabilities of the bomber, have led many of us to describe the B-2 bomber as a plane in search of a mission. I wonder whether the majority of the people in this country would agree with the President that it is more important to spend $5 billion on the B-2 program than to spend half that amount on the National Guard and Reserve forces? I submit that most people in South Dakota and, I suspect, throughout the country, would not agree. I raise the question, then, "Where are the President's priorities?"

Perhaps the most blatant flaw in the President's priorities is unveiled in the administration's commitment to the strategic defense initiative, also known as SDI. While the President is proposing to save $2 billion by cutting the National Guard and Reserve, he is simultaneously requesting $5.4 billion for SDI—$5½ billion in fiscal year 1993 alone.

No one should be confused. While the administration is requesting $2 billion in cuts for the National Guard and Reserve, he is not requesting a dime's worth of cuts for SDI. In fact, the administration is requesting a $1.5-billion increase in spending for SDI. Would the majority of the people in this country

agree with the President that it is more important to spend $5.4 on SDI than to spend less than half on the National Guard and Reserve? I submit that most people would not agree. Again, I ask, "Where are the President's priorities?"

I find it deeply disturbing that the administration is trying to sell the American public on the idea that deep cuts in the National Guard and Reserve are essential. What is so appalling is that it is doing so as it requests tens of billions of dollars for the procurement of unnecessary and unworkable defense systems like the B-2 bomber and SDI. Until the administration establishes sensible priorities in our defense budget, we will never achieve any sort of peace dividend that our nation has fought for, deserves, and desperately needs to turn our economy around. Moreover, I submit that the American people will not accept drastic cuts in their National Guard and Reserve while the wasteful spending reminiscent of the cold war continues.

For these reasons I am strongly opposed to the administration's attempt to make drastic cuts in our National Guard and Reserve Forces. The National Guard and Reserve units in South Dakota, like those around the country, play an important role in their communities and in the defense of this country. As we continue to debate the future of our military, I hope that my colleagues will resist the drastic cuts proposed by the administration and continue to support our National Guard and Reserve Forces.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that upon disposition of House Joint Resolution 456, Senator LAUTENBERG be recognized to offer a resolution on behalf of himself and Senators KASTEN, INOUYE, D'AMATO, and others regarding Israeli loan guarantees; that there be 2 hours for debate on the resolution equally divided in the usual form with an additional 10 minutes under Senator DECONCINI's control and an additional 1 hour under Senator BYRD's control; that no amendments or motions to commit be in order with respect to the resolution; that upon the use or yielding back of time, the Senate, without any intervening action or debate, vote on the adoption of the resolution.

I further ask unanimous consent that the Senate now proceed to the consideration of House Joint Resolution 456, the continuing appropriations bill for foreign operations; that there be 30 minutes for debate, equally divided in the usual form; that the only amendment in order to this bill be one to be jointly offered by the managers of the bill that would provide, as a Presidentially and congressionally declared emergency, $82 million as a supplemental appropriation for additional SBA disaster loans plus an additional $25 million for salaries and expenses of SBA employees who administer the disaster loan program; that no motions to commit be in order with respect to the continuing resolution, that, when all time is used or yielded back, the Senate, without any intervening action or debate, vote on passage of the continuing resolution.

The PRESIDING OFFICER. Is there objection?

The Republican leader is recognized.

Mr. DOLE. Mr. President, reserving the right to object, and I shall not object, I think we can accommodate Senator GORTON, who would like 10 minutes on the CR?

Mr. LEAHY. Mr. President, reserving the right to object, and I obviously shall not object, I understand we have half an hour on the CR, 15 minutes on the side—this is the one that has the actual money in it—and then 3 or 4 hours to talk about a meaningless sense-of-the-Senate resolution.

Of course, we would be willing to give up the 10 minutes to talk about real money. Why do we not just ask the distinguished Senator to take some of those 3 or 4 hours on issues we have already talked about and leave the 15 minutes to talk about the real expenditure of the taxpayers' money?

Mr. MITCHELL. Mr. President, I ask unanimous consent my request be modified to add 10 minutes under Senator GORTON's control to the debate on the continuing appropriations bill.

The PRESIDING OFFICER. Is there objection?

Senator DOLE is recognized.

Mr. DOLE. Does the Senator from Colorado have a reservation?

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

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. BROWN. Mr. President, it had been my intention to offer an amendment to the continuing resolution that would require the President to certify that Jordan is observing the embargo on Iraq before this Nation delivers additional foreign aid to the State of Jordan.

If there is one thing I think Americans who served in Vietnam carry in their heart, it is the bitterness over a Nation asking them to risk their lives in combat and then that Nation not standing behind them once they went onto the battlefield.

Once again, Americans served in combat in the Middle East while we watched a nation that received substantial aid from this country trade with the enemy in a variety of products, both those authorized and those not authorized.

This was an amendment I thought appropriate. I thought it appropriate to condition any aid we would send to Jordan in the future. But I understand offering an amendment at this time would open the bill to other, additional amendments. I also have had an opportunity to speak with Secretary Baker, and he has assured me of several things. One, that he will monitor the situation closely and use the best efforts of his good office to make sure that no further breakage of the embargo takes place.

With those assurances, Mr. President, I will withdraw my reservations.

The PRESIDING OFFICER. Is there reservation?

The majority leader is recognized.

Mr. MITCHELL. Mr. President, I ask that my request be further modified to provide an additional 10 minutes on the continuing resolution under the control of Senator LEAHY.

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

Mr. MITCHELL. Mr. President, I thank my colleagues for their cooperation, and I especially thank the distinguished chairman of the full committee and the chairman of the subcommittee for their patience.

FURTHER CONTINUING APPROPRIATIONS, FISCAL YEAR 1992

The PRESIDING OFFICER. Under the unanimous-consent agreement, the pending resolution is House Joint Resolution 456. The clerk will report.

The bill clerk read as follows:

A joint resolution (H.J. Res. 456) making further continuing appropriations for the fiscal year 1992, and for other purposes.

The Senate proceeded to consider the joint resolution.

Mr. LEAHY. Mr. President, first I should note I speak of the resolution of the distinguished Senator from New Jersey [Mr. LAUTENBERG]. I do not mean it to be meaningless insofar as its substance or symbolism. It is very meaningful. What I meant is that I suspect the Senator from New Jersey feels great distress over this. It is meaningless in the sense that it does not send the money that the distinguished Senator from New Jersey feels is justified and needed.

Mr. LAUTENBERG. Will the Senator yield?

Mr. LEAHY. The Senator from New Jersey has been a very strong advocate for much needed humanitarian aid, and I applaud him for that effort.

Mr. LAUTENBERG. If the Senator from Vermont will yield for just a quick response. I knew the term meaningless was not meant to denigrate since the Senator from Vermont is the No. 4 cosponsor on this.

Mr. LEAHY. Five.

Mr. LAUTENBERG. Five, but he would not be cosponsoring a meaningless amendment. I thank the Senator.

Mr. LEAHY. I do not know if I would make quite that leap of faith, I say to my distinguished friend from New Jersey.

Mr. President, the Senate now has before it House Joint Resolution 456 which amends the current continuing resolution covering foreign assistance for fiscal year 1992. I regret the necessity of funding the entire fiscal 1992 foreign operations, export financing and related programs appropriations in a continuing resolution.

The House reported a fiscal 1992 bill last June. Working with the distinguished ranking member of the subcommittee, Mr. KASTEN, I prepared the chairman's mark of a bill to present to the Foreign Operations Subcommittee earlier this month. I think we had a good bill to recommend to the committee and to the Senate. In fact, we twice scheduled subcommittee markup in the hopes of reporting a bill.

Everything hinged on reaching an agreement with the administration on a program for immigrant absorption loan guarantees for Israel. Unfortunately, no agreement was possible. I spoke about that at some length on the Senate floor at another time. I will not go into that all over again other than to say we had a reasonable compromise which we worked out between myself and other members of the subcommittee, many of whom wanted to go much further than I, many of whom wanted to have far fewer restrictions than I. But all agreed on a package that could pass. We submitted that to the White House. It was rejected by the administration. It was obvious that the administration's proposal, after it was shown to some Senators, would never have passed this body.

So the President's rejection of the Leahy-Kasten proposal is what brought us to this impasse. That is why we need a continuing resolution for the remainder of the fiscal year, rather than a freestanding bill. The continuing resolution before the Senate is a bare minimum that Congress can responsibly do in funding the foreign aid program for an entire fiscal year. It continues funding the foreign operations programs, with certain very limited exceptions, at the fiscal 1991 rate or the level in H.R. 2621, the House-passed foreign operations appropriations bill, whichever is lower.

The exceptions are the Foreign Service Retirement Fund, the Peace Corps, Migration and Refugee Assistance, AID, AID Inspector General operating expenses, the administrative expenses of the Export-Import Bank, and the subsidy appropriations for certain credit programs, particularly the Overseas Private Investment Corporation. Those few programs affecting health and safety, the operating budgets of agencies, or the application of the Credit Reform Act are funded at the levels recommended by the House in H.R. 2621. Increases in these essential programs are offset by an across-the-board percentage reduction and a reduction of the fiscal 1991 level for the Philippines multilateral assistance initiative.

So the effect of the continuing resolution, Mr. President, is to cut programs under the jurisdiction of the Foreign Operations Subcommittee by over $1 billion from the levels allocated to our subcommittee for fiscal 1992 and over $1.5 billion from the level appropriated for fiscal 1991, including the supplementals.

In the 602(b) process, the Appropriations Committee allocated $15.285 billion in discretionary budget authority to the Foreign Operations Subcommittee for fiscal 1992. This continuing resolution provides $14.448 billion in discretionary budget authority. But it also includes the President's supplemental request for $270 million for assessed contributions for U.N. peacekeeping. Assessed contributions for peacekeeping is under the jurisdiction of the Commerce, Justice, and State subcommittee.

If you subtract that funding from the continuing resolution total, as it should be for the purposes of considering the amounts available for the foreign assistance program, the foreign operations, export financing and related programs will be funded at $14.178 billion for fiscal year 1992, a reduction of just over $1.1 billion.

Let me go over some of the principal provisions of the continuing resolution. First, the continuing resolution provides not less than $150 million for humanitarian technical assistance to the republics of the former Soviet Union. These funds are to be absorbed from the existing foreign aid levels. That is not new money. In addition, the President can propose reprogramming of funds from other programs to the former Soviet republics if he so decides. We expect him to propose at least $80 million in reprogrammings out of the economic support fund account.

This means Congress will make funds available for aid to the republics in fiscal 1992, the level requested by the President. Of course, those programs go through the regular notification process.

Second, the continuing resolution prohibits any additional military aid to El Salvador beyond that already allocated under the continuing resolution of last October, but that may only consist of nonlethal items—no weapons, no ammunition. I am disappointed that the House did not adopt in full the provision on El Salvador aid that I developed with the distinguished Senator from Connecticut [Mr. DODD]. That provision would have cut off any new military aid. I do not believe additional military aid is justified or necessary now that a peace agreement and cease-fire are in place. I hope the administration will use restraint in making available the military aid that was allocated last October.

The balance of the administration's $85 million request for military assistance to El Salvador is instead to be deposited in the demobilization and transition to peace fund that was created in the fiscal 1991 foreign operations appropriations bill. It is to be used solely to support the peace accords and assist the former combatants of both sides in the transition of peaceful pursuits.

Expiring authorizations for several multilateral development banks are extended. If we did not have that, the United States would be unable to participate in the International Finance Corporation, Asian Development Bank, and African Development Bank.

The continuing resolution also provides for the appropriation of $270 million to the international organizations account of Commerce, State, and Justice appropriations for United States contributions to U.N. peacekeeping operations, principally in Cambodia and El Salvador.

Mr. President, I want to emphasize that we could have had a far better bill. We could have had a bill that better reflected some of the real needs in the world today, the great humanitarian needs of the former Soviet Union. The President has taken a positive step forward today. It is not a great step. It is not a grand step. It is not the Marshall plan. It is far from it, but it is a positive first step. Certainly, I am ready to work with him and set aside any partisan considerations in helping him to go not only for that first step but to go the many, many, many steps beyond that will be necessary to really help democracy take hold in the former Soviet Union.

There are many other ways that we could help countries become democratic, where we could feed hungry people, where we could help people grow food to help feed themselves, eradicate disease, enhance the security of the United States, help our export markets, put hundreds of thousands of Americans back to work. There are a lot of steps that remain to be taken but are not taken in this continuing resolution.

It is unfortunate that some of the steps that Senator KASTEN and I were able to agree on could not be presented to the Senate because of the crisis caused by the inability to come to a conclusion on the question of Israeli loan guarantees. Be that as it may, Mr. President, we have done a number of other good things in this bill.

I hope, however, that the administration and interested Senators on both sides of the aisle will ignore that it is an election year, ignore the onus that foreign aid has, and work together for those things that are in the best interests of our country, are in the best interests of world peace, reflect the responsibilities we have as a world power, and which coincidentally make good economic sense by creating jobs here at home and creating markets overseas.

I yield to my good friend from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. KASTEN. Mr. President, this continuing resolution funds foreign operations for the remainder of fiscal year 1992, and provides a supplemental amount of $270 million in peacekeeping operations under the jurisdiction of the Commerce, State, Justice Subcommittee.

The rate of operations for this bill is approximately the same as the current continuing resolution except for the additional amount being provided for those peacekeeping activities. This will provide a rate of operations which is $1.1 billion below the fiscal year 1991 level.

There is no way that very important foreign policy programs can be funded under this continuing resolution. The proposal which the administration strongly advocated for Latin America, the Enterprise for the Americas Initiative, will get no funding under this CR.

The only assistance available for the former Soviet Union under this CR is reprogrammed money from other programs. Obviously, that greatly limits resources for the former Soviet Union, and further punishes accounts from which that money must be taken.

It is almost ironic, Mr. President, that we end up by taking this up on the floor of the Senate on the afternoon of the morning when the President makes a major breakthrough announcement with regard to the Soviet Union, and yet no dollars are really there.

On the other hand, one very good provision for the former Soviet Union, developed by myself, Congressman OBEY and Senator LEAHY has been included in this bill. it will allow the President to use $50 million to purchase and provide American-made foods traditionally used in maternal and child nutrition programs. These foods would be purchased over the next few months in time for the next school year, and be distributed, where feasible, through ministries of education throughout the republics of the former Soviet Union.

The purchase of dairy products in March, April, May, and June will greatly help strengthen farm prices during the flush months.

Dairy farmers in Wisconsin and across the Nation are barely surviving on the prices they currently receive for their milk. By reducing the Government surplus, we will promote higher prices for American farm products. This humanitarian program is an ideal opportunity for the United States to assist families abroad and at the same time help family farmers here in the United States of America. This is an important provision and I am pleased that it will be adopted.

There are a number of other provisions in this continuing resolution which either adopt House positions or eliminate Senate positions, including Senate earmarks like contributions to the National Science Foundation's International Biological Diversity Program, assistance for Morocco, and others.

Most important, this continuing resolution does not contain any assistance for Soviet Jewry. The distinguished senior Senator from Hawaii and I, the distinguished senior Senator from Ohio, the chairman of the subcommittee, and many others worked very hard to come up with a proposition acceptable to the administration in order to provide badly needed assistance to Soviet Jews. The administration would not accept any provision of assistance—including a proposition from Senator METZENBAUM which would have provided investment guarantees from American corporations to invest in Israel, with no money going to Israeli Government.

This is a most unfortunate situation. We were given this continuing resolution on the day the current one ran out, and are expected to simply rubber stamp what the House has put together. We all know that this is not good practice. I know of a number of amendments which Members on both sides of the aisle would like to offer. I think we ought to bring up those amendments, and consider each on its merits. However, opening this resolution to amendments could delay this measure for weeks.

Mr. LEAHY. Mr. President, earlier I described the contents of the House-passed continuing resolution. Since there will not be a committee report on this year's foreign aid program, I want to set forth my special concerns as chairman of the subcommittee, as well as those of other members of the subcommittee who wrote letters to me expressing their views as I prepared my markup of the fiscal 1992 bill. It is my intent, as chairman of the Foreign Operations Subcommittee, and the intent of Senator KASTEN, the ranking member of the subcommittee, that this statement will provide guidance to the foreign assistance agencies on the remainder of the fiscal 1992 foreign aid program.

ITEMS OF SPECIAL INTEREST

AID FOR DEMOCRACY

U.S. foreign aid should be provided, to the maximum extent possible and consistent with the national interest, to achieve the goal of promoting democracy around the world. Therefore, the Secretary of State is requested to submit a report by August 1, 1992, describing for each recipient country whose government was not democratically elected, how foreign military financing and economic support fund assistance has been used to obtain progress toward holding democratic elections and strengthening democratic institutions, and what progress was made toward these goals during the previous fiscal year.

AID MANAGEMENT AND ACCOUNTABILITY

In the fiscal year 1991 Foreign Operations bill, a provision was included which established a Presidential commission to examine persistent management and accountability problems at AID. The General Accounting Office is conducting its own review of management at AID. The White House announced that a special OMB team had been established to review specific management weaknesses at AID. AID itself is undertaking management reforms and improvements on its own initiative. The Administrator has launched a major reorganization of the Agency in an attempt to strengthen and rationalize management control and policy direction in the foreign aid program. These efforts by the Agency to reform itself are welcome. However, reports of the effects of this structural reorganization are mixed and inconclusive to date. It remains to be seen whether the reorganization will actually improve management or whether the principal result will be more bureaucratic layering and isolation of the senior management from program development and implementation.

ANDEAN DRUG INITIATIVE

The administration's Andean drug initiative [ADI] is a 5-year, $2,200,000,000 program to combat cocaine production through eradication, interdiction, and targeting the leaders of the drug cartels. Despite the administration's ambitious goals and optimistic predictions, its own data shows that during the first 2 years of the ADI, after expenditure of about $630,000,000, there has been a 39,200-metric-ton increase in coca production.

The administration should conduct a comprehensive reexamination of its counternarcotics strategy in the Andes, and submit a report by August 1, 1992, comparing the flow of cocaine into the United States in 1989 with the flow projected in 1992, 1993, 1994 and 1995, and describing the ADI's expected impact on that flow.

COUNTRY ISSUES

Cambodia

Public Law 101-513, which the continuing resolution extends, provides up to $20,000,000 for humanitarian and development assistance for needy Cambodians, and an additional $5,000,000 for Cambodian children. These funds should be utilized throughout the country, for civilians only, and allocated on the basis of need.

Land mines.—Millions of unexploded land mines lie scattered throughout Cambodia. An international program was recently begun to locate and remove the mines, and that AID has announced it will contribute to this program. AID should generously support this effort. There are also various NGO's in Cambodia supporting prosthetics projects to aid the amputees, including the Vietnam Veterans of America Foundation. AID should promptly determine whether these projects are deserving of support from the War Victims Fund.

Colombia

There are disturbing reports of widespread human rights violations by the military and police in Colombia. Because of resistance by the Colombian Government to expanding the army's role in counternarcotics activities, the administration plans to shift its priority to the Colombian police. Yet, according to the State Department, "the police . . . participated in extrajudicial killings of suspected drug traffickers and young residents of urban neighborhoods. . . . [T]he police . . . frequently beat and torture detainees. . ." The reports of torture and killings of street children by Colombian police, and of police complicity in drug trafficking, are particularly disturbing. In considering any request for military or police assistance for

Colombia, attention will be given to whether the Colombian Government is addressing these human rights problems.

Costa Rica

The dual pressures of debt and population growth threaten Costa Rica's most important conservation area, La Amistad Biosphere Reserve. La Amistad is a World Heritage Site and an internationally recognized reserve under UNESCO's Man and the Biosphere Program. AID and the MDB's should assist the Costa Rican Government to protect La Amistad from exploitation.

El Salvador

The administration should implement US assistance programs in coordination with United Nations reconstruction and reconciliation programs to implement the peace agreements. AID should consult closely with all participants in the political and economic processes, including nongovernmental organizations [NGO's], on the uses of assistance, and give priority to programs which address basic human needs. It is important that existing community organizations and indigenous NGO's be utilized to the maximum extent practicable in designing, implementing, and evaluating reconstruction and development projects.

AID should consult closely with community representatives and indigenous NGO's with experience in the conflictive areas on the design and implementation of economic and development assistance projects in the former conflictive zone. AID has already provide assistance to Santa Marta, one of the repatriated communities in a conflict zone.

IMET.—A substantial portion of any IMET assistance for El Salvador should be used for expanded IMET initiative courses developed by the Defense Security Assistance Agency to implement a new program mandated by Public Law 101-513 to promote civilian control over the military, an effective military justice system, and training of the military in the observance and protection of human rights.

CIREFCA.—Assistance continues to be needed for the International Conference on Central America Refugees (CIREFCA) as a means of supporting regional peace. Reintegration of the uprooted populations in El Salvador and Nicaragua is an important part of reconciliation in those countries. CIREFCA can contribute to the safety and support of these refugees as they return.

Corruption.—Last year in its report the Appropriations Committee discussed the case of Banco Agricola Commerical, from which approximately $40,000,000 was allegedly disbursed in the 1980's in the form of unsecured loans, apparently with little or no provision for, intention, or assurance of repayment. Recently, fraud indictments were issued against 21 individuals in connection with these case. There is concern, however, that the Salvadoran Government has not acted aggressively to collect these outstanding loans at the same time that it is seeking hundreds of millions of dollars in assistance from American taxpayers. Vigorous efforts should be undertaken to seek repayment of these loans.

Torture victims.—During the way, thousands of Salvadorans were subjected to torture. AID should support, through NGO's the treatment and rehabilitation of torture victims.

Guatemala

The administration should submit a report by August 1, 1992, describing actions taken by the Guatemalan Government to investigate and bring to justice those responsible for the cases mentioned in last year's Appropriations Committee report, as well as the following cases; the September 11, 1990, murder of Myrna E. Mack; the January 12, 1990, abduction and murder of Salvadoran Hector O. Colindres and Guatemalan lawyer Gilda Flores; the December 2, 1990, massacre of villagers at Santiago Atitlan; the October 6, 1990, kidnapping and murder of CERJ member Sabastian Velasquez Mejia and the February 17, 1991, murders of CRFJ members Juan Perebal Xirum and Manuel Perebal Morales, in Chunima, El Quiche; the December 16-26, 1990, torture of Julio Chalcu Ben, in Escuintla; the April 14, 1991, murder of Camilo Ajqui Jimon, a CERJ member, in Potrero Viejo, Zaculapa, El Quiche; the May 26, 1991, abduction and suspected murder of Santos Toj Reynosa, a CEFJ member, in Guatemala City; the June 28, 1991, murder of Celestino Julaj Vicente, a CRFJ member, in San Pedro Jocopilas, El Quiche; the August 5, 1991, murder of Jose Miguel Merida Escobar; the November 8, 1991, disappearance of Diego Domingo Martin in Ixcunen, La Democracia, in Huehuetenango; and the October 10, 1991, murder of Miguel Tiub Imut, in Parraxtut, Sacapulas, El Quiche.

Street children.—There is an alarming level of violence against street children in Guatemala. An estimated 5,000 children live on the streets of Guatemala City alone, and many have been abducted, beaten and murdered, reportedly by Guatemalan police. AID should continue its commendable efforts to assist these children. Casa Allianza, the Guatemalan branch of New York's Covenant House, has been providing hundreds of Guatemalan street children with shelter, food, clothing, counseling, and health care, and is the country's only refuge for homeless children.

Indonesia

There are reports of ongoing human rights abuses in Indonesia, particularly in Aceh and East Timor. The world was shocked by the killing by Indonesia soldiers of civilians in Santa Cruz, East Timor on November 12, 1991. Although the Indonesian Government appointed a commission to investigage the November 12 massacre, human rights groups have severely criticized the commission's investigation and findings. It is too soon to say whether the Indonesian Government's response to this tragedy will be adequate to deter future abuses.

Indonesia has been a major recipient of U.S. and miltilateral assistance, including military assistance. The Administration should submit a report, by August 1, 1992, on the extent to which the Indonesian Government has:

Cooperated fully with United Nations human rights initiatives, including an international investigation of the Santa Cruz massacre;

Fully accounted for the bodies of those killed in the massacre;

Brought to justice members of the security forces responsible for human rights abuses, in particular those committed during and after the Santa Cruz massacre;

Permitted the free and regular monitoring of human rights in East Timor and Indonesia by domestic and international human rights organizations;

Established a registry of detainees that is accessible to the public.

Malawi

There are concerns about the continued imprisonment of Malawians for their political beliefs or those of their relatives, including Orton and Vera Chirwa, Goodluck Mhango, Aleke Banda, and Ms. Sikwese. The administration should seek the release of remaining political prisoners and measurable progress toward democratization in Malawi, including an end to restrictions on freedoms of speech, press, and assembly.

Nicaragua

A serious constraint on addressing Nicaragua's many environmental problems is the weakness or absence of local institutions focusing on land conservation and natural resource management. There is an urgent need to improve the training of resource professionals both in Nicaraguan Government and academic institutions. AID should consider establishing a pilot program for training future national resource professionals. This training should include a scholarly exchange program with an appropriate United States academic institution; training programs in Nicaragua with experienced United States instructors; and training programs with Central American institutions.

Peru

Last year in its report the Appropriations Committee discussed the serious human rights situation in Peru. The Committee stated that no military assistance should be provided to Peru until the Peruvian Government commits itself to strong measures to bring the military under civilian control and to enforce respect for basic human rights.

Despite these concerns, in January 1992 the administration released 40 percent of the fiscal year 1991 economic and military aid. In considering any future notification of intention to provide counternarcotics assistance to Peru, attention will be given to whether: the Peruvian President is exercising control over disbursements of military aid funds; the ICRC has unimpeded access to military and police detention facilities; a central registry of military and police detainees is functioning under the control of the Public Ministry, and readily accessible to the ICRC, human rights groups, lawyers and the public; the Peruvian Government has acted vigorously to investigate and bring to justice those responsible for the following human rights abuses: November 8, 1988, murder of Jugo Bustios; June 1989 murder of Fernando Mejia Egocheaga; September 1990 murders of Zacarias Pasca Huamani and Marcelino Valencia Alvaro; August 1990 massacre at Iquicha, Ayacucho; September 1990 murders at Vilcashuaman, Ayacucho; July 1991 massacre at Santa Barbara, Huancavelica; March 1991 murders at Chuschi, Ayacucho; June 1991 murders of medical student and two minors; September 1991 murders of 12 people at Mohena, Department of San Martin; September 1991 detention and torture of Limber Garcia Mozambite at Tarapoto; September 1991 abduction and murders of Salvador Carrazco Gomez and Carlos Vasquez Reinell in Tarapoto, Department of San Martin; September 1991 disappearance of Alvaro Hachiguy Izquierdo in Aucayacu; August 1991 disappearance of Wilmer Guillermo Jara Virgilia in Aucayacu; August 1991 disappearance of Geronimo Villar Salome in Aucayacu; August 1991 disappearance of Jules Tarazona Jaipen in Aucayacu; August 1991 disappearance of Jules Tarazona Jaipen in Aucayacu; August 1991 abduction and murder of Sara Luz Mozambite Quinones, and disappearance of Camilo Alarcon Espinoza in Aucayacu; October 1991 disappearance of Ricardo Fernado del Rio Adrian at Tocache, Department of San Martin; November 1991 murders of 16 people in Barrios Altos, Lima; December 1991 murders of 12 people in San Martin de Pucate and

Puerto Primavera, Huallaga; and January 1992 murders of five members of the Jualberto Rodriquez family in Huaura, Lima.

Philippines

NGO's and cooperatives have been instrumental in carrying out humanitarian and development activities on behalf of needy Filipinos. AID has consulted regularly with these organizations on project selection and design, and is encouraged to expand its contacts with indigenous NGO's in the future.

Human rights.—Last year in its report the Appropriations Committee reiterated its concern about human rights. AID has taken steps to initiate a program to improve the administration of justice in the Philippines. The administration should use its influence in the Philippines to seek justice in many of the outstanding cases involving reports of human rights abuses by Philippine security forces or individuals within their control.

Natural resource management.—AID is to be commended for its initiation of a Natural Resource Management Program which will support protection of remaining old-growth forests and recognition of secure tenure for local people. These actions are crucial to ensuring environmental sustainability in these areas. AID should submit a report on the Philippine Government's progress in meeting these program goals, no later than August 1, 1992.

The coastal zone which provides the Philippines with much of its food, tourism, and commerce is suffering severe degradation from pollution from heavy metals, fisheries depletion, and the destruction of coral reefs. AID should seriously consider utilizing the expertise of the U.S. marine science community in assisting their Filipino counterparts to develop scientific and management capability that is needed for effective coastal zone management.

South Cotabato.—In the past 2 years the Committee has emphasized in its reports the priority it places on development which directly benefits the rural poor, particularly measurable improvements in health care and education. If the proposed South Cotabato projects in Mindanao are any guide, the thrust of the MAI does not adequately reflect the Committee's priorities.

Uganda

There are serious deficiencies in the Uganda justice system and AID should study the feasibility of developing an Administration of Justice Program for Uganda and submit a report by August 1, 1992. If the report concludes such a program is feasible and desirable, it should describe its likely structure, the level of funding required for its implementation, and the response of the Ugandan Government to such an initiative.

TITLE I—MULTILATERAL ECONOMIC ASSISTANCE

MULTILATERAL DEVELOPMENT BANKS

Population.—There is an urgent need to strengthen the international response to the global population problem. The Secretary of the Treasury should instruct the U.S. Executive Director to the World Bank to vigorously promote the following reforms in an effort to give population, like the environment, the attention it deserves in the Bank decisionmaking process:

Substantially increasing Bank lending for population in fiscal year 1992 and future years.

Placing a population and family planning adviser within the office of each regional vice president.

Changing the Population Adviser's Office of Policy, Research and External Affairs into a population department, separate from the present Population and Health Resources Department, to reflect the importance and interdisciplinary nature of population.

Discontinuing the traditional Bank practice of consolidating population, health, and nutrition into PHN projects, in order to show explicitly the population content of these projects.

The other MDB's should likewise support family planning and programs which will promote the role of women in development. This includes strengthening their operational staffs to ensure that family planning and the role of women receives full consideration in MDB lending decision.

Environmental concerns.—The World Bank and the other multilateral development banks (MDB's) should adopt 2-year benchmarks in four areas—energy efficiency, tropical forest protection, environmental assessment, and resettlement of forcibly displaced populations—as a basis for measuring progress on the environment. Such benchmarks should include the following:

In the area of sustainable energy development—

"Least-cost"/integrated resource plans should accompany all loan proposals for energy development. Such plans should include analyses of possible end-use energy efficiency measures and nonconventional renewable energy options, and such plans should reflect the quantifiable environmental costs of proposed energy developments;

A substantial portion of loans and grants in the energy, industry, and transportation sectors should be devoted to end-use energy efficiency improvements and nonconventional renewable energy development; and

All organizational units within the MDB's that maintain technical expertise on energy should create staff positions for an End-Use Efficiency Coordinator and a Renewable Energy Coordinator, which positions should be staffed by individuals with professional training and experience in program design and management.

In the area of tropical forests—

Forestry loans should not directly or indirectly support commercial logging in relatively undisturbed primary forests unless management systems which maintain the ecological functions of the natural forest and minimize impacts on biological diversity have been demonstrated in practice;

Forestry loans should not be disbursed until legal, economic, land tenure, and other policy conditions needed to ensure sustainability are in place;

Forestry loans should not support mineral, petroleum, or other industrial development in, or construction or upgrading of roads through, relatively undisturbed primary forests unless adequate safeguards and monitoring systems, developed in consultation with local populations, are in place;

Forestry loans should be consistent with and support the needs and rights of indigenous peoples and other long-term forest inhabitants; and

Support for protection of biological diversity, in close consultation with local communities, should be increased.

In the area of forced displacement of populations—

The World Bank, Inter-American Development Bank, and Asian Development Bank, should maintain a listing, available to the Secretary of the Treasury, of all ongoing projects involving forced displacement of populations, including the number of people displaced and a report on the status of implementation of their resettlement policy guidelines for each project;

Obtain agreements with borrowers to ensure that all ongoing projects involving forced displacement will be in full compliance with their resettlement policy guidelines by mid-1993; and

The African Development Bank should adopt and implement policy guidelines on forced displacement similar to such guidelines of the other MDB's.

In the area of procedures for environmental impact assessments (EIA's)—

Each MDB should require that draft and final EIA reports be made available to the public in borrowing and donor countries and that the public be offered timely opportunities for comment on the EIA process;

Each MDB should apply EIA requirements to all sector and structural adjustment loans;

Each MDB should require that the EIA process include analyses of the potential impact of proposed projects on the global environment.

Given the commitments made by the World Bank on the first three of these areas in the IDA-9 agreement, it is reasonable to expect substantial progress by mid-1993—the end of the IDA-9 period. With respect to resettlement of displaced populations, the Bank has had a clear policy on this matter since 1980. In the event that these benchmarks are not met by that time, the Congress will have a clear basis to consider appropriate actions, including withholding a portion of World Bank and other MDB appropriations, in fiscal year 1994 or future years.

The Secretary of the Treasury, in cooperation with the Secretary of State, should undertake bilateral discussions with appropriate government officials of the OECD with a goal of building greater international support for the benchmarks discussed above.

European bank for reconstruction and development

Public Law 101-513 contains a requirement that the Secretary of the Treasury seek the establishment of procedures and policies to ensure that a substantial portion of EBRD funds are used to support environmental protection and restoration in Eastern Europe. The EBRD's response has been unsatisfactory. The Secretary of the Treasury should continue to implement section 584 of Public Law 101-513.

DEPARTMENT OF STATE

Voluntary contributions to international organizations and programs

United Nations Development Program

Over the past 2 years UNDP has joined in the global fight against AIDS. UNDP, with its long history of implementing health and education programs at the local level, should immediately become significantly more involved in this critical effort.

In addition, the State Department should actively seek to assist UNDP in leveraging other donors to contribute to trust funds as an innovative means to provide technical assistance to the newly independent republics of the former Soviet Union. These trust funds should be directed toward supporting privatization, environmental protection and electoral and constitutional reform.

United Nations Children's Fund

The world Summit for Children set specific and measurable goals for the year 2000. These goals give AID an opportunity to design a program which can be evaluated on a yearly basis. The administration should honor the promises made at the World Summit for Children by executing paragraph 34 of the plan of action for implementing the world

summit's goals. This paragraph asks each nation to prepare a national plan of action to implement the commitments and promises made at the world summit. The administration should announce which Federal agency is to carry out the review of our child-specific programs and prepare a national plan of action. The President should provide a report, by August 1, 1992, which describes the contributions the United States will make toward the fulfillment of the goals of the World Summit for Children.

UNICEF should significantly expand its support, in cooperation with other international and bilateral donors, in the global fight against AIDS. UNICEF should submit a plan, including anticipated budget, for combating AIDS in the coming years.

United Nations Voluntary Fund for Victims of Torture

According to information from human rights groups, there are tens of thousands of torture victims in need of psychological and other assistance, many of whom reside in countries whose governments receive substantial amounts of aid from the United States. The administration should strongly support the UN Torture Fund.

TITLE II—BILATERAL ECONOMIC ASSISTANCE

AGENCY FOR INTERNATIONAL DEVELOPMENT

Development assistance

Sustainable agriculture.—AID should assist in devising national efforts to achieve agricultural sustainability. In support of these efforts, AID should emphasize programs that enable groups of poor farmers to join together to form competitive, agriculturally based enterprises. AID should increase its support for farmer-oriented sustainability research and development through appropriate collaborative research support programs. It should strengthen its efforts to reach farmers through local farm organizations and universities, NGO's, cooperatives, and official extension systems. And it should give special attention to the needs of women who are often the primary food producers. These programs should be on a large enough scale to have a significant impact over the long term, rather than a scattershot effect of many small, short-lived projects.

United States, Israel, and development country cooperative projects

Public Law 101–513 provides not less than $7,500,000 in development assistance funds to be used for cooperative projects among the United States, Israel, and developing countries. A significant portion of these funds should benefit countries in sub-Saharan Africa. Serious consideration should be given to supporting such projects in Ethiopia and Eritrea, where there is an urgent need for technical assistance to develop water conservation and irrigation systems.

AID title XII memoranda of understanding and program support grants, and university development linkages

AID should support the existing title XII memoranda of understanding and program support grants, and honor its existing commitments to universities holding MOU's and PSG's. AID has also proposed a University Development Linkages Program and other programs of the Center for University Cooperation in Development.

Coca substitution

AID should support the silk for life project in coca-producing regions in Colombia. This project provides Colombian coca farmers with silk worms to raise on mulberry bushes in place of coca. The resulting cultivated silk is a lucrative alternative to coca production, with markets both locally and in the United States. AID is also encouraged to closely examine how it could expand crop substitution programs in countries trying to reduce coca production, such as increasing export opportunities for Bolivian coffee.

South Pacific region agricultural development

AID is encouraged to expand its support for existing and new agriculture projects (commercial agricultural development project; market access and regional competitiveness project) for the development of agriculture in the South Pacific, as well as providing technical services to increase trade and investment between the region and the United States.

IPM collaborative research support program

Implementation of an integrated pest management [IPM] program at AID has been slow and tentative. The development of a collaborative research support program [CRSP] on IPM research (as recommended by the National Academy of Sciences), as well as continuation of IPM support activities under a sustainable agriculture CRSP, are important and useful ways to support IPM. However, CRSP's are research mechanisms. The IPM CRSP will not provide practical on-the-ground training or technical assistance in IPM. Technical assistance and training have been provided by the Consortium for International Crop Protection [CICP]. It is doubtful that the collective expertise of CICP can be replaced by an ad hoc in-house AID-staffed program. AID should provide for collaboration between the IPM CRSP and CICP in order to maintain an effective research, technical assistance, and training capability.

HUMAN RESOURCE DEVELOPMENT

International AIDS prevention and control program

Public Law 101–513 provides $52,000,000 for global AIDS programs, of which $23,000,000 is to be made available to the WHO Global Program on AIDS (GPA).

According to recent WHO estimates, by the year 2000, 40,000,000 people will be infected with the AIDS virus, an increase of 10 to 15 million above previous estimates, and 10 million people will have AIDS. This terrible epidemic requires a more aggressive response from the United States and other donor countries.

The Appropriations Committee is on record in support of community-based prevention and education activities which deal directly with the cultural barriers to changes in sexual behavior which contributes to the spread of AIDS. These activities, especially programs to train people to educate their peers about how to protect themselves against AIDS and programs which increase the availability of condoms, should be central to international AIDS programs and expanded significantly and immediately. Support for local NGO's that can deliver such services is essential, and funding for these purposes should be made available to the maximum extent possible.

The World Health Organization's GPA is making efforts to improve its management capabilities and address many of the problems that have impeded its effectiveness in the past. It will be another year or two before the impact of these changes are fully known. However, ongoing deficiencies with the GPA continue to impede its effectiveness.

There is an essential place for WHO as the lead agency in health policy development regarding AIDS and in technical support to national AIDS programs. However, it does not appear that WHO has the capacity or the expertise to implement the kinds of education and prevention programs described above. Rather, these activities, which can directly and immediately reduce the spread of AIDS, are best carried out by AID, NGO's, and agencies such as UNICEF and UNDP which have a long history of working at the community level to improve health and family planning in developing countries. In order to maximize its own effectiveness, AID should promptly update its global AIDS prevention policy and develop mechanisms for evaluating the results of its global AIDS prevention strategy.

There is concern that there is no effective mechanism among donors for coordinating and increasing the availability of condoms. AID and WHO should explore with other donors ways of addressing this urgent problem. Additional funds should be provided by both AID and WHO to support condom social marketing programs aimed at sectors most at risk of infection. Other multi- and bi-lateral donors should become more involved in purchasing and supplying high-quality condoms for AIDS prevention programs.

HEALTH ACTIVITIES

River blindness

Public Law 101–513 provides $5,000,000 for U.S. participation in the WHO Onchocerciasis Control Program [OCP] and for other river blindness activities. Due to the costs of aerial application of insecticides, the leveraging power of a substantial U.S. contribution to this multilateral effort is essential to the success of the final stage of the OCP.

To complement vector control efforts provided by aerial spraying and research efforts to find a safe and effective drug which will kill the adult onchocerca worm, the drug ivermectin is being utilized to alleviate symptoms and reduce the risk of impending blindness caused by the infant worm. In its report last year, the Appropriations Committee recommended that AID provide a portion of the $5,000,000 river blindness earmark to PVO's for distributing the drug ivermectin. This amount should be adequate to mount effective programs. PVO's will distribute the ivermectin, as well as transfer to local health institutions the technical skills necessary to design, implement, and monitor a long-term program of drug delivery.

Cholera

The rate at which this epidemic is spreading illustrates the continuing, seemingly intractable problem of poverty and the unavailability of clean water and proper sanitation in many Latin American communities. AID should increase and expand its cholera prevention, treatment, and control strategies in the region, and coordinate closely with PAHO and NGO's in these efforts.

Women's health

Sexually transmitted diseases and other debilitating reproductive tract infections affect many millions of women in developing countries. The lack of awareness of these infections increases the likelihood that they remain untreated, are spread further and result in long-term complications. More attention should be given to health problems that uniquely afflict women. AID should submit a report by August 1, 1992, on the incidence of these infections in developing countries, the steps AID is taking to prevent them, and where additional resources are needed.

Education activities

Last year in its report the Appropriations Committee expressed strong support for

basic education. Funds should be used for basic education, including early childhood education, teacher training, and literacy training for adults which is so necessary for earning income and learning to care for young children. Fifty percent of these funds should be targeted to primary and secondary education.

Population assistance

In its last two reports the Appropriations Committee expressed serious concern about the population explosion in developing countries and the insufficient priority AID has given this global problem. Despite severe budgetary constraints, Congress significantly increased the funding for population activities in each of the last two years, not only in terms of the previous year's appropriation, but also relative to the administration's request. Yet, despite this clear indication of strong congressional commitment, the administration has continued to request levels considerably below the previous year's appropriated level.

AID lacks a clear, focused population program and a global population strategy. The responsibility for planning and implementing the program is diffused throughout some 40 units in AID. There is no single locus of responsibility or leadership. Each unit seems to design and implement its program in isolation. It is important that AID begin to distribute its funds and staff in ways that makes strategic sense. Congress' intent in this area is expressed in section 104(b) of the Foreign Assistance Act, which states that population assistance should "increase the opportunities and motivation for family planning and * * * reduce their rate of population growth * * *."

AID should develop a population plan that will enable it to respond to its legal mandate. There should be a focal point, such as the Office of Population, that is directly responsible for the development of this plan and is accountable for its coordination and implementation. This plan should have several features.

There should be an Agency worldwide budget for the population account. This budget should be produced annually and should distribute funds in a way consistent with the alleviation of the world's population problem.

There should be indicators that measure the success or failure of this plan on an ongoing basis.

The plan should be monitored continuously to ensure that the disparate parts of AID remain in accordance with the plan.

A plan that lays out a strategy for dealing with the world's population problem must include a staffing component. It appears that staffing levels of population personnel are much too low and have not kept pace with the increased budget levels. AID should allocate sufficient staff to population in order that appropriated funds are used effectively.

There is concern that the Development Fund for Africa [DFA] is not being used fully to meet the population challenge in Africa. As in the past, in addition to central population funds used in Africa, 10 percent of the DFA should be devoted to population activities. AID should give the highest priority to population in Africa, both in terms of funding and personnel.

Last year AID submitted a report on its population programs and activities. This year, AID should submit a report by August 1, 1992, which addresses the following issues:

World plan of action.—AID needs a population plan that shows how it expects to achieve the objectives of making high-quality family planning services available throughout the world and in ways that have the maximum impact on the world's population growth rate.

Staffing plan.—The number of people working in population, where they are working, and how the size of the population staff compares with other sectors relative to their funding levels. The size of the population staff should reflect the high priority AID should be giving population. If this analysis shows that the population staff is too small, AID should present the specific steps it intends to take to correct the situation.

Population budget process.—What is needed is a budgeting system that is an integral part of the action plan and reflects the global nature of the population problem. As with any good budgeting system, this one should not only provide an efficient way to distribute population funds but it should also maximize their intended impact.

Management locus.—There is no single unit in AID that one can turn to for a complete overview of AID's population program. The Office of Population comes the closest to fulfilling this basic and critical need and its role could be enhanced to serve as a managerial locus for the program. Last year the Committee asked AID to address this management and organizational flaw and received a totally inadequate response to the GAO report. The report should give special attention to management and coordination of AID's overall population plan.

Africa—The report should give special emphasis to Africa. Congress created the DFA to ensure that the continent gets the attention it deserves. AID should document that it is doing what is required to alleviate the population problem in Africa.

Romania

Public Law 101-513 provides $1,500,000 for voluntary family planning in Romania. There is concern that by the end of 1991, less than one-half of these funds had been expended. The problems in Romania are tragic and acute. AID should expedite the use of these funds to help the children of Romania.

Sub-Saharan Africa

Public Law 101-513 provides $800,000,000 for development assistance for sub-Saharan Africa, $230,000,000 above the previous year. AID should focus assistance in countries where the need is greatest and whose governments have shown a commitment to political and economic reforms and alleviating poverty. As in past years, AID is expected to target at least the equivalent of 10 percent of DFA funds for each of the following: environment, health, and family planning programs. AID should consult closely with African and United States PVO's to ensure the equitable, participatory, and environmentally sustainable use of these funds. AID should increase its support for public health programs in Africa.

Namibia.—In just over 1 year Namibia has transformed itself from an occupied territory into an independent country. When Namibia was under South African rule it suffered from the sanctions imposed under the Comprehensive Anti-Apartheid Act, at the same time that black Namibians did not receive any of the benefits under that act which were extended to black South Africans. AID should support employment generation and vocational training projects for black Namibians.

Kenya.—Bernardo House, the oldest orphanage in Kenya, plans to construct a facility to care for infants and children with AIDS in the Nairobi area. AID should seriously consider supporting this effort, as Kenya braces itself for the thousands of children who will contract AIDS in the next decade.

OTHER DEVELOPMENT ISSUES

Environment

A July 1991 GAO report entitled "AID Energy Assistance and Global Warming" concludes that "no substantial shift in energy funding patterns can be attributed to the global warming initiative legislation." The primary goal of the global warming initiative is to maximize the effectiveness of scarce resources by focusing them in the key countries that are the major contributors of greenhouse gas emissions that cause global warming. It is intended that the allocation of these funds reflect the relative contributions of each of these countries to global warming.

AID office of energy

Public Law 101-513 provides $20,000,000 for the Office of Energy. The Office should continue to support the transfer of technical information and assistance for renewable energy projects in developing countries; the use of VITASAT for rapid and accurate electronic information flow to and from remote areas; and expand support for an established technical information service currently funded by AID which will use VITASAT.

A portion of the funds for the Office of Energy should be used to continue funding the preinvestment facility for preparation of energy efficiency, renewable energy, and least cost planning projects.

Renewable energy

AID has not done enough to promote renewable energy and energy efficiency activities in the developing countries. These activities should include greater use of photovoltaics, wind, and solar water heating, such as envisioned in the Africa 1000 USA project and AID's wind energy initiative. Future AID energy investment should be made only in least cost/integrated resource planning selected programs or programs which promote energy conservation and efficient uses. To the maximum extent possible, integrated resource planning should include quantification of the environmental costs of potential projects. AID should give serious consideration to supporting renewable energy development, including wind energy, in Mexico.

Montreal protocol

There is new evidence that depletion of the ozone layer is far greater than previously believed. Public Law 101-513 provides not less than $10,000,000 for the Interim Multilateral Fund for the Implementation of the Montreal Protocol. The US representative to the Executive Committee that oversees the implementation of the Interim Multilateral Fund should:

Seek assurances that none of these funds are contributed to any developing country that is not a party to the protocol and operating under article 5 of the protocol;

Seek assurances that these funds will be used only for environmentally sound projects that are ozone-safe and energy-efficient, and do not contribute to global warming;

Take steps to encourage the involvement of relevant nongovernmental organizations in all aspects of the Fund's operations, including review of project proposals; and

Take steps to establish procedures for public access to information concerning the institutional and economic elements of the Fund.

Early warning system

Last year in its report the Appropriations Committee expressed support for AID's early

warning system for identifying proposed MDB loans which may cause damage to the environment, public health, or indigenous people. With the MDB's beginning to prepare environmental assessments of project proposals the task of reviewing these assessments for accuracy and completeness will greatly increase the importance of and demands on the Early Warning Office. However, since then, AID has downgraded the Early Warning Office and allowed its key functions to languish. AID should establish a full-time career path position to manage the Early Warning Office filled by an individual with appropriate formal environmental training and relevant experience to properly oversee the operation of the early warning system.

African elephants

Public Law 101-513 provides $5,000,000 for African elephant conservation. Two key deficiencies in ongoing AID programs have been the lack of coordination with other management initiatives (such as those undertaken by the Fish and Wildlife Service), and formal systems to train local personnel to oversee the long-term protection of elephants and associated wildlife and habitat. To address these shortcomings AID should consult with the Fish and Wildlife Service in order to coordinate the two programs and ensure that Federal funds are used effectively. AID should also include a representative from the Fish and Wildlife Service on its project selection and review teams.

AID should submit a report by August 1, 1992, on a program to achieve the objectives of the protected area conservation strategy [PARCS] to develop a cadre of trained personnel to manage wildlife sanctuaries and other protected areas in sub-Sahara Africa. The report should contain an analysis of the cost of implementing such a program.

Sustainable non-timber forest products

The sustainable use of a renewable natural resource base is essential to the long-term conservation of biologically rich ecosystems and to the indigenous communities that depend on these ecosystems for their survival. The unsustainable harvesting of timber and other forest products has already resulted in significant loss of biological diversity and local economic options. AID should identify and develop the economic potential of the sustainable use of threatened forests.

AID should address these concerns by working closely with foreign governments, NGO's and local communities. A program should be developed that supports research, training, and field projects that demonstrate economic approaches to the conservation of biodiversity. In seeking partners in such projects, AID should work with organizations that emphasize the role of communities, women and indigenous people in conservation-based development. There should be a particular focus on community-oriented enterprises such as ecotourism and sustainable extraction of non-timber forest products. AID should also address the significant national policy barriers that inhibit community-based forest management and marketing of non-timber forest products.

Microenterprise

Public Law 101-513 provides not less than $75,000,000 for programs of credit and other assistance for microenterprise activities in developing countries. AID should target this program to the poorest 50 percent of the population of the poorest AID-assisted countries. AID should also target at least 50 percent of all microenterprise resources to support productive activities managed by women. Credit and other forms of assistance should be channeled primarily through private community organizations.

According to a February 1991 GAO report, AID has not targeted women in the poorest 20 percent of the population, loans frequently exceeded $300, and AID does not have an adequate system for monitoring these loans. In its report to Congress "AID and Microenterprise, 1990-92," AID states its commitment to "ensure that a substantial portion of the microenterprise program supports credit for the poor," and to "maximize the participation of women." These are both primary goals of the original microenterprise legislation.

Too few microenterprise resources are being used for small loans for women and the poorest entrepreneurs. A substantial portion of these funds should be used for loans of less than $300, and special attention given to the acute needs of women.

War victims fund

Public Law 101-513 provides $5,000,000 in development assistance funds for the War Victims Fund. Last year, the Committee expanded the mandate of the War Victims Fund to cover all medical and related assistance, including vocational rehabilitation and training. Thus, the Fund is now available to enable blind and other disabled individuals to become self-supporting. Last year, the administration initiated a war victims program in Vietnam. The funds will be made available through American NGO's with prior experience in humanitarian activities in Vietnam, and will be used to support training of Vietnamese technicians and medical personnel as well as to produce prostheses. These funds should be used for solely humanitarian purposes, to assist Vietnamese in both the north and south regardless of which side they may have supported in the war.

AID has begun to use funds from the War Victims Fund in Angola, where tens of thousands of civilians have lost limbs from the extensive use of land mines by both sides in the civil war there. Now that a peace agreement and ceasefire are in place in Angola, AID should act expeditiously to determine what further action can be taken to assist these people.

AID should immediately investigate ways to use the War Victims Fund in Cambodia, where it is estimated that several hundred people are losing limbs from land mines each month. Several NGO's, the Vietnam Veterans of America Foundation, are assisting Cambodian amputees and may be deserving of support.

AID apparently plans to allocate $3,000,000 of the War Victims fund in Africa from the Development Fund for Africa. While there are significant needs in Africa there is concern that by fencing over one-half of the War Victims fund for Africa before any assessment of how those funds would be spent, AID may be unable to respond to the needs of war victims in other countries. AID should allocate these funds according to need and its ability to implement programs, not according to region.

Women in development (WID)

Public Law 101-513 provides not less than $5,000,000 in development assistance funds to be used to encourage and promote the participation and integration of women in the development process in developing countries. Not less than $3,000,000 is to be used as matching funds to support the activities of AID field missions to integrate women into their programs.

AID should maintain a Women in Development Office. While the responsibility for incorporating and promoting WID goals lies with all AID offices, a WID office is needed to encourage other AID offices to implement these goals, to manage the matching fund, and to serve as a point of accountability and as an advocate for WID programs.

To achieve full participation in development, women must have equal access to economic, political, civil, and social rights. There is concern that the administration has failed to give the Senate a review and recommendation on the Convention on the Elimination of All Forms of Discrimination Against Women. The convention addresses many critical issues affecting the status of women around the world and complements women-in-development efforts. The United States was a major force behind the treaty and signed it in 1980. The President should submit his review of the convention to the Senate.

ECONOMIC SUPPORT FUND

Portugal

Since 1980, over $391,000,000 in local currency generated through the ESF program has been allocated to the Azores Island, a part of Portugal and the site of the United States air base at Lajes. The population of the Azores Islands is approximately 300,000 people. Virtually the entire amount of assistance dedicated to the Azores is used for the investment and operating budget of the local government. The assistance clearly relates to the presence of the Lajes Air Base.

There is concern about the uses of such a large amount of local currency in the Azores to support the operating budget of the local government. The State Department and AID should submit a report by August 1, 1992, providing a detailed funding history and justification for this program.

Israeli-Palestinian activities

Activities which bring Palestinians and Israelis together to work on projects of mutual benefit are an important way to bridge the gap created by years of violence and distrust. AID is encouraged to make available funds from the ESF account to private voluntary organizations in Israel and the West Bank and Gaza for educational, cultural, and humanitarian purposes involving both Israelis and Palestinians.

Eastern Europe

Public Law 101-513 provides $369,675,000 for the Eastern Europe special assistance initiative.

Program coordination and cooperation with the private sector

There has been progress by the State Department and AID in strengthening the role of the U.S. business community in the Eastern European initiative. However, there continue to be complaints from U.S. businesses that the administration does not have well-defined procedures and processes for assisting and involving the American private sector in the transformation of Eastern Europe. The administration should develop further programs such as the American Business Initiative to provide for maximum involvement of the U.S. private sector, including business and labor organizations, so that its expertise and resources can contribute to the development of a market economy and democratic institutions in Eastern Europe.

Technical assistance

The United States has a wealth of technical expertise available to assist emerging democracies. Emphasis should be given to the development of democratic trade unions,

scholarship programs, medical assistance, and support for public and private sector development, and for technical and other assistance to support housing sectors. The National Academy of Public Administration could be a valuable resource to AID for technical assistance in the area of public administration.

Environment and energy assistance

Assistance should continue to enable these countries to deal with the legacy of four decades of Communist mismanagement. These programs should emphasize assistance encouraging, and providing incentives for, end-use energy efficiency, conservation and reliance on renewable energy resources. They should also include training and technical assistance for related energy and environmental investments or regulations, and the local production of environmental or energy-related equipment. Further emphasis should be on the promotion of U.S. technologies and dealing with health problems directly associated with pollution.

Energy and Environmental Institute.—Last year in its report, the Appropriations Committee urged the allocation of up to $500,000 to fund a prototype United States-Polish energy and environmental institute as a counterpart to the Budapest Regional Environmental Center. While the primary mission for the Budapest Center is policy education and dissemination of information, a companion demonstration institute in the fields of energy and environment is needed to establish effective models of technical collaboration between U.S. national laboratories and federally sponsored research programs and their counterparts in Eastern Europe.

Democratic pluralism

Democratic forces in Albania are in dire need of assistance as they begin to construct the foundations of a democratic society, and AID should continue to encourage their efforts with technical assistance in drafting a new constitution and other basic legislation.

Enterprise funds

Support for the Polish-American and the Hungarian-American enterprise funds is intended for the capitalization of other enterprise funds for the region and for other private enterprise activities. All of the funds under this category should be for activities with an emphasis on technical assistance and training for the development of market-oriented policies and the restructuring and creation of financial institutions such as stock markets, insurance companies, and banks. Private enterprise activities should also include the creation of private businesses organizations and the privatization of state business organizations.

Agriculture assistance

The emergencies of an efficient private agricultural sector is central to the development of strong private enterprise economies in Eastern Europe. U.S. agricultural assistance program should focus on technical assistance and training for the development of rural economies and market-oriented policies. There should also be programs concentrating on the restructuring and creation of agricultural financial institutions and marketing systems and the development of food processing, food transport, and food storage systems. Also necessary are programs to help in the creation and management of agribusiness organizations, the privatization of state farms, agribusiness, and credit institutions.

Legal initiatives

There is a need to continue to provide support for the Central and East European Law Institute [CEELI]. CEELI is a cooperative effort to facilitate the process of law reform in Eastern Europe. American lawyers have volunteered their time and expertise and USIA, the National Endowment for Democracy, the ABA, and the International Academy of Trial Lawyers have provided startup funds.

Former Republics of the Soviet Union

After spending an estimated $4,000,000,000,000 to win the Cold War, the United States has a fundamental national interest in helping Russia and the other former republics in the difficult transition to democracy and free market economies. This aid, which is designed to prevent a return to the totalitarian past, is a sound investment for the United States as well as the former Soviet republics.

Foreign aid dollars are scarce, and there are great risks that our aid will be wasted or stolen. Moreover, the results from aid to the former Soviet republics must be tangible and visible, particularly in these times of domestic economic problems in the United States. It must be clear our limited aid dollars are being productively used. The following general guidelines should be followed regarding aid to the former Soviet republics:

Focus on technical assistance.—The United States is blessed with intelligent, experienced people who can help the people of the former Soviet republics understand how a market system works and aid the transition to a western system of democracy;

Insist on burden-sharing and coordination.—Other developed nations must share in the effort to help the republics change and develop;

Involve the US private sector.—The assistance program should depend heavily on coordination and cooperation with US firms and organizations with experience in creating western-style institutions and privatization.

Get tangible returns for our aid.—Require that a substantial portion of our aid be used to buy US goods and services which help both our economy and that of the recipient.

Delivery of humanitarian assistance

In addition to long-term assistance, the United States also has a humanitarian interest in preventing mass suffering and starvation in the republics during their difficult and troubled transition. There should continue to be strict monitoring of the distribution of this humanitarian aid to ensure that it reaches the intended recipients who are most in need. Just as the United States utilized the services of the Catholic Church in early efforts to assist Poland, it is clear that private organizations in the former Soviet Union should be used to deliver food and humanitarian assistance. Such help is particularly necessary in the former Soviet Union because there are logistical problems with government sources. It has become clear that many minorities have been excluded from humanitarian programs. We must ensure delivery of services to those groups, partially by using them as agents of the program. The Administration should utilize other Christian churches, including the Russian Orthodox, Pentecostal groups, and others. As well, in order to ensure that Jews who live in former Soviet republics are reached, organizations such as Helping Hand, Inc., which has operated in the Soviet Union for nearly 40 years, should be used.

Types of assistance

The funds made available for the former Soviet republics should be used to provide technical assistance, training, and other assistance in support of democratic institutions and processes and market-oriented reforms. Several activities should be emphasized:

Scholarship programs, support for the health sector, and support for the development of democratic trade unions;

Support for private sector development, including development of market-oriented policies, restructuring and creation of financial institutions, privatization of state enterprises, creation and management of private enterprise; and

Support for the agricultural sector, including restructuring and creation of agricultural financial institutions and marketing systems, development of food processing, food transport and food storage systems, privatization of state farms, and support for agribusiness.

Eligible recipients

AID should be limited to the former Soviet republics that are making progress toward the establishment of democratic systems and economic reforms. The Administration should make clear that the republics must also demonstrate a respect for a commitment to internationally recognized human rights, and show a willingness to build a friendly relationship with the United States, including establishment of responsible policies and practices regarding the non-proliferation of nuclear and other weapons.

Reports on implementation of program

The Secretary of State should, within 90 days of enactment of the Continuing Resolution, submit a report on the coordination among the various agencies and programs involved in providing assistance to the former Soviet Union, including State, Treasury, AID, Exim Bank, OPIC, TDP, EPA and Commerce. The report should focus on identifying lead agencies for the different components of US assistance, as well as procedures and mechanisms for providing the US private sector access to support for eligible activities.

Within 180 days of enactment of the Continuing Resolution, the Secretary of State should submit a report on the implementation of US programs of assistance to the former Soviet Union. In the preparation of that report, US labor, business and other organizations involved in US activities in the former republics should be consulted and their views on coordination, implementation and access to information, programs and assistance should be reflected.

Agriculture and nutrition

The humanitarian assistance provided by the recent airlift of food and medical supplies will help with immediate food needs of people trying to get through a different transition. To further that effort over the long run, the Administration should establish a special commodity import assistance program for the former Soviet republics. This would allow the President to use funds to purchase and provide American-made foods traditionally used in child and mother/baby nutrition programs. These foods would be distributed, where feasible, through ministries of education, and should be made available in time for the next school year.

Any local currencies generated under this program should be deposited in a special account, monitored by the President. These currencies would be available to pay the local expenses for American volunteers to provide long-term management and policy advice to key decisionmakers in the various republics as well as in the private food and agriculture industry, among others. They could also be used to pay certain expenses in

connection with the program, including the cost of acquiring such commodities; the costs associated with packaging; enrichment, preservation, and fortification of such commodities; and the processing, transportation, handling and other incidental costs.

Agriculture and agribusiness management training

One of the most urgent needs in the former Soviet Union is training and technical assistance to improve agricultural production and marketing. Reform of the agriculture sector of the economy is crucial to the success of economic reform. Agriculture and agribusiness will be a driving force in a commercialized Soviet economy and will spur future commercial development in US-Soviet agribusiness and for US investments. Agriculture programs should focus on bringing competition into the food system in the former Soviet Union by developing agribusiness and cooperatives and by breaking up state collectives and farms in order to support private farms.

Support should be given for training agricultural and agribusiness managers in US technology and management practices; for technical assistance projects geared specifically to assisting agricultural and agribusiness enterprises in establishing commercially viable, market-driven businesses; for feasibility studies for commercialization and productivity improvement in the agricultural sector; and for the establishment of commercially viable demonstration projects, either for existing enterprises or for startups. Funds should be made available for training, technical assistance and demonstration projects in the dairy industry.

AID is encouraged to make technical assistance available through US private sector organizations including those already involved in similar programs in Eastern and Central Europe. Hands-on, practical technical assistance by agribusiness executives, experts and volunteers is strongly encouraged through two-way exchanges with effective private farmer organizations such as AKKOR and VASKhNIL.

AID is further encouraged to accelerate technical assistance for agribusiness development by opening existing contracts for agricultural assistance in Eastern Europe to the former Soviet Union. The following programs should be extended to the former republics: the VOCA Farmer-to-Farmer program, the ACDI Agribusiness Exchange Program, Land O'Lakes model dairy and agribusiness efforts, and the American Cooperative Enterprise Center by NCBA.

There are several examples of agricultural projects already initiated between US and Russian entities. These projects provide intensive training in dairy management, technical cooperation and assistance to dairy enterprises, training of agribusiness managers in Western management practices and the US agribusiness industry, and the development of demonstration projects with enterprises in the former Soviet republics. For example, one proposal has been prepared to help privatize the collective farms surrounding the town of Pereslavl in the Yaraslav region. These kinds of programs represent the type of training and assistance the Committee believes should be funded in support of agricultural market-oriented reforms.

Technical assistance to democratic trade unions

Independent trade unions have played an important role in the democratic development of the former Soviet republics and have been consistent advocates of democracy and economic reform, providing mass support and legitimacy to democratic political leaders at critical times over the past few years. During what is likely to be a lengthy period of uncertainty for the peoples of the former Soviet Union, independent trade unions can continue to give momentum to the transition to democracy and also perform an important stabilizing function. AID should support the involvement of US labor unions in programs of technical assistance for the creation and effective functioning of free trade unions.

Democratic education

Basic to any society's movement toward a more democratic system are reforms of the constitutional basis and law-making capability of policy-making institutions and government structures. These reforms will be at the core of any democratic changes in the former Soviet republics. Funds should be used for programs designed to assist with these reforms. Such programs would assist with the training of democratically-elected republic legislatures, and other constitutional officers, involved in law-making for democracy, enforcement of constitutional rights, and development of governmental structures based on the principles of separation of powers, political pluralism and the rule of law.

One existing project, "Law-Making for Democracy," draws on the experience of United States legislators, law professors, lawyers and other governmental professionals to provide relevant educational and training experiences in the United States for Moscow and St. Petersburg city counselors and Russian legislators. This project represents the kind of training that should be funded for technical assistance in support of democratic reforms.

Free market and economic education

Helping the former Soviet republics move toward market economies will require education and the transfer of economic and free-market knowledge.

Future business managers in the republics will need to gain expertise in business planning, accounting, budgeting, finance, production and personnel management, marketing, and many other entrepreneurial skills. Management education is sorely lacking in the former republics, where there are perhaps 30 management schools, all created since 1989. The United States has over 1,000 schools and departments of business management developed over the last century. Some schools have already initiated management training programs in the former Soviet Union. One program, "Toward A Market Economy," is an example. AID should utilize the pool of American academic management experts when considering technical assistance in free-market and economic education.

INDEPENDENT AGENCIES

Overseas private investment corporation

Environmental Investment Fund.—While there are many other efforts to promote private sector investment in environmentally beneficial and profitable enterprises, OPIC's is the only one backed by a U.S. Government entity with loan guarantees. Input by the public and environmental NGO's concerning Fund projects is vital and will help ensure that they contribute significant benefits to the environment. At the same time, there is a need to protect trade secrets or financial data that should legitimately be protected from disclosure. OPIC and the Fund should continue to consult closely with NGO's in order that the maximum practicable disclosure of information concerning fund projects is afforded. OPIC and the Fund should submit a report by August 1, 1992, on the following concerns:

The specific environmental criteria OPIC and the Fund will use to judge potential investments;

What independent, impartial review process is provided for evaluating potential investments before fund resources are committed;

What mechanisms or systematic procedures exist to enable OPIC and the Fund to consult with foreign governments, and environmental NGO's in the United States and target countries, on potential investments;

How OPIC and the Fund will promote innovative ideas to the point where they are of investment quality; and

What procedures and criteria OPIC and the Fund will use to monitor and evaluate investments to ensure they produce the expected environmental benefits.

It is intended that OPIC and the Fund will vigorously promote investment in activities which enhance environmental quality, over those which simply reduce harm to the environment.

DEPARTMENT OF STATE

International narcotics control

Public Law 101-513 provides $150,000,000 for the State Department's International Narcotics Control Program. There is concern that only $420,000 of the $150,000,000 appropriated for 1991 for INM programs will be used for public awareness and education programs. INM should consider increasing its support for public awareness and education where such programs would be effective. Consideration should also be given to a U.S. contribution to the World Health Organization's Programme on Substance Abuse (PSA). Established in September 1990, PSA funds global activities to reduce the demand for addictive substances, including assisting countries to develop national drug plans and the establishment of treatment centers, training of in-country personnel, and public awareness and education campaigns.

TITLE III—MILITARY ASSISTANCE

INTERNATIONAL MILITARY EDUCATION AND TRAINING

Expanded IMET initiative.—Last year, the Appropriations Committee proposed and expanded IMET initiative to address ongoing concerns about the relevance and effectiveness of the traditional IMET program. That initiative emphasizes training programs that contain courses for both defense and civilian managers and administrators of defense establishments. These courses focus on training in management of defense ministries, forces and budgets, and creating and implementing effective military justice systems and codes of conduct, with a special emphasis on the protection of human rights. There has been notable progress in implementing the expanded IMET program. The Defense Security Assistance Agency [DSAA] should carefully examine its traditional IMET programs for opportunities to shift funds into expanded programs. DSAA should submit a report, by August 1, 1992, on the anticipated implementation and costs of this initiative in fiscal years 1993 and 1994, and including an evaluation of the program's effectiveness to date.

Malaysia

For over 2 years the Malaysian Government continued to violate the comprehensive plan of action [CPA], by pushing back to sea well over 11,000 Vietnamese refugees. This CPA violation caused the Congress to prohibit IMET funds for Malaysia in 1991.

There is concern about Malaysia's unwillingness to adopt a policy of adherence to the CPA. However, the flow of refugees to Malaysia has virtually stopped, partly because the overall flow has decreased and presumably partly because refugees are trying to avoid Malaysia. Malaysia is once again eligible for IMET funding, but the Malaysian Government should provide assurances that if the flow of Vietnamese asylum-seekers resumes, it will permit them to land.

AMENDMENT NO. 1752

Mr. KASTEN. Mr. President, I send an amendment to the desk on behalf of myself and Senator Bumpers, who is the Chairman of the Small Business Committee, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN], for himself and Mr. BUMPERS, proposes an amendment numbered 1752.

Mr. KASTEN. 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 pending resolution, add the following new section:

SEC. . Notwithstanding any other provision of this joint resolution, the following appropriation is made:

SMALL BUSINESS ADMINISTRATION

Disaster Loans Program Account

For an additional amount for the cost of direct loans, $82,025,000, to remain available until expended: Provided, That these funds are available to subsidize additional gross obligations for the principal amount of direct loans not to exceed $241,748,000.

In addition, for administrative expenses to carry out the disaster loan program, an additional $25,000,000, which may be transferred to and merged with the appropriations for "Salaries and expenses".

Congress hereby designates these amounts as emergency requirements pursuant to section 251(b)(2)(D) of the Budget Enforcement Act of 1990.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. 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, this amendment has the support of the chairman of the Appropriations Committee and it has been cleared on both sides. It provides the funds necessary to keep the Small Business Administration's Disaster Loan Program running for the balance of the fiscal year. Without this funding, the SBA will be unable to respond to any new disaster declarations. According to SBA, it will have to shut down this program by the end of April.

The President has declared the disaster loan program shortfall an emergency appropriation. This amendment is the only amendment to this CR that has the support of the administration.

Many areas of the country have been hit hard by disasters this year and spring flood and tornado season is upon us. I, therefore, ask that this amendment be accepted. I also ask that a statement by Senator BUMPERS be placed in the RECORD at this point as if read.

The PRESIDING OFFICER. Is there further discussion?

Mr. BUMPERS. Mr. President, the Small Business Administration is facing a rather desperate situation with respect to its Disaster Lending Program. SBA is the only agency of the Federal Government which makes long-term loans to victims of natural disasters such as floods, earthquakes, tornadoes, hurricanes, and the rest. The program covers only uninsured—or underinsured—losses, and eligible borrowers include both large and small businesses, as well as homeowners. This program has saved many American communities from being utterly wiped out by accidents of nature.

Last year, the Appropriations Committee provided funding for the Disaster Lending Program equal to an average year's disasters. Unhappily, because of the devastating floods in Texas and California and other States, and also some severe storms in Puerto Rico and some of the Pacific territories, this has been much worse than an average year. SBA has virtually exhausted its salaries and expenses appropriations, and it has only about 2 more months of loan money remaining.

A few weeks ago, the administration submitted a request for supplemental funding for both business loans and disaster loans. The request, however, did not provide for the disaster funds to be treated as an emergency under the Budget Act, meaning that an offset from some other program would be necessary. I wrote to OMB Director Darman on March 18, and I strongly urged him to make another request for disaster lending and to make it as an emergency request under the Budget Act. I am gratified that the administration has now seen the urgency of this situation and has made such a request of the Congress. I ask unanimous consent that my letter to Mr. Darman be included in the RECORD at this point, as well as a response signed by Ms. Janet Hale.

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

OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, March 26, 1992.

Hon. DALE BUMPERS,
Chairman, Committee on Small Business, U.S. Senate, Washington, DC.

DEAR SENATOR BUMPERS: In your March 18, 1992, letter to Director Darman, you requested the Administration's support for an emergency funding increase in the Small Business Administration's disaster loan program. Due to the abnormally high level of disasters this fiscal year, we agree that emergency funding is necessary to ensure continued delivery of this program. To this end, the President transmitted an emergency supplemental appropriations request to the Congress on March 23, 1992.

The President's request would provide a supplementary appropriation of $25 million for disaster-related salaries and expenses and $82 million for credit subsidies—to increase total 1992 disaster lending authority to $600 million. Because the Congress provided regular appropriations in an amount sufficient to fund an average year, the full request for SBA has been designated by the President as an emergency requirement pursuant to the Budget Enforcement Act of 1990 (BEA).

We also agree with your concern that the present system of budgeting fixed amounts for both disaster loan authority and administrative expenses is not compatible with the unpredictable nature of natural disasters. In response to this difficulty, the President is also proposing a FY 1993 budget amendment to establish a contingency fund to meet unanticipated increases in disaster loan activity in FY 1993 and beyond. These emergency funds could be used for both loans and administrative expenses in abnormally severe disaster years. However, these funds would only be available to the extent that the Congress enacts regular appropriations each year sufficient to cover the average level of obligations incurred over the most recent ten year period. The fund would be capitalized with $75 million—an amount sufficient to support $350 million in additional lending in 1993.

We believe that this approach is greatly preferable to that taken by the House Small Business Committee in reporting out H.R. 3304. That bill would authorize the use of disaster loan repayments for new loan making, and would exclude the expenditure of such funds from counting toward the Federal budget deficit.

There is no reason to exclude SBA disaster loan expenditures from the deficit totals. Such action would have the effect of breaching the 1990 budget agreement. Moreover, H.R. 3304 would directly violate the credit reform provisions of the BEA. Fortunately, the Administration's emergency contingency fund proposal addresses the disaster funding problem without violating any provisions of the BEA.

Thank you for sharing your views on this issue. I look forward to working with you to secure enactment of both the emergency supplemental for FY 1992 and the contingency fund for FY 1993.

Sincerely,

JANET HALE,
Associate Director for Economics and Government.

U.S. SENATE,
COMMITTEE ON SMALL BUSINESS,
Washington, DC, January 28, 1992.

Hon. RICHARD G. DARMAN,
Director, Office of Management and Budget, Washington, DC.

DEAR DICK: I am writing to urge you and President Bush to give full support to a significant increase in funding for Small Business Administration lending programs. In recent weeks, I have met with Administrator Saiki and with every expert I could find on small business finance. The sentiment is universal that the present funding level of $3.5 billion for Sec. 7(a) guaranteed loans is inadequate to meet the market's needs and that

Congress must act soon if small business is to play its essential role in reviving the economy.

As you well know, the importance to small businesses to the American economy can hardly be overstated. They employ half of all workers and produce over 40 per cent of GNP. The current financial regulatory climate has had a devastating effect on the ability of many smaller firms to obtain the capital needed for everyday operations, much less for expansion and job creation. This has been especially acute in New England where many banks are in the hands of the FDIC, which is unwilling to extend credit to anyone.

For FY 1992, Congress provided last year's level of funding for the largest SBA program, Sec. 7(a) guaranteed loans. Mrs. Saiki informs me that SBA lending in the first quarter of 1992 was up over 26 per cent nationally over the previous year's activity. Additionally, lending activity for the Agency can always be expected to increase in the spring and summer months.

SBA has initiated a major effort to stimulate the New England economy, and particularly that of New Hampshire. Some members of Congress have questioned whether SBA's New Hampshire efforts are motivated by the approaching Presidential primary. Mrs. Saiki reports that almost 150 candidates for SBA loans have been identified in this one state. Regardless of motivations, it is clear to me that SBA does not now have the resources in either lending authority of salaries and expenses to provide similar treatment to other states in the region without violating the Anti-Deficiency Act.

If SBA is not able to take the New Hampshire program to other states in the region which are facing equal economic troubles, then the program must be discontinued immediately.

It appears to me that at least $1 billion in additional Sec. 7(a) lending authority and probably $150 million in additional Sec. 504 Development Company authority will be needed in Fiscal 1992 if SBA is to meet its mission of providing adequate long-term capital for small business growth and expansion. Fortunately, these increases can be made without any increase in the 1992 deficit because of the influx of cash to the Treasury from the program's guarantee fees. Nonetheless, the mood of Congress toward any additional federal spending, regardless of the merits, is not good and should not be taken for granted by the Administration. If this program is to succeed, the Administration will have to strongly support additional funding for small business loans.

Equally troubling is the issue of salaries and expenses for SBA disaster lending. I understand that SBA has virtually exhausted the limited amount of salaries and expenses for disaster loan-making provided in the current appropriation. Just as others and I predicted, so-called "credit reform" has proved disastrous for this program. It is impossible to predict from year to year what natural disasters may occur, and it is politically and morally unacceptable to help only those disasters which occur early in the fiscal year. This program should be entirely exempted from the inappropriate restrictions of credit reform. I plan to urge the Appropriations Committee to approve legislation to that effect in the next supplemental vehicle.

Sincerely,

DALE BUMPERS.

Mr. BUMPERS. The administration is seeking, and the pending amendment provides, for a total of $107 million total funding for the SBA Disaster Program. This includes $25 million for salaries and expenses, and $82 million for loan subsidies. Because this lending program is scored at about 30-percent subsidy rate by OMB, the $82 million will provide for a total of $241,748,000 in new lending authority. These are direct loans with an interest rate of either 4 or 8 percent, depending on whether the borrower has credit elsewhere.

I cannot resist saying, Mr. President, that this crisis would not exist but for the credit reform provisions of the 1990 Budget Act amendments. Before credit reform was enacted, SBA disaster loans were made from a revolving fund, with repayments from old loans ordinarily being more sufficient to cover the costs of new loans. The Appropriations Committee rarely needed to add funds to this account. Only in the instances of the Mount St. Helens eruption in 1980 and the twin disasters of Hurricane Hugo and the Loma Prieta earthquake in 1989 were appropriated funds added to the disaster loan fund in the decade of the 1980's. In fact, repayments of old loans were even sufficient to pay the costs of disaster lending salaries and expenses. There were few systems in Government which worked as well as this program, in my view.

It was a terrible mistake in policy which did away with this system under the guise of credit reform. This new regime allowed OMB to gobble up the disaster loan revolving fund, making the gargantuan Federal deficit appear a little smaller for a while, and placed the Appropriations Committee in the difficult and unnecessary position of having to appropriate funds every year for disaster loans. Without a doubt, the only real effect on SBA programs, and this program in particular, has been to make these loan programs appear more expensive than they actually are.

I might add that the House Small Business Committee has reported legislation to repeal this portion of credit reform and place the SBA Disaster Lending Program back on the same footing as it was before. I hope the House will approve that bill and that it will receive serious consideration in the Senate.

Mr. President, I support the amendment to provide badly needed funding for SBA disaster lending, and I urge all Senators to do the same.

Mr. SEYMOUR. Mr. President, I rise to support the emergency supplemental appropriation to permit the Small Business Administration's disaster assistance program to continue its very important work for the balance of the fiscal year.

Because of the unprecedented number of natural disasters this year, including many in my home State of California, the Disaster Loan Program is in jeopardy of running dry by April. This amendment will provide an additional $240 million to the SBA Disaster Assistance Program. This request is needed because of the higher than average number of physical disasters that have occurred in fiscal year 1992. In California alone, we have suffered through numerous physical disasters, from residential fires in Oakland which consumed a large acreage of homes to torrential rains and flooding in five southern California counties.

SBA's disaster loans are the primary form of Federal assistance for private sector disaster losses from earthquakes, wildfire, hurricanes, tornadoes, floods, and other physical disasters. This assistance is not limited to small businesses; it is available to homeowners, renters, businesses of all sizes, and nonprofit organizations. These loans are a critical source of economic stimulation in disaster ravaged communities, helping to spur employment and stabilize tax bases. Swift passage of this appropriation would enable SBA to continue the program without interruption.

I ask my colleagues to support this very important measure.

The PRESIDING OFFICER. Is there further discussion of the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 1752) was agreed to.

Mr. KASTEN. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

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

Mr. LEAHY. Mr. President, what is the time?

The PRESIDING OFFICER. The Senator from Wisconsin has 8 minutes, and the Senator from Vermont has 2 minutes and 28 seconds.

Mr. LEAHY. I thank the Chair.

The PRESIDING OFFICER. Plus the additional 10 minutes on both sides.

Mr. LEAHY. I thank the Chair. I retain the remainder of my time.

The PRESIDING OFFICER. Does any Senator yield time? If no Senator yields time, the clerk will call the roll and the time will be charged equally to both sides.

Mr. KASTEN. Mr. President, I suggest the absence of a quorum, the time to be allocated to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll and the time will be charged to both sides.

The bill 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.

ORDER OF PROCEDURE

Mr. KASTEN. Mr. President, I ask unanimous consent that 10 minutes

previously allocated to Senator GORTON now be allocated to the Senator from New York [Mr. D'AMATO].

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from New York is now recognized.

Mr. D'AMATO. Mr. President, I rise this afternoon to convey a sense of distress and disappointment, that an amendment that was carefully crafted and which I cosponsored with my colleague, Senator BROWN from Colorado, has been withdrawn. Had I been aware that it was going to be withdrawn, I would have asked to submit my own legislation. This amendment was crafted to ensure that Jordan complies with the United Nations embargo of Iraq before releasing United States taxpayers' dollars to King Hussein of Jordan.

Mr. President, I say this was a carefully crafted resolution. It is one which provided an opportunity for the President to certify on a regular basis that, indeed, Jordan was complying with the embargo.

One need only look at the activities of the King of Jordan to say that obviously his word means little, if anything.

Let us look at the record. Immediately after Iraq's invasion of Kuwait, King Hussein was quoted as saying that "Saddam Hussein is a person to be trusted and dealt with." He went further by saying that "he was a patriot."

Mr. President, you cannot have it two ways. While we had 600,000 young men and women battling Saddam Hussein with billions of dollars of our resources committed to undertake this effort; with the whole world on the precipice, facing perhaps an international conflict that may not have been resolved as quickly and as successfully; while hundreds of casualties were endured by Allied forces and the deaths of United States men and women took place, we had a cheerleader for Saddam Hussein—King Hussein of Jordan.

In so doing, he joined the likes of Yemen, Libya, and the PLO, in supporting Iraq. The King put his words into action when the Arab League voted to condemn the invasion of Jordan. What did Jordan do? It abstained.

Mr. President, the fact is that the Port of Aqaba in Jordan served as an entry point for goods destined for Iraq during the embargo. Indeed, I wrote to Secretary Baker and I questioned why we were continuing aid to Jordan. I got back a letter dated January 17, 1992. It came from Janet Mullins, Assistant Secretary of State for Legislative Affairs. I will read just part of it. I ask unanimous consent that the letter be printed in the RECORD.

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

DEPARTMENT OF STATE,
Washington, DC, January 17, 1992.

Hon. ALFONSE D'AMATO,
U.S. Senate.

DEAR SENATOR D'AMATO: Secretary Baker has asked me to respond to your letter concerning the provision of assistance to Jordan.

Like you, the Administration was deeply disappointed by Jordan's rhetorical support of Iraq during the Gulf War. We told the King so in the most direct terms. I wish to note, however, that we have no evidence that Jordan supplied military equipment to Iraq at any point during the Gulf crisis or since.

Since the end of the Gulf war, King Hussein has demonstrated his willingness to play a central role in our peace initiative, even at risk to himself and his government from radical, anti-peace factions. At the same time, Jordan's society has been placed under great stress by the return of nearly 300,000 Jordanians long resident in the Gulf states, the presence of tens of thousands of Iraqis seeking respite or escape from Saddam, and the cut off of assistance from traditional Gulf donors. To cope with these stresses and to continue to control its borders with Iraq and Israel, Jordan's military, a main support of King Hussein's liberalizing government, must have immediate access to minimum levels of assistance.

On September 16, the President decided to use the flexibility provided by law to waive the statutory restrictions on FY 91 military assistance to Jordan. The Department immediately informed appropriate Congressional committees of this action. We have briefed appropriate Congressional committees on the full extent of deliveries of military assistance since August 2, 1990 and our plans to deliver additional equipment funded by FY 90 and prior year FMF. After consultations, we had earlier released FY 90 economic assistance.

On December 6, the Secretary decided to release FY 90 and prior year FMF to Jordan. He also decided to release lethal materiel based on Letters of Offer and Acceptance signed before August 2, 1990.

This assistance will enhance Jordan's ability to control its borders, thereby preventing infiltration by terrorists into Israel and smuggling into Iraq. The Jordanian army's role in preventing such infiltration was noted most recently in an October 23 Radio Israel broadcast.

I hope this information alleviates your concerns. Let me assure you that in providing assistance to Jordan the Administration has first and foremost in its focus the cause of peace and stability in the region.

Sincerely,

JANET G. MULLINS,
Assistant Secretary,
Legislative Affairs.

Here is a portion of the letter:

Like you, the administration was deeply disappointed by Jordan's rhetorical support of Iraq during the gulf war. We told the King so in the most direct terms. I wish to note, however, that we have no evidence that Jordan supplied military equipment to Iraq at any point during the gulf crisis or since.

The fact is, Mr. President, that tons of Jordanian ammunition were received after Iraq's retreat from Kuwait. Much of it was shipped as late as January 1991 and, indeed, these incidents were captured on film by CNN, despite the State Department's denial that arms and supplies were being shipped to Iraq by—or at least through—Jordan.

Mr. President, the fact is that Jordan has not abided by the U.N. embargo of Iraq. It continues to buy oil and provide fuel, medicine, and building materials. In fact, the administration was forced to seek a waiver to resume aid to Jordan, because they could not certify that Jordan was abiding by the embargo.

Jordan has cooperated in the establishment of Iraqi front companies in Jordan, backed by a fleet of aircraft and trucks, dedicated to the continued circumvention of the U.N. sanctions.

To forgive and forget may be the manner in which the State Department and Secretary Baker want to conduct foreign policy. It is inappropriate and it is wrong. We are talking about trivializing the lives of those who have served this country in the cause of world peace.

I cannot and will not vote for a bill, this continuing resolution, that would permit and authorize the continuance of aid to King Hussein of Jordan that would not, at the very least, put in language that would set up a process, setting up a monitoring process to see that the circumvention of the U.N. resolution and embargo is not provided for.

This is ludicrous. This is wrong. This is the politics of expediency. This is the same politics that brought us to the situation where we encouraged Saddam Hussein to build his war machine, looked the other way as he was using poison gas against innocent women and children, and provided him with loan guarantees, which he defaulted on.

I remember coming down to the Senate floor 4 or 5 months before the war broke out asking for a curtailment of those loan guarantees. I was criticized because I called Saddam the "Butcher of Baghdad." You would have thought I was attacking Mother Teresa; Democrats and Republicans alike, were saying that he is "misunderstood." Is the King of Jordan misunderstood now? Do we misunderstand him? We ought to be ashamed of ourselves.

I do not know where the loyal opposition on the other side is. Where is the moral correctness in continuing aid? There is someone at every turn who has worked against the principles that this country is supposed to stand for, with a cheerleader for Saddam Hussein, who supported Saddam Hussein, and who still does.

I would not have withdrawn that amendment. I wish my colleague had consulted me. It was brilliantly crafted. Once again—the State Department, under the glibness of Secretary Baker—we have succumbed to Hussein's oratorical wizardry.

Well, check the facts, not the oratorical wizardry. How can we be providing the King of Jordan, after what he has done to us; after encouraging Saddam Hussein to invade—and I get that from

reliable sources, who have told me that the King of Jordan understood and knew Saddam Hussein was going to conduct that invasion—how do we continue to provide her aid? He knew it.

There are enough Members in this body who understand and have heard the same story. Yet, we continue business as usual. Why does it take an invasion for us to stand up and do what is right.

(Mr. LIEBERMAN assumed the chair.)

Mr. LEAHY. Will the Senator yield?

Mr. D'AMATO. Certainly.

Mr. LEAHY. Do I understand the Senator correctly to say that the State Department referred to the King of Jordan supporting Saddam Hussein as merely rhetorical?

Mr. D'AMATO. Yes; in a letter that I have of January 17, that is exactly the language that is used. I have put that into the RECORD.

Mr. LEAHY. I find that amazing, I say to my friend from New York. I do not think there is a Member of this body who, having reviewed the facts—not even going into things classified, what was not in the open record—would consider the support to be limited only to rhetoric, and not feel that the support was material support, significant support, and not just in support of others.

I wonder if my friend from New York recollects when we had farm legislation on the floor. The Senator from Vermont and others felt that we should limit the credits that were being given to Iraq.

The Senator from New York was very much in favor of such limitations and spoke very strongly regarding Saddam Hussein as he has here. The Senator will recollect that the Senator from Vermont also felt there should be such limitations. The Senator from Vermont and others were lobbied by the White House and told that we had to keep these credits going to Saddam Hussein.

If the Senator will recollect further it was just about the same time Saddam Hussein's tanks were beginning to mass to roll into Kuwait. We were told to keep on the credits, which turned out to be a complete foreign aid gift.

Now we find that we are even paying off some of these credits to Iraqi controlled banks. At the time we are trying to put the squeeze on Iraq the United States is actually sending foreign aid today to Iraq. I wish to put it into perspective.

Mr. President, this was not my time. I do not want to interrupt the time of the Senator from New York, and I thank him for yielding.

Mr. D'AMATO. Mr. President, if I might be permitted to respond just momentarily, let me say this to my colleague from Vermont: There is a shared responsibility. There is a failure on the part of this body. When I came to this floor and offered an amendment to cut off loan guarantees of the Commodity Credit Corporation to Saddam Hussein, on the basis of parliamentary objections on my first try, I was forced to withdraw that amendment. There was an almost united opposition to cutting off those loan guarantees that stemmed not only from the State Department and the administration but from this body as well.

It was not our finest day. It was a tragic day. We got into the local parochial interests of how it would be and how this cutoff was of loan guarantees to Iraq would be damaging. We did not care that they were killing innocent women and children.

The PRESIDING OFFICER. The time allocated to the Senator from New York has expired.

Mr. D'AMATO. Mr. President, if I might be permitted 30 seconds by way of unanimous consent.

Mr. LEAHY. I yield 30 seconds of my time.

Mr. D'AMATO. I thank my friend.

Mr. President, it is therefore with deep regret that I will vote against this continuing resolution. I believe that this is an absolute contemptible act given the suffering that so many have endured to simply turn the other way to Jordan's actions and to continue business as usual with the King of Jordan.

Thank you, Mr. President.

Mr. LEAHY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes and 5 seconds.

Mr. LEAHY. I yield 2 minutes to the Senator from Illinois.

Mr. SIMON. I thank my colleague from Vermont.

Mr. President, in the continuing resolution is $270 million for peacekeeping. That compares to the $350 million that the administration agreed to with the United Nations.

I think it is vital that we support peacekeeping operations, whether we are talking about Cambodia, El Salvador, other places that may arise.

There is a deep yearning on the part of the people of the United States not to police the entire world and the answer is obviously to share that responsibility, and my strong belief is that for each dollar we can give the United Nations for peacekeeping we probably save taxpayers in this country $5 to $10 plus we help world stability.

So my hope is that, while this contains $270 million for peacekeeping for the United Nations, before this fiscal year is out or certainly in the next fiscal year we provide the balance of what we have agreed to with the United Nations.

I think we have a moral responsibility to do this. I think it is important for world stability, and it is important for American taxpayers.

Mr. President, whatever remainder of my 2 minutes is left I yield to the Senator from Vermont.

The PRESIDING OFFICER. Who yields time?

The Senator from Wisconsin.

Mr. KASTEN. Mr. President, I yield what time is remaining to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 3 minutes and 20 seconds that are remaining.

Mr. HATFIELD. Mr. President, there is good news and bad news in this bill, and I know there is not a great popular base out in the electoral for foreign aid at any time. But I think we have an opportunity at this moment in history to deal with some of the causes of violence and war by taking preventive action. I think we have a responsibility for the long-term stability of this world to take the action of providing $270 million for peacekeeping forces under the United Nations.

I am sorry that we had to have $21 million for military aid to El Salvador. I do not like it. It should have all been humanitarian aid from my perspective.

I do not like the fact we released Malaysia from the ban as Malaysia has not foresworn pushoffs of refugees that are seeking their shores.

By the same token, I have to recognize the efforts to help the children of the world to survive and to help them survive and to help through the Child Implementation Act for a world summit for children.

I have to vote for this bill because of the help it gives to refugees seeking some home and some kind of new life fleeing for their lives from the troubled parts of the world.

So, in all balance, Mr. President, I will be voting for this foreign aid bill to help stabilize the world of today and tomorrow.

The PRESIDING OFFICER. The Senator from Vermont controls the remainder of the time which is 2 minutes and 40 seconds.

Ms. MIKULSKI. Mr. President, our foreign aid program finds itself in troubled times. The only appropriations bill handled in a continuing resolution, today's bill maintains fiscal year 1991 funding through September, with a few adjustments for key programs. It is likely that the fiscal year 1993 bill will receive the same treatment. Recent press articles have questioned AID's management, even its future as an independent agency.

AID must take its hits in today's budget squeeze like everybody else, but I hope that AID officials will make every effort to find funding within the foreign aid budget for the truly critical programs.

Family planning assistance is tied to all our efforts in economic development because all our progress will be wiped out if current population growth rates continue. Today's bill contains only approximately $250 million for family planning rather than the $300

million slated for the fiscal year 1992 bill. AID needs to do a far better job of spending the money it has in order to make the most of this reduced funding.

Many programs which had received small but significant assistance from AID will suffer as well, in particular programs funded under the American Schools and Hospitals Abroad Program.

ASHA programs are the kind of aid that Americans feel best about—schools modeled after the U.S. system that teach democratic values and hospitals which provide desperately needed medical treatment to areas of the world where there is no other source of care.

There are many fine examples of United States schools: In Nanjing, China, Johns Hopkins University provides Chinese students with the only United States-style education available in the country—even during the troubles of 1989, the school kept teaching. Hopkins also has an outstanding facility in Bologna. The American Schools of Oriental Research are in the forefront of archaeological study and digs in the Middle East. Beirut University College and the American University in Beirut have valiantly taught vital coursework and American values during the hellish years since 1975.

Hospitals like Shaare Zedek and Hadassah in Jerusalem provide high quality medical care to both Arab and Jewish populations.

AID deserves a word of praise for the efforts of the Office of Foreign Disaster Assistance in its relief efforts among the Kurds, in Bangladesh, and in Africa during the past year.

Another project which deserves AID attention is a proposal by Life International to outfit a retired U.S. Navy hospital ship for service near the Horn of Africa. This sort of innovative approach could prevent countless deaths and terrible suffering by the people of Somalia, Ethiopia, and the Sudan.

The House has wisely and humanely increased funding for refugee assistance. Refugees from Vietnam, Burma, Cambodia, Iraq, Liberia, Somalia, Ethiopia, Sudan, Mozambique, Angola, and elsewhere have strained the current relief system and need additional aid just to stay alive.

Finally, I am glad to note that today's bill also increased AID operating expenses above the 1991 levels. If it did not, AID employees would have been faced with at least 1 day per week on furlough, disrupting not only our aid programs but also the lives of these Federal workers.

Mr. DOLE. Mr. President, I note that the chairman of the House Appropriations Subcommittee on Foreign Operations indicated in his floor statement on the continuing resolution for foreign operations appropriations that the administration should provide $20 million for vitamin A deficiency, iodine deficiency, and other micronutrient deficiencies. I hope that any expanded micronutrient deficiency research effort includes iron deficiency research as a priority. There is an emerging consensus among international organizations active in the areas of health and development that iron deficiency, along with vitamin A deficiency and iodine deficiency, is one of the three major micronutrient deficiencies in the developing world.

Iron deficiency is the most prevalent nutrition problem in the world. Anemia, due primarily to iron deficiency, is believed to affect well over 1 billion people globally and roughly two-thirds of all pregnant women. Anemia in pregnancy is associated with a sharp increase in premature delivery, low birth weight, and fetal mortality. Iron deficiency in infancy is known to produce defects in learning and cognitive performance.

The Agency for International Development is to be commended for the important work on iron deficiency that it has supported in the past, and I encourage the agency to ensure that iron deficiency will be given the emphasis it deserves.

Mr. HELMS. Mr. President, all of us were hopeful this past January when both sides in the Salvadoran conflict signed a peace accord. Most of us would like to see the FMLN Communist guerrillas dismantle, and return to civilian life to help rebuild their country which they spent so many years destroying.

I continue to hope that genuine peace will become a reality in El Salvador. But today as we consider this legislation which will drastically reduce military assistance to El Salvador, the inescapable reality is: The peace accord is no more than a piece of paper.

Until, and only until, the Communist guerrillas in El Salvador completely disband, military aid is the only insurance policy available to the United States to safeguard the Cristiani government's stability and survival.

Mr. President, the cease-fire in El Salvador cannot and should not obscure the very real problems that persist. It is the height of folly to trust the Communist FMLN guerrillas, and discard precautions to ensure the permanency of President Cristiani's great achievements in his country.

President Cristiani is a man of his word; he is tried and proven. As a leader of great wisdom and courage, his entire life has been committed to free market values, and to basic individual liberties. He signed the peace accord in good faith.

But can the same be said of the Marxist guerrillas? The record clearly indicates that it cannot. The FMLN Communists have never given us the slightest reason to trust them. They have made a career of lying, and of terrorizing and murdering their own people.

Already, FMLN spokesmen are making excuses for the guerrillas not giving up their weapons. The FMLN has used cease-fires before to deceive the Salvadoran Government into awarding them the upper hand on the battlefield. Indeed, it would be fully in keeping with the FMLN's past record for the January peace accord to be merely a tactical retreat.

The Communist guerrillas, judging by their past conduct, jubilantly hope that Salvador's military will be dismantled, leaving President Cristiani no way to defend his people.

Mr. President, this Senator believes that we should provide as much military assistance as necessary to El Salvador in order to enable the people of that country to continue to work toward real peace from a position of strength. Jerking the rug from under the Cristiani government will send a clear signal to the FMLN guerrillas that the United States is not prepared to stand by President Cristiani if the Communist terrorists fail to live up to the peace accord with they signed.

Too many people equate the collapse of the Soviet empire with the end of communism. In Cuba, Castro still represses his people and continues to export revolution. In Nicaragua, the Communist Sandinistas still maintain absolute control of the military and security apparatus. In fact, the Sandinistas are the de facto rulers of Nicaragua, and still constitute a grave threat to peace and security in this hemisphere.

In Guatemala, Marxist terrorists roam the countryside, causing havoc and disrupting society. Honduras, too, has been plagued by bands of terrorists These Central American allies need our continued military security assistance as long as Castro and the Sandinistas remain in the business of destabilizing the region.

Mr. President, the Salvadoran military has demonstrated its commitment to the peace process by agreeing to abdicate its police function, reduce its intelligence capacity, and cut its personnel almost in half. But these unprecedented reforms cannot take place until the FMLN dismantles its entire operation. It makes sense that the Salvadoran Army should also become involved in the peace process in a positive, constructive way. And it is in our own national security interest to help them reach their goal.

The Salvadoran people fought, bled, and died for this triumph. I am absolutely persuaded that Congress should help the Salvadoran people safeguard their hard-won peace, and to take steps to ensure the consolidation of that victory.

I feel that, in our own interest, the United States should continue to support military assistance in El Salvador, and in other countries in our hemisphere-like Honduras and Guate-

mala—where there is still a ligitimate national security threat. The United States should continue to aid in the defeat of Marxist terrorists and guerrillas, and provide effective assurance that will deter them from taking up arms again. Nowhere else should be more vital to us as our own backyard.

By acting now, Congress can promote the security aid essential to the economic and political reconstruction of Salvador and the rest of Central America.

Sadly, that cannot, and will not, be accomplished by the language in this continuing resolution.

The best way to achieve peace in this region is to continue military aid until the Communist FMLN is completely demobilized and reintegrated into civilian society. It is now more important then ever to come to the aid of our Central American friends. To abandon them when they are on the verge of victory will result in a defeat for all freedom-loving people in the Americas.

Mr. President, the majority of us had no opportunity to participate in the El Salvador portion of the bill. But I can assure you that we will have another chance to debate this issue in the near future. And at that time, I will do everything I can to assist the people of El Salvador in their struggle for victory. The fight is not yet over.

Mr. BREAUX. Mr. President, I rise today to voice my support for a specific provision of the Foreign Operations continuing resolution that will create jobs and boost the economy in my home State of Louisiana and across the United States.

The provision that I am referring to repeals restrictions on Export-Import Bank financing which limit aggregate loans and loan guarantees for projects with the former Soviet Republics to $300 million. These restrictions, which are part of the Trade Act of 1974 and the Export-Import Bank Charter Act, are collectively known as the Byrd-Stevenson amendments. Restrictions on Exim financing with the Soviet Union made sense during the cold war when our economic interests were in conflict with the Soviets and when the U.S.S.R. officially impeded emigration of its citizens. The Byrd-Stevenson restrictions no longer make sense in view of the political changes that have taken place in that part of the world.

The United States needs jobs, Mr. President, and the former Soviet Republics need United States expertise and assistance to help build a stable economy that will allow the growth of democracy and individual freedom. The Export-Import Bank needs to be free to finance projects that will address both of these needs.

The Eximbank has authorized $172 million toward the allowable $300 million aggregate cap. After we repeal the Byrd-Stevenson amendment, the Eximbank will be permitted to extend loans and loan guarantees on the basis of economic considerations and the viability of individual projects.

The potential for Louisiana industries that have experience in natural resources development and shipbuilding, to name a few, to participate in job-creating projects with the former Republics is great and we should encourage them.

Mr. President, I commend the chairman of the Appropriations Committee, Senator BYRD, and all of the other Senators who have brought this important measure before us today and I yield the floor.

FAMILY PLANNING ASSISTANCE TO THE FORMER SOVIET UNION

Mr. WIRTH. Mr. President, I would like to engage in a brief colloquy with my colleague, Senator LEAHY, chairman of the Appropriations Subcommittee on Foreign Operations.

There is a desperate need in the former Soviet Union for humanitarian assistance of all kinds. We have heard of the insufficient drugs and of the food shortages, and of the hurt this has caused to the elderly, to children and in all segments of society. The shortage of medical supplies is particularly dramatic in the area of family planning services.

The sad fact, Mr. President, is that the Commonwealth of Independent States is largely incapable of providing the family planning services. This inability is taking its toll on women in CIS Republics. I am concerned that the tragic shortfall in reproductive and maternal health is being overlooked in the debate on humanitarian assistance for the former Soviet Republics.

Ninety-five percent of Russian woman do not have access to contraceptives. Consequently, the average woman has between six and eight abortions during course of her reproductive lifetime. Some women have up to 20, often illegal, abortions. We all know that the best way to reduce abortions is to prevent unwanted pregnancies—and that is what family planning is all about.

The need for basic family planning services in the Commonwealth of Independent and Baltic States is immediate and severe. The almost total lack of these services is only exacerbated by economic disruption of whatever existing health support systems are still functioning. Governments are eager to enhance family planning programs and provide prenatal and postpartum care, but simply do not have the means.

Given this situation, I encourage the Agency for International Development [AID] to use a portion of the humanitarian assistance provided to the former Soviet Union for family planning and maternal health. The women of these republics face unnecessary threats to their well-being, and the effective use of funds in family planning would greatly reduce suffering resulting from unsafe abortions. I would like to ask my friend and colleague, Chairman LEAHY if he shares this view.

Mr. LEAHY. I thank my friend for raising this issue. The Senator from Colorado and I have worked together often to enhance the role of the United States in international family planning. AID is certainly able to use the funds in this bill for family planning and maternal health and I would concur that efforts should be made to ensure that services are provided so we can reduce the number of abortions in these Republics.

Mr. WIRTH. I know that the Senator from Vermont supports stronger family planning and maternal health programs. We can, and should, provide support to the women in the former U.S.S.R. Humanitarian assistance most certainly should include services that support the women of these new republics.

INTERNATIONAL MONETARY FUND QUOTA INCREASE

Mr. BRADLEY. Mr. President, I rise today to express my concern that the bill before us does not provide for the U.S. contribution to the International Monetary Fund quota increase. I understand that such a proposal will be contained in President Bush's upcoming request for aid to the new Republics of the former Soviet Union. I hope that a way can be found in the near future to provide for this needed increase for the IMF.

We are standing at a crossroads in the postwar era. An expansion of IMF resources is critical to a healthy international environment for America's economy, including growing markets in developing countries and the emerging democracies in Eastern Europe, the Baltics and the new Republics of the former U.S.S.R. At a time when the United States is not providing more foreign aid directly, lending by international financial institutions is even more important. Yet, U.S. inaction on this quota increase is blocking an international consensus and preventing the vital expansion of IMF activities.

Just as the IMF was designed to assist in the economic reconstruction of a free postwar Europe, the international community now is looking to the Fund to play a critical role in changing former Communist economies into free market democracies. The task is as daunting as that facing the IMF in 1947. Fund discussions with these increasingly market-oriented countries are well advanced. Significant resources already have been committed to Eastern Europe and more resources will be needed as new Republics join the Fund by this summer.

Mr. President, the Fund's mission will falter unless we take action soon. Without the United States, the quota increase cannot be completed by the other IMF members because of its linkage to an amendment to the IMF articles.

The U.S. contribution involves no net budgetary outlays since each dollar we provide the Fund is balanced by their provision to us of a liquid, interest-bearing financial instrument. Yet, our $12 billion contribution is a good investment for the future of this country. Moreover, it will be matched by $48 billion from other countries. So, it will expand the available resources of the IMF by $60 billion.

Let me make clear, however, that the infusion of IMF money should be directed toward real economic restructuring in the new Republics. It should not simply constitute a recycling of assets from international financial institutions through countries in need and back out to private financial interests who extended commercial loans based on imprudent judgments. Using official assistance to bail out private creditors diverts funds desperately needed for economic development and simply promotes an economic muddling-through by countries that are in a weak position to bargain otherwise with the IMF. If our efforts are to be truly successful, we need to ensure that IMF assistance is coupled with an effective debt reduction program.

Mr. President, we cannot afford to be shortsighted or partisan on this quota increase issue. We also cannot afford repeated delays. Further inaction will weaken U.S. influence and endanger American interests in a healthier international economy.

The administration's timidity, and the reluctance of Congress to confront it on this issue, is jeopardizing the provision of vital help by the IMF to countries struggling to build or reform free market economies. We must lead international efforts to help these countries or we will be judged by history as having failed to ensure the prosperity and long-term security of our country and the international community.

SWORDS TO PLOUGHSHARES: CONVERT U.S. MILITARY ASSISTANCE TO DEMOBILIZATION AID

Mr. WELLSTONE. Mr. President, I rise to express my views about the provisions regarding military aid to El Salvador in the continuing resolution we are considering today.

I need not rehearse the tragic tale of El Salvador, what that famed Latin poet Pablo Neruda called a slender waist of tears. For more than a decade, the people of El Salvador have struggled under the weight of a brutal and ruthless military that has engaged in widespread human rights abuses, including brutal torture and frequent extra-judicial executions. During the past decade, over 70,000 people have been killed, including tens of thousands of innocent civilians. While the violence has waned somewhat, there is still much to be done to bind up the wounds of this terrible war.

Since I came to the Senate, I have urged the suspension of all further military aid to the Government of El Salvador, and the transfer of that aid to the peaceful purposes of demobilization, demilitarization, and postwar reconstruction. Converting United States military aid to peaceful economic purposes and maintaining our economic support during this critical period will help to support a transition to a new postwar economic and political system in El Salvador.

In a March 26 letter to President Bush, I joined 40 of my Senate colleagues in urging a complete transfer of all military aid already appropriated to the demobilization and transition fund, and urging him to withdraw immediately his administration's request for additional military assistance. I ask unanimous consent to include that letter in the RECORD at this point.

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

U.S. SENATE,
Washington, DC, March 26, 1992.

Hon. JAMES A. BAKER III,
Secretary of State, Department of State, Washington, DC.

DEAR MR. SECRETARY: The historic peace accords signed by the Government of El Salvador and the Farabundo Marti Liberation Front [FMLN] are a tribute to all those who committed themselves to the cause of peace. We appreciate the role your department played in helping the parties through difficult negotiations during the closing months of 1991.

The end of the civil war brings new challenges to the surface. Successful implementation of the peace accords must be of highest priority to the administration.

It is therefore disturbing to learn of the administration's request for additional bilateral military aid to the Salvadoran armed forces for FY 92–93. The peace accords call for a dramatic reduction in the structure and mission of the military. Given the significant stockpile of weapons in El Salvador, and the amount of hardware to be delivered, there is no justification for additional bilateral military aid. We urge you to withdraw such a request. Should the request not be withdrawn, we will oppose such assistance.

We urge the transfer of all previously appropriated military assistance to the demobilization and transition to peace fund to support United Nations peacekeeping forces and reintegration of former combatants on both sides to productive civilian lives. Our aid must support and advance the peace process. The transfer of funds to the demobilization and transition fund will reflect our commitment to the peace accords.

Further, we urge you to support long-range economic and development aid to fund those reconstruction programs that arise from the consultative process envisioned in the peace accords. In the spirit of reconciliation, the Agency for International Development should seek a variety of funding channels which will insure that U.S. aid reaches the widest possible spectrum of non-governmental organizations, with particular emphasis given to those organizations which have demonstrated their ability to assist the poorest in El Salvador.

The Salvadoran accords offer a blueprint for peace. United States policy towards El Salvador must work in concert with the letter and spirit of the accord. We urge you to reconsider the Administration's request for funding to El Salvador in light of the accords.

Thank you in advance for your attention to this matter.

Kindest personal regards.

(Signed) PAUL DAVID WELLSTONE
(And 40 other Senators).

Mr. WELLSTONE. The bill before us today does not provide for any new military assistance to the Government of El Salvador. It does require that $21 million in military aid already approved last year—which I opposed—be nonlethal, to be used for maintenance, and demobilization efforts in strict accordance with the newly defined mission of the Salvadoran Armed Forces as set forth in the peace accords. Further, it transfers $63.7 million in military aid already approved to the demobilization and transition fund. Finally, it gives the appropriate congressional committees of jurisdiction an opportunity to review any aid decisions of the administration through normal budget reprogramming procedures under the Foreign Assistance Act.

While I had hoped that all U.S. military aid would be transferred to that fund, and worked to ensure that result, we did not completely prevail. I will continue to push for the conversion of all remaining U.S. military assistance to peaceful purposes. To continue to send military aid to a country which is retooling for peace is unnecessary, shortsighted, and foolish. I fear that it will undercut efforts of the people of El Salvador to limit the power of the Salvadoran military and strengthen civilian controlled democratic institutions there. Considering the existing stockpiles of military hardware, and the dramatic reduction in the size and mission of the armed forces required by the peace accords, there is no justification for further bilateral military aid.

The peace accords between the Salvadoran Government and the FMLN create new opportunities for greater political pluralism. They provide for broader civilian participation in the political system, which in turn will begin to alter the social and economic inequities that gave rise to the civil war in the first place. In his speech at the signing ceremony in Mexico City, President Cristiani observed that the postwar peace cannot be simply a return to the prewar peace, but rather must be rooted in a new political pluralism which allows all Salvadorans to participate fully in the economic and social life of their nation. The agreements represent blueprints for change toward a more just society there. In every way we can, we must support that process.

We have spent hundreds of millions of dollars in the last decade in support of brutal, ruthless, and corrupt military officers who held real power in El Salvador. Now we must renew our commitment to peace by providing this critical postwar reconstruction assistance. Now we must help the Salva-

doran people beat swords into plowshares.

The conversion to peaceful purposes of $63.7 million in funds appropriated earlier for military aid is a big step forward. But we must continue to monitor closely the remainder of U.S. military assistance, to ensure that it is used only for the peaceful, demobilization related purposes required by this legislation.

It is also vitally important that the economic and social reforms required by the peace accords, especially those regarding land tenure, the judicial system, and the military, be fully implemented. Further, the consultative process used to develop a comprehensive national reconstruction plan must include the recommendations of nongovernmental and popular organizations with grassroots experience in the regions they serve. I understand from consultations with leaders of the nongovernmental community in El Salvador that there have been some problems with this planning process. I hope those problems can be resolved as the Salvadoran people move forward with the reconstruction effort. Only a reconstruction effort that establishes the bases for participatory and equitable socio-economic development in El Salvador can ultimately be successful.

Mr. President, I hope my colleagues will continue to support a peaceful postwar transition in El Salvador which reflects the needs and aspirations of all the Salvadoran people, especially the poor. Only through such a broadly participatory process can we hope to encourage real change in the socio-economic conditions of the Salvadoran people who have suffered for so long, and who only recently have begun to taste the fruits of peace.

Mr. PELL. Mr. President, I rise in support of Senate Joint Resolution 456, the foreign operations continuing resolution, which I urge my colleagues to support.

This resolution extends the fiscal year 1991 appropriation through September 30 of this year. I am pleased to note, however, that it is not just a dollar for dollar continuation of fiscal year 1991 funding levels. There are several noteworthy adjustments in certain areas that I consider to be vital to American national security and foreign policy interests.

Foremost among them is a $270 million U.S. contribution to U.N. peacekeeping activities. On March 12, I addressed the Senate and lamented the fact that at that time many in Congress seemed unwilling to support the relatively modest sums required for peacekeeping forces to consolidate the victories we helped to win in such areas as Cambodia, Angola, and El Salvador. I am pleased that the opposition I sensed on March 12, has dissipated and that the legislation before us now ensures that the United States will pay its fair share of costs to preserve the peace in areas of longstanding conflict.

I am also pleased that the resolution before us gives the administration authority to transfer economic support fund moneys to the republics of the former Soviet Union. This is a welcome first step in providing support to fledgling democracies that have thrown off the oppressive yoke of Soviet communism.

The second step in the process of helping to ensure that democracy survives in the former Soviet Union will occur tomorrow when President Bush meets with congressional leaders to outline the comprehensive programs that he will announce after the meeting. The formulation of a comprehensive program is long overdue, but at least it is coming; and I plan to do everything I can to help move it forward on a bipartisan basis.

The other items of particular interest to me in this bill are increases of $2.6 million in funding for the U.N. Environmental Program, $4 million for the International Atomic Energy Agency, $10 million for UNICEF, $14 million for the Peace Corps and $144 million for refugee programs.

Finally, I would note that the bill restricts military aid to El Salvador to $21 million in nonlethal items. I would prefer to have absolutely no military assistance for El Salvador but at least we will be reducing from the 1991 level of $85 million.

I commend the managers for bringing this bill to the floor, and I urge my colleague to support it.

SUPPORTING THE MAI LEVEL OF $160 MILLION

Mr. INOUYE. Mr. President, I rise to express my concern over the status of the United States-Philippine relationship at this time of transition for both our two countries, and specifically the desire of some individuals to reduce the fiscal year 1992 contribution to the multilateral assistance initiative. Our ties are long-standing and have evolved dramatically from the days when the Philippines was a United States colony, to the years of occupation by Japan in World War II, through the years of independence beginning in 1946. The Philippines is our oldest ally in Asia and we share a commitment to democracy and freedom.

As we enter the post-cold war world, it is important to recognize that the ties that bind us go beyond the bases which the United States maintained at Subic Bay and Clark Air Base. The Republic of the Philippines is a nation of some 66 million people. It is one of our closest allies in Asia. The Philippines and the United States share an interest in maintaining peace and stability in the Asia-Pacific region.

Although the United States is withdrawing from the bases in the Philippines, we remain committed to the welfare of the Filipino people and their efforts to achieve economic prosperity. It is for this reason that I support efforts to maintain United States aid to the Philippines at traditional levels. It is vital that we not retreat from past commitments or harm the longstanding development programs we have carefully nurtured throughout the country.

The progress we have made over the years in bringing new economic opportunities to the Philippines: Health care to rural villages, agriculture and aquaculture to those in need of better nutrition, and the promotion of environmental protection as a national policy—these are impressive achievements. They should not be squandered. Our success can only be maintained if the Administration remains true to our tradition of standing with our close friends even during the most difficult of times.

The end of the cold war is changing the nature of our overseas military presence. It need not change the content of our political and social relationships. The United States will continue to support nations, like the Philippines, which share our commitment to freedom and democracy. These mutually held values, as well as our extensive economic links, transcend whatever momentary differences there may be in the relationship.

In July 1989, 19 nations and 7 multilateral institutions gathered in Tokyo to launch the multilateral assistance initiative, known as the MAI. Secretary Baker called the MAI "a concrete expression of the kind of partnership and 'creative responsibility sharing' we see as the basis of a new era in East Asia and the Pacific."

As a multilateral effort, the MAI reflects the desire of the United States and other donors to assist the Philippine Government to improve the daily lives of its people and to build a foundation for a prosperous future.

I supported the establishment of the MAI and continue to believe that it remains critical to the growth of the Philippine economy and the strengthening of the democratic process. As part of this program, the role of the private sector in bringing about sustained economic growth is essential.

In fiscal year 1990 and 1991 the United States appropriated $160 million for the MAI and allowed for an additional $40 million to be transferred to this program. This commitment should be maintained in fiscal year 1992. I firmly believe these are commitments the United States should continue to support.

It is important, however, to remember that the MAI is a multilateral effort, requiring other countries to contribute funding, as well as talent, to the task of building a strong Philippine social and commercial infrastructure. I will continue to be a strong voice in the effort to maintain the broad participation of all MAI signatories in this

effort. Similarly, I will work with the institutions like the World Bank and the Asian Development Bank to ensure their long-term financial commitment to Philippine development.

Unfortunately, the Philippine development effort has not been spared the ravages of natural disaster. In 1991, the country suffered through two large-scale disasters which seriously hampered its efforts at smooth economic reform. In June 1991, Mount Pinatubo, a long-dormant volcano, erupted and took the lives of hundreds of people and left more than 200,000 homeless. Later that year, a typhoon claimed over 5,000 lives on the island of Leyte.

Coming on top of a devastating earthquake in central Luzon in 1990, these disasters have affected the Philippine economy and drained resources that would otherwise have been used for economic development. In the face of such adversity, I commend the Philippine Government for its determination to overcome these disasters and proceed with economic reform and pledge my best efforts to assist with that process.

Mr. LEAHY. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on the engrossment of the amendment and third reading of the joint resolution.

The amendment was ordered to be engrossed and the joint resolution to be read the third time.

The joint resolution was read a third time.

The PRESIDING OFFICER. The question occurs on the joint resolution, as amended.

The Senator from Wisconsin.

Mr. KASTEN. Mr. President, there is a request for on side for the yeas and nays. I, therefore, ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The joint resolution having been read the third time, the question is, shall the joint resolution pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 84, nays 16, as follows:

[Rollcall Vote No. 62 Leg.]

YEAS—84

Adams	Coats	Fowler
Akaka	Cochran	Garn
Bentsen	Cohen	Glenn
Biden	Cranston	Gore
Bingaman	Danforth	Gorton
Bond	Daschle	Graham
Bradley	Dixon	Gramm
Breaux	Dodd	Grassley
Brown	Dole	Harkin
Bryan	Domenici	Hatch
Bumpers	Durenberger	Hatfield
Burdick	Exon	Heflin
Chafee	Ford	Inouye
Jeffords	Metzenbaum	Rudman
Johnston	Mikulski	Sanford
Kassebaum	Mitchell	Sarbanes
Kennedy	Moynihan	Sasser
Kerrey	Murkowski	Seymour
Kerry	Nunn	Shelby
Kohl	Packwood	Simon
Lautenberg	Pell	Simpson
Leahy	Pressler	Specter
Levin	Pryor	Stevens
Lieberman	Reid	Thurmond
Lugar	Riegle	Warner
Mack	Robb	Wellstone
McCain	Rockefeller	Wirth
McConnell	Roth	Wofford

NAYS—16

Baucus	D'Amato	Nickles
Boren	DeConcini	Smith
Burns	Helms	Symms
Byrd	Hollings	Wallop
Conrad	Kasten	
Craig	Lott	

So the joint resolution (H.J. Res. 456), as amended, was passed.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the joint resolution, as amended, was passed.

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

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, I thank the Senators who worked together on this. It has been a very difficult time and extraordinarily difficult 6 months because of the question of Israeli loan guarantees.

Mr. President, the question of Israeli loan guarantees has created and did create a very difficult time on this foreign aid bill. I think we would have had a normal foreign aid bill absent that.

I was willing and did support the request to hold up the foreign aid bill last September, as we tried to work out that issue, until this spring.

I should note that Senators of both parties worked extremely hard to try to resolve this. I have high praise for the Senator from Wisconsin, Senator KASTEN, who came to this with certainly a different view than I. He worked with both the Senate and the U.S. foreign policy in trying to bridge the gap between it.

The distinguished Senator from Ohio, Senator METZENBAUM, and numerous other Senators worked with us constantly in trying to put together a piece of legislation that would fulfill commitments that the United States had made of a humanitarian nature and allow us to come in with a far better foreign aid bill than we were able to pass today. Notwithstanding the herculean efforts of individual Senators of both parties, that was unable to be done.

I do want to thank Senators who worked with us, and their staffs. I want to take special note of Eric Newsom who spent weekends, evenings, gave up time with his family and everything else to work on this in the true professional nature that he has always shown in a number of very difficult and extraordinarily demanding situations in the Senate.

I want to thank the distinguished Senator from West Virginia who counseled with me throughout all this and gave me excellent advice. He always does and gave the subcommittee chairman much leeway, which is appreciated.

Lastly, I want to thank the distinguished majority leader, Senator MITCHELL, who has probably spent far more hours on this than Senator MITCHELL would like as he has tried to bring parties together to work this out, to meet with all of us, and to guide us through it. It has been a very, very difficult time. It is, at best, a partial victory.

We have all shown a responsibility that this country, the greatest country on Earth, the most powerful nation on Earth, leader of the democratic world, the responsibility this Nation has and, notwithstanding the disappointment of the individual Senators, to make sure we fulfilled our responsibilities as U.S. Senators.

SENSE OF THE SENATE REGARDING LOAN GUARANTEES FOR REFUGEE RESETTLEMENT IN ISRAEL

The PRESIDING OFFICER. Under the previous order, the Senator from New Jersey [Mr. LAUTENBERG] is to be recognized to offer a resolution regarding the Israeli loan guarantees.

Under the order, there will be 2 hours of debate on the resolution equally divided and controlled in the usual form, with an additional 1 hour controlled by the Senator from West Virginia [Mr. BYRD] and 10 minutes controlled by the Senator from Arizona [Mr. DECONCINI].

The clerk will now report the resolution.

The legislative clerk read as follows:

A resolution (S. Res. 277) expressing the sense of the Senate regarding loan guarantees for refugee resettlement in Israel.

The Senate proceeded to consider the resolution.

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

Mr. LAUTENBERG. Mr. President, I appreciate the fact that we have achieved an agreement on dealing with this problem, on making sure that those who want to be heard are heard.

It seems that there is a time pressure. Our friends on the other side of the aisle have a function that they would like to attend. Perhaps we can collapse the time and get an earlier vote.

The time is separated, Mr. President, to be perfectly clear, into three blocks. If I may restate that just for the record, the proponents and the opponents have 2 hours equally divided; that the chairman of the Appropriations Committee has an hour to be managed and dealt with by himself; that the Senator from Arizona has 10 minutes included in the UC that he will deal with himself.

Is that the situation?

The PRESIDING OFFICER. The Senator from New Jersey is correct.

Mr. LAUTENBERG. Mr. President, I want to be sure that we appropriately identify the list of cosponsors, of course, including myself, Senator KASTEN, Senator DECONCINI, Senator INOUYE, Senator METZENBAUM, and Senator D'AMATO. That is followed by chairman of the Subcommittee on Foreign Operations Appropriations, Senator LEAHY, Senator DODD, Senator CRANSTON, Senator GRAHAM, Senator WOFFORD, Senator DURENBERGER, Senator MIKULSKI among the approximately 30 cosponsors. I ask unanimous consent to print in the RECORD, these original cosponsors.

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

Leahy, Dodd, Cranston, Graham, Wofford, Durenberger, Mack, Mikulski, Simon, Gorton, Bradley, Adams, Harkin, Warner, Kennedy, Akaka, Bob Kerrey, Hatch, Wirth, Robb, Moynihan, Specter, Levin, Pressler, Murkowski, Nickles, Brown, Mitchell, McConnell, Packwood.

Mr. LAUTENBERG. Mr. President, this resolution is straightforward. It simply puts the United States Senate on record in support of loan guarantees to Israel for refugee absorption.

Earlier today, the Senate considered the continuing resolution on foreign aid and that passed, as it was expected to. I am sorry that that bill did not include loan guarantees for Israel. But due, as we heard from several speakers, to the administration's objection, it did not.

Mr. President, I met for many hours over these last few days with colleagues in the Senate exploring various options on this critical issue. We went through them one by one and they all led to one unalterable conclusion. Regrettably, that would be a Presidential veto. I am sorry and dismayed by the administration's absolute refusal to work out a compromise on loan guarantees for Israel.

I think the administration was disingenuous in its negotiations with the Israelis and Congress on this issue. I am not convinced that the administration ever wanted to work out a compromise on loan guarantees. I am not convinced that it has been negotiating in good faith either.

That is a tragedy for the Soviet emigres who went to Israel in desperate need of our assistance. It is not a big secret that I think the administration was absolutely wrong to link loan guarantees with the settlements issue. The settlements issue should have been dealt with at the peace table, unencumbered by any tilt or any leverage that the administration wanted to apply against Israel.

I have stated time and time again since September: The President created an issue where none existed. At that time, President Bush threw down the gauntlet. He said, "No loan guarantees unless there is a freeze on settlements." No one asked him to do that. No Arab country demanded it. The President acted unilaterally and, in my view, incorrectly.

That was a bad policy decision. Loan guarantees are a humanitarian issue. Soviet refugees need absorption assistance.

For years, the United States fought for the right for Soviet Jews to emigrate. We put our prestige and our trade benefits on the line for that policy. For years, there was not a high-level meeting between an American and Soviet Union official that took place in which the issue of unfettered emigration was not raised. There was not a Soviet official who did not know that MFN, most-favored-nation trading status, was inextricably linked to free emigration for Soviet citizens. And now Soviet Jews are emigrating in unprecedented numbers. We won the battle on free emigration. At the same time, we have limited the number of Soviet refugees who can come to the United States. I believe that we have a moral obligation to help resettle these people from the former Soviet Union; these refugees who seek freedom. The administration is wrong to hold them hostage to a policy over which these people have absolutely no control.

The need in Israel for absorption assistance could not be greater. Over 400,000 new immigrants arrived in Israel since late 1989. The population has been boosted by nearly 10 percent, and it is expected that it will increase by more than 20 percent. Can you imagine the United States having to absorb 50 million new residents in a period of a couple years and the kind of stress and strain it would put on our systems and on our people?

Mr. President, by insisting on linkage with the settlements, the administration has injected the United States into the peace negotiations. With the exception of Egypt, for the first time in four decades, bilateral discussions are taking place between Israel and her Arab neighbors. Israel is seeking peace agreements with Arab countries. She wants assurances that they no longer stand by what they said when they talked about annihilation of the citizens of Israel, or driving her into the sea. They are hoping that they did not mean it when they said war is a constant condition for them and Israel.

Israel and her Arab neighbors disagree about many issues. All of these issues should be resolved in the context of an overall peace settlement in the Middle East. Hopefully they will be, but not if there are preconditions. These deep-rooted differences cannot be resolved if the United States demands concessions from the Israelis outside the peace process and in the absence of concessions from her Arab neighbors.

President Bush miscalculated on this point. His policy of linkage is doomed to fail. But now he continues to cling to this policy. Now, the administration reportedly is putting pressure on European allies to deny credit guarantees to Israel as long as she does not accept a settlement freeze. That is a new wrinkle that does not deserve to be there.

Israel knows how to make peace. She did it at Camp David starting in 1977 with Egypt. In the name of peace, Israel gave back the Sinai and its valuable oil reserves. She even tore down a town that was established; throwing the citizens of that community out bodily to satisfy her commitment to peace.

By linking loan guarantees to the settlements issue, the administration has made peace less likely. It has ignored fundamental policy differences that the United States has with Arab countries and sent him the wrong signal. It has emboldened the Arabs. It has emboldened terrorism. It ultimately makes them less serious about negotiating peace.

Mr. President, the administration's unbending position on loan guarantees smacks somewhat of hypocrisy. I was in Egypt on August 21, 1990. I was the first American Senator or Congress person to be in the region. I met with President Mubarak and his finance people and his assistants. They said to me that it would be of enormous help to Egypt if they could simply get a waiver on 160 million dollars' worth of interest due at that time—a waiver of interest due. They asked for nothing more.

We got back here, and we had a discussion with the President and other people from the Congress. I related to the President in that meeting what I thought the conditions were, and within a very short few days there was a request by the White House for 7 billion dollars' worth of loans to be forgiven.

Mr. President, it was not asked for. Certainly, it was appreciated. And I committed, on behalf of American interests, on behalf of protecting the word of the United States, that it was going to be done. I committed to work for it, and stayed on the floor until 6 o'clock in the morning one day meeting with the House in conference as a Member of the Senate Subcommittee on Foreign Operations, to insist that the United States deliver on its word and forgive 7 billion dollars' worth of loans to Egypt.

I did it because I thought it was in our best national interests. But I must tell you, Mr. President, it cost every citizen in this country something. Every man, woman, and child had to pay something to forgive the $7 billion of loans that Egypt received. But now, when Israel looks for loan guarantees that cost nothing, the administration says no. And it will not cost the American people a dime.

Mr. President, you heard speeches by others that when loan guarantees were

sought by some people who are our enemies, like Iraq, loan guarantees were given as a perquisite to try to soften their views.

On May 20, an article in the New York Times points to the hypocrisy of the issue. According to the article, the administration frustrated its own criminal investigators' and regulators' efforts to examine Iraq's role in a $4 billion bank fraud scheme in Atlanta while it was courting Iraq in 1989 to 1990. Apparently, Government investigators and regulators tried to persuade the Agriculture and State Departments to deny guarantees for $500 million in loans to the Iraqi Government once it became clear that high-level Iraqis were involved in the $4 billion bank fraud.

But the administration prevailed and the guarantees were approved. And now, according to the article, the Iraqis have defaulted on those loans, leaving the American people to foot a bill of about $500 million for the Iraqis' inability or unwillingness to pay. If that is not hypocrisy, I do not know what is.

It is ironic, as well, Mr. President, at the same time the administration said no to loan guarantees, it was dignifying Jordan's King Hussein by meeting and greeting him here in Washington. Mr. President, the American people know very well that King Hussein was not our friend during the Persian gulf war. He was our enemy. He supported the President of Iraq, who declared war on our allies, Kuwait and Saudi Arabia, and on the Americans who fought to protect those countries. He supported the man who is responsible for the deaths of American service people.

At the same time the administration denounces Israel and loan guarantees, it has not expressed outrage about the fact that Syria's President Assad has reportedly decided to press for the lifting of U.N. sanctions against Iraq, or the fact that Syria has reportedly shipped $15 million in petrochemicals to Iraq, or the fact that Syria is discussing an oil deal with Iraq that would allow Saddam Hussein's government to pump crude oil through Syria to the marketplace.

Of course, the administration has a lot to say about loan guarantees to a good friend and dependable ally for more than four decades: It says no. Mr. President, sadly for the refugees who plead for our help, the administration has dug in its heels and has refused to work with the Congress in good faith. At a time when those refugees are looking for compassion, the hearts of those at the White House have hardened.

It is my desire that the Senate will come back to this issue and that we will approve loan guarantees one day in the near future. Refugees should not become pawns in an international diplomatic chess game.

Mr. President, we do not have to look back very far for reaffirmation of the alliance that exists between this country and a dependable ally and good friend, the State of Israel. Look at the votes in the United Nations and you will see that Israel, almost without fail, always votes on behalf of the American view and American interests. Yet, America was more critical of Israel over an issue than we were of Saddam Hussein, using more strident language, more critical by a large measure than at any time we had been with Saddam Hussein.

Thank God, Mr. President, that in 1981 Israel had the skill, the courage, and the determination to knock out that nuclear reactor in Iraq because, otherwise, the toll for the Persian Gulf war would have been significantly greater. First of all, lives. We could have lost thousands of our young people in that war if Saddam Hussein had developed that nuclear capability. And he did not need a nuclear bomb. All he needed was nuclear artillery.

I discussed earlier today that the force of nuclear shells was, in some cases, equal to the bombs we dropped in World War II when I fought, and those that were dropped on Nagasaki and Hiroshima.

If those weapons had been in Saddam Hussein's hands, there would have been no question about his determination to use anything he darned well pleased. He used gas on innocent Kurds—men, women, and children—and it never bothered him one bit. He never apologized, and has not stopped his assault yet—first on the Kurds and then other different Moslem factions in the southeastern part of the country.

So we have to be grateful that Israel had the courage and had the capability of destroying that nuclear reactor.

I remember what the response was in Washington in 1981. It was condemnation at the White House and applause in the Pentagon. They knew very well what happened. And Defense Secretary Cheney, just a few days ago, talked about how significant it was that the Israelis had destroyed that nuclear capability when they did, and lost one life in the process. They arranged that raid at a time—it was a Sunday; I remember it very clearly—when the place was vacant with the exception of one poor soul who was on duty that day. He lost his life. That was it.

But when the Iraqis shot back Scuds, they did not care that those Scuds might strike civilian targets or innocent people.

So there is a lot that we owe Israel. There is a lot the Israelis owe us, Mr. President, there is no doubt about it, but it is a two-way street.

When we look at what it is going to cost and we look at what the American people need today, Mr. President, I do not have to remind you, or others here in the Chamber, of my efforts on behalf of writing a surface transportation bill that has $150-plus billion to put people back to work in this country, to lift our economic opportunity, to make us more competitive, to conform with laws that are on the books, like the Clean Air Act, and to relieve us of a dependency in some measure from foreign oil coming primarily from the Middle East.

We must invest in our society. We have to give people some hope. We have to provide the job opportunities that people so desperately need. Yes. That is a primary concern of this U.S. Senator, absolutely.

But this, Mr. President, has nothing to do with that. This is an honor commitment. This is a moral commitment. It is a humanitarian commitment at zero cost to the American public. That is what we are talking about.

We ought not to turn our back on friends of long standing.

We suddenly embrace all kinds of past enemies. I understand the administration has a program to lend support to Eastern Europe, Russia, and other republics to get them on their feet. I think that it is probably not a bad idea to remember that we have an international obligation. But to welcome the King of Jordan to the White House like an old buddy when he was one of the few who stood side by side with Saddam Hussein and wanted to destroy everything that we were supporting.

So, Mr. President, it is a sad moment that we are facing. Yes. This a resolution. Yes. I hope that every U.S. Senator here will support this resolution as part of a moral commitment. It is not the same as law.

Senator LEAHY was right when he said it. He also said that it has meaning, that this is a very significant, symbolic effort that is going to be on the record. And when we look at aid in the future, it is going to tell us what the U.S. Senate thought about these loan guarantees.

We are talking about people; we are talking about obligation; we are talking about a great country that always honors its obligations, or at least should honor its obligations—our country, Mr. President. I hope that we will see overwhelming support for this resolution.

Before I relinquish the floor, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. CONRAD). Is there a sufficient second? There appears to be a sufficient second. There is a sufficient second.

The yeas and nays were ordered.

Mr. LAUTENBERG. Mr. President, I yield the floor. The President pro tempore has the floor, has 1 hour of time to be managed by himself. Senator DECONCINI, likewise, from Arizona, has 10 minutes to be managed by himself.

ISRAELI LOAN GUARANTEES

Mr. ADAMS. Mr. President, I had an opportunity to speak on the Israeli

loan guarantees yesterday. This was in support of the granting of the loan guarantees. I wish that was being passed today. This is a sense of the Senate resolution, which I support. But I regret we are not granting humanitarian help to the emigrating Jews. I hope this resolution helps to urge the administration to reconsider its position in opposition to these guarantees.

It was the late Senator from the State of Washington, Henry "Scoop" Jackson, who led the fight to condition most-favored-nation trade status on free emigration.

Little did we know that this victory would come so soon. We do not know how long this will last.

Many of us had fought through the years, one family at a time, to establish emigration—like the Besprozvannys—the daughter of Mr. and Mrs. Beinus of Mercer Island, WA.

I ask unanimous consent to put in a series of letters from October 1, 1987, to July 25, 1988.

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

JULY 25, 1988.

Mr. and Mrs. ARKADI BEINUS,
Mercer Island, WA.

DEAR MR. and MRS. BEINUS: I am writing to you to express my elation upon the Soviets' decision to grant your daughter and her family the permission to emigrate to the United States.

I am sure you are awaiting your daughter's and her family's arrival with great anticipation. After 12 years of separation, I imagine your excitement must be difficult to contain!

I wish you great happiness in your reunion.

Sincerely,

BROCK ADAMS,
U.S. Senator.

MAY 18, 1988.

Hon. RONALD REAGAN,
President of the United States,
The White House, Washington, DC.

DEAR MR. PRESIDENT: As the Summit with the Soviet Union approaches, I am requesting your help to resolve a matter of particular importance to me involving a Soviet refusenik family, the Besprozvannys.

The Besprozvannys live in Leningrad. They have been denied permission to emigrate for fourteen years. Elena Besprozvanny is married to Ilya Besprozvanny and is the daughter of Mr. and Mrs. Arkadi Benius of Mercer Island, Washington. Elena and Ilya have one son, Edward. Soviet officials say the Besprozvannys have been denied because of "state secrets." The fact is that only Ilya Besprozvanny has had any access to possible "state secrets" and that was over 18 years ago while he was working at the Gedro Prebor Institute of Marine Design. Further, when Elena and Edward applied for emigration rights without Ilya, their application was denied on the basis of "state secrets." Elena has worked as a music teacher since 1970 and Edward has worked in a vegetable store. Obviously, their jobs would not have exposed them to such secrets.

During my recent visit to the Soviet Union, I had the opportunity to meet with the Besprozvannys. I saw the sadness in their faces. I heard the desperation in their voices. Their only hope is that the pressure exerted on the Soviet Union by our government will be successful and they will be granted their exist visas. As you know, Secretary of State Shultz has also had the opportunity to meet with both the Besprozvannys and their relatives in Washington State, the Beinuses. I, along with the family themselves, am very grateful for these meetings because they have increased the visibility of their case.

I have been informed that you intend to take with you to the Summit a "short list" of refuseniks to discuss with General Secretary Gorbachev. I am told that this list is separate from the State Department list and drawn up by members of your immediate staff. I implore you to include the Besprozvannys on this list. I believe including them on this list could make the difference in their case. Your discussing this case with Gorbachev could be the last push necessary to gain approval for their emigration.

Thank you for your help in reuniting the Besprozvanny family; hopefully, we will make a difference in this case. Your time and attention is most appreciated.

Sincerely,

BROCK ADAMS,
U.S. Senator.

MAY 19, 1988.

Hon. MIKHAIL SERGEYEVICH GORBACHEV,
General Secretary, Central Committee, Communist Party of the Soviet Union, The Kremlin, Moscow, U.S.S.R.

DEAR MR. GENERAL SECRETARY: We are writing to you on behalf of the Besprozvanny family of Leningrad. Ilya, Elena, and Edward Besprozvanny have been attempting to emigrate for the last 14 years so that they may be reunited with their relatives in Washington State.

Ilya first applied for emigration rights in 1974, five years after leaving his job at the Gedro Prebor Institute of Marine Design. His request was rejected and he was told that he would be prohibited from leaving for fourteen years after termination of his job, making him eligible for emigration in 1983. It has now been over 18 years since he worked at the Gedro Prebor Institute and his requests are still being refused. In January of 1988, Elena and son Edward applied for exit visas alone, without Ilya, and once more their application was denied. Again, possession of "state secrets" was given as reason for denial. Since neither Elena or Edward have been exposed to "state secrets" I do not understand how this reason could be used to deny them the right to emigrate.

The Besprozvannys, so disheartened by their latest denial, have renounced their citizenship. While we can understand concerns about allowing people to leave who hold state secrets, we do not feel the authorities handling this case understand the full circumstances. For example, we fail to understand how Illya, who has not worked in a job sensitive to state security for eighteen years, could possess any information still considered to be a "state secret." Surely, advances in technology have made any knowledge Illya gained from that job of little or no consequence to the Soviet Union's security. Also, Elena has been a music teacher since 1970 and her son, Edward, works in a vegetable store. These jobs are certainly not jobs that would expose either Elna or Edward to "state secrets."

Once again, we urge you to promptly grant emigration visas for Ilya, Elena, and Edward. Please restore to them their right to emigrate as agreed to by the Soviet Union in various agreements, the Helsinki accords, and in the international spirit of goodwill.

Thank you for your thoughtful and thorough consideration.

Sincerely,

BROCK ADAMS,
U.S. Senator.

OCTOBER 1, 1987.

Commission on OVIR,
President ANDREI GROMYKO,
Supreme Soviet of the U.S.S.R., The Kremlin, Moscow, U.S.S.R.

DEAR MR. GROMYKO: I am writing you out of concern for Elena and Ilya Besprozvanny, two relatives of a constituent of mine.

Elena Besprovzvanny is a music teacher and Ilya is a marine engineer who has not worked in his profession since 1975, the year after they began seeking permission to emigrate to the United States. They have applied for exit visas every six months since 1974. Their most recent refusal came in April, 1987. It is my understanding that officials at the Office of Visas and Registration in Moscow have agreed to reconsider the case under the auspices of the new commission set up by the Supreme Soviet. I respectfully request that you do all in your power to expedite consideration of the Besprovzvanny case and to see that they are granted the permission they seek to emigrate to the United States.

The length this case has been pending is of considerable concern to residents throughout the state of Washington. The people of Washington State have always sought improved relations with the people and government of the Soviet Union. In that context, we are looking forward to hosting the 1990 Goodwill Games as a way of advancing understanding between our nations. I sincerely hope that this case will be resolved long before then and that those Games can reach their full potential for bringing our people closer together.

I appreciate your serious consideration and prompt attention to my humanitarian appeal on behalf of the Besprozvanny's.

Sincerely,

BROCK ADAMS,
U.S. Senator.

Mr. ADAMS. Mr. President, since enactment of the Jackson-Vanik amendment nearly 20 years ago, the United States has stood strongly for free emigration. Now we have it. And all that has been requested are loan guarantees. We had hoped that with the end of Operation Desert Storm that it would be in the fall of 1991. Now in April 1992 we still do not have this humanitarian aid for the Russian Jews.

This action is inconsistent with this long-standing United States commitment which would have been to provide loan guarantees to help Israel resettle hundreds of thousands of Jews from the former Soviet Union.

The United States helped these people take the first step on their journey to freedom. We have a moral obligation not to abandon them now.

Israel has welcomed these Soviet Jews with open arms—offering them a better way of life and an opportunity to raise their children in the Jewish homeland, free from the historic persecution of Jews by the Soviet state.

Faced with the enormous task of absorbing these new immigrants, the Israeli Government sought from us

loans, not additional aid. Instead, the Bush administration turned away.

Let us remember: We are talking about the resettlement of Soviet Jews. We are talking about humanitarian assistance. And we are talking about longstanding U.S. policy—to finish the victory of the Jackson-Vanik struggle.

Mr. President, this is humanitarian assistance for a close and valued ally. I am profoundly disappointed with the administration's intransigence on this vital matter.

I want to commend Senator LAUTENBERG for his persistence in this matter, and am proud to be a cosponsor of his resolution.

Mr. LAUTENBERG. I thank the Senator. He is very sincere and he has been there for a long time. We appreciate his courtesy.

The PRESIDING OFFICER. Who seeks recognition?

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Ohio [Mr. METZENBAUM].

Mr. METZENBAUM. Mr. President, I am pleased that the Senator from New Jersey has indicated he is prepared to offer a resolution expressing sense of this body in support of loan guarantees for Israel. As an original cosponsor of this resolution, I rise to speak on the subject.

It is no secret that this resolution is not what Senators had hoped to bring to the floor. It is not what I had hoped would be on the floor. It is a sense-of-the-Senate resolution which expresses our view but does not make law. It is a symbolic expression by the Senate. It is a resolution that recognizes a number of inescapable facts:

The fact that anything resembling foreign aid is extremely unpopular in this election year; the fact that the foreign aid continuing resolution ran out at 12:01 a.m. this morning; the fact that the leadership of the relevant House committees was not supportive of loan guarantees to Israel; the fact that the President and the Secretary of State have themselves been unwilling to publicly support the foreign aid programs that they value so highly, for fear of a voter backlash; and the fact that the President and the Secretary of State have been strongly opposed to loan guarantees for Israel as well.

This resolution recognizes one more fact. It recognizes the attitude of the Senate and the intent of the Senate with regard to loan guarantees. And I think it is appropriate that this Senate express its view on loan guarantees so that the Nation may know, so that the world may know, and so that the President and the Secretary of State may know how deep are our feelings on this matter.

When this resolution comes to the floor, it will reaffirm our view that the loan guarantees are good policy: good for the United States, good for Israel, good for the hundreds of thousands of refugees for whom this country has fought for so many years. Regrettably, the situation right now leaves us with few legislative options.

There is no secret about the votes here. There are enough votes in the U.S. Senate to add an amendment to the continuing resolution which would provide for the $10 billion in loan guarantees. I do not think anybody in this body questions that there would be more than 51 votes on that question.

It is an accepted fact that the Inouye-Kasten proposal on loan guarantees had 74 cosponsors when it was introduced. But the fact is that we all know that even if we passed loan guarantees and even if the House accepted the measure, which is questionable, it is a certainty that the President would veto it, and he would make the veto a political issue.

This is not a political issue. This is a matter of man's concern about his fellow man, about our concern for the people whom Israel has accepted as they were escaping from anti-semitism and ethnic violence in the former Soviet Union. We would have few legislative options except to send loan guarantees down to the President to a certain veto.

Mr. President, I think the President somehow believes that by threatening the veto, the issue is going to fade away. But it is not going to fade away. The commitment to human rights that this country trumpeted for 50 years, we say to the President of the United States, is not going to fade away. The 400,000 Soviet and Ethiopian refugees who have fled oppression and landed in Israel, and the challenges they face, will not fade away. The thousands of refugees who continue to arrive in Israel each month are not going to fade away.

We attempted to work with the administration on this issue. When I say "we," I mean many Members of this body. This resolution represents the end of a wearisome road that began last September.

When loan guarantees were originally offered as the Inouye-Kasten proposal, President Bush requested a 120-day delay before Congress took up the issue. Congress assented. None of us disagreed. If the President wanted a 120-day delay, if he felt that more time was needed, we would agree. Before we went out of session, I remember speaking to the Secretary of State and suggesting that we sit down at an early date so that when Congress reconvened we might have a package that Congress could accept and that the President would accept. He suggested that we not do that until we reconvened. Senators INOUYE and KASTEN had their loan measure printed in the RECORD last fall, but they did not introduce the legislation, as a courtesy to the President.

I want to say publicly that the efforts of Senator INOUYE and Senator KASTEN have been absolutely magnificent. They have provided leadership on this issue which is incomparable. They have stood up and indicated that they were uncompromising, that they believed that the $10 billion loan guarantees were right, and all of us owe them a great debt of gratitude.

But then time passed. With the new year and the expiration of the 120-day delay, we began negotiations in good faith. Senator LEAHY joined the talks, and I will say publicly that he has been tireless in seeking a compromise. He has probably spent as much time in trying to bring about a compromise on this matter as almost any other issue that he has dealt with since he has been in Congress.

During the negotiations, President Bush continued to feel strongly about the issue of settlements in the occupied territories. So we crafted language that deducted a dollar from the guarantees for each dollar Israel spent in the territories. That became known as the Leahy-Kasten formula, and those of us who are strongly supportive of Israel said we would accept that deduction.

President Bush felt strongly about the issue of East Jerusalem—no small emotional and religious matter for the Jewish community and for Israel, I might add. But we agreed that East Jerusalem would be considered part of the occupied territories for purposes of the loan guarantees.

President Bush felt strongly that he alone should have discretion to issue loan guarantees even after the legislation was passed. So Senators LEAHY and KASTEN crafted a compromise that gave President Bush his discretion.

And yet, President Bush was not satisfied. It seemed that each new day brought a new objection.

Mr. President, at every step in this process, the Government of Israel was fully cooperative, and fully understanding of the policy and political needs of our Government. I know, because I, as well as others were in contact with the representatives of the State of Israel for their response to each new condition. Their attitude was on of continued cooperation—even on some of the more difficult provisions.

Mr. President, we reached an impasse last week. Despite receiving virtually everything he requested, President Bush turned thumbs down on loan guarantees, jeopardizing the entire foreign aid program in the process.

Indeed, our foreign aid program is without legal authority as of this very moment to spend $1.

Senator LEAHY took the floor last week and commented that Bush was looking for "capitulation, not compromise." No more incisive words were ever spoken on the floor of the Senate.

Last Thursday, March 26, when it appeared that it was a question of con-

frontation, this Senator felt it still was worthwhile trying to find a new approach, some way to come in through a different door, rather than just have the whole question of the loan guarantees or no loan guarantee.

Mr. President, last Thursday, March 26, I presented the Secretary of State with a final compromise proposal. My proposal had nothing to do with loan guarantees for the Government of Israel. It was an attempt to take a private sector approach to this problem that has vexed the two governments.

My proposal would have established an enterprise fund for Israel within the Overseas Private Investment Corporation, more generally known as OPIC. The fund would identify private United States, Israeli, or joint venture concerns interested in investing in Israel. The Government of Israel would be required to issue a guarantee for 100 percent of the value of the investments. Then, OPIC would be authorized to issue a guarantee to U.S. banks in order to raise the necessary capital. OPIC would be authorized to issue up to $2 billion in such guarantees for this enterprise fund through the end of fiscal year 1994.

The State of Israel would have been behind those guarantees. And, as is well known, Israel has never defaulted on any of its debt obligations.

Mr. President, there would have been no loan guarantee, virtually no risk to the U.S. taxpayer, and a new private sector avenue for the U.S. Government to stimulate American business opportunities abroad.

The language even provided these new corporations would be obligated to buy their materials and products from the United States. Every effort was made to make it a pro-American business type of proposal, with the State of Israel standing behind the guarantees and with the hope and expectation that those American businesses involved in Israel would seek United States suppliers for goods and services they needed.

But President Bush turned thumbs down on this proposal, as well.

Mr. President, this has been a long and tiring road indeed. This is a disappointing day, a disheartening day. Our entire foreign aid apparatus has ground to a halt over this issue.

I understand the President's concerns about settlements, about discretion, and about east Jerusalem—although I do not agree with him.

The Congress understood the President's concerns, and the Congress accommodated the President at each and every step along the way.

Yet the President was not listening. The former Soviet Union is collapsing, Yugoslavia is in flames, China continues on as a repressive enigma, and yet our President is fixated on construction in the West Bank.

Mr. President, I am truly disappointed. Looking back over the past 6 months, I wonder if President Bush ever had any inclination at all to move forward. I wonder if our foreign policy has not become just a chip in a coolly calculated political game.

I regret that we could not reach agreement in time for this continuing resolution. I look forward, however, to continuing our discussions on this issue. I am committed, the Senate is committed, to seeing this country live up to its commitments.

Mr. President, I ask unanimous consent that a draft of the OPIC proposal that I shared with Secretary Baker be printed in the RECORD at this point, as well as a summary of the language.

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

MEMORANDUM—DRAFT LEGISLATION CREATING ISRAEL ENTERPRISE FUND, MARCH 26, 1992

The following is a summary of the principal provisions of the attached draft legislation (draft of 3/23/92), authorizing the issuance of $2 billion in loan guarantees to support the creation of the Israel Enterprise Fund.

1. Establishment of Fund; Issuance of U.S. Guarantees: The legislation would establish the Israel Enterprise Fund, and authorize the issuance of $2 billion in loan guarantees from the United States, acting through the Overseas Private Investment Corporation ("OPIC"). The entire amount of the loan guarantees would be available immediately, and could be used in their entirety through the end of the U.S. fiscal year ending September 30, 1993; if any portion of the $2 billion in guarantees is not used during that period, the remainder would be carried forward, and available for use in the fiscal year ending September 30, 1994. The purposes for which the Fund is being formed are set forth in paragraph (a)(1), and include the promotion of U.S. private investment in Israeli companies, projects, or infrastructure, the support of joint ventures by U.S. and Israeli firms, the purchase of U.S. goods and services for export to Israel, and the encouragement of privatization in Israel and the development of the Israeli private sector.

2. Terms of Loans; Government of Israel Guarantee: The standard loan terms authorized by the legislation would be similar to those of the AID program, including 30-year term, payment of interest only in the first ten years, and level payments of principal and interest in the last 20 years. Loans having different terms would also be permitted, as long as the loans issued in a single transaction would, in the aggregate, have scheduled debt service equal to that of the standard loans. The legislation would permit the issuance of loans directly guaranteed to investors by OPIC, or through a trust, and would permit the issuance of zero coupon obligations.

The borrower under the loans would be the Fund. The legislation provides that, in addition to the OPIC guarantee, the loans borrowed by the Fund would be guaranteed by the Government of Israel ("GOI"). The GOI, under those guarantees, would have the first obligation to pay any loan amounts not paid by the Fund. OPIC would be required to pay only those amounts that are not paid by either the Fund or the GOI. The legislation recognizes the principle of subrogation, under which the Fund would be obligated to repay to the GOI and OPIC any amounts paid under their respective guarantees.

3. Eligible Investors and Projects: The Fund may provide financing to eligible investors in the form of loans, grants, guarantees, equity investments, and otherwise. The investors eligible for financing from the Fund include U.S. persons and entities; certain foreign companies wholly owned by U.S. persons; U.S./Israeli joint ventures; and Israeli entities provided that at least 50% of the goods and services (determined on the basis of cost, including shipping costs) to be used in the proposed project would be of United States origin. The projects to be financed would include any projects designed to support the purposes described in paragraph (a)(1) of the legislation.

4. Administration of the Fund: The Fund would be governed by a six-member board of directors, comprised of three U.S. citizens and three Israelis. The chairman of the Fund would be one of the U.S. directors, and the president and chief executive officer would be one of the Israeli directors. It is expected that the Fund would retain professional advisors, managers and consultants, and would employ such personnel as the Board of Directors may consider necessary.

The Board of Directors would have complete discretion regarding the timing and terms of the loans to be taken out by the Fund, the projects to be financed by the Fund, and other matters, except that funds could only be borrowed when the GOI gives notice that it is prepared to issue its guarantee. Decisions of the Board of Directors would be made by majority vote. The Board would also establish the terms and conditions of any financing provided by the Fund; the legislation contemplates that the Fund would become self-supporting, through the charging of fees, royalties, interest and other charges in connection with the projects financed.

5. Miscellaneous: Projects financed by the Fund may be conducted only in the geographic areas which were subject to GOI administration prior to June 5, 1967. The Fund will be required to publish an annual report, describing the Fund's operations, finances, and accomplishments during each year. The fees charged for the OPIC loan guarantees will be payable by the Fund, in an amount of $20 million, and the legislation provides that such fees will be the only fees chargeable in connection with the program.

Add as new section 231B (22 U.S.C. §2191b) of the Foreign Assistance Act of 1961:

SEC. 231B ENTERPRISE FUND.

(a) IN GENERAL.—

(1) During the period beginning on April 1, 1992 and ending on September 30, 1994, the Overseas Private Investment Corporation (hereinafter referred to as the "Corporation") shall issue guarantees against losses incurred in connection with loans to the Israel Enterprise Fund, created under subsection (c) of this section (hereinafter referred to as the "Enterprise Fund"), to provide economic assistance in connection with the extraordinary costs occasioned by Israel's humanitarian undertaking to resettle and absorb Soviet and Ethiopian refugees, to promote the economies of Israel and the United States through investment by United States persons and entities in Israel (including, without limitation, investment in Israeli companies, projects or infrastructure), through joint ventures between United States and Israeli firms and through the purchase of United States goods and services for export to Israel, and to encourage privatization in Israel and the development of the Israeli private sector and capital markets.

(2) As a condition to the issuance of the loan guarantees referred to in the preceding paragraph, the Government of Israel shall unconditionally guarantee the repayment of 100 percent of the principal and interest payable on such loans, upon terms which provide for prior recourse to the Government of Israel's guarantee before payment is required under the guarantees issued by the Corporation. Payments under the guarantees issued by the Corporation shall be required only to the extent that both the Enterprise Fund and the Government of Israel have failed to make payments required under such loans. In addition, the Government of Israel shall unconditionally guarantee to the Corporation the repayment of any amounts that the Corporation may be required to pay under the terms of such loan guarantees.

(b) TERMS AND CONDITIONS OF LOAN GUARANTEES.—

(1) The total principal amount of guarantees which may be issued by the Corporation under this section shall not exceed $2,000,000,000. The total amount of guarantees authorized hereunder shall be made available during the period from April 1, 1992 through September 30, 1993, except that, in the event that less than $2,000,000,000 of guarantees is issued in such period, the authority to issue the balance of such guarantees shall be available in the fiscal year ending on September 30, 1994. Each guarantee issued by the Corporation under this section shall guarantee 100 percent of the principal and interest payable on such loans. Loan guarantees shall be made in such increments as the Enterprise Fund shall request, following notification by the Government of Israel of its readiness to issue its guarantee for such increment. The guarantee for each such increment shall be obligated and committed by the Corporation within 30 days of the request therefor, and the issuance of the guarantee for each such increment shall occur within 60 days of such request, unless a later date is selected by the Enterprise Fund.

(2) Guarantees, once issued by the Corporation hereunder, shall be unconditional and fully and freely transferable.

(3) Guarantees issued by the Corporation pursuant to this section shall constitute obligations of the United States and the full faith and credit of the United States of America is hereby pledged for the full payment and performance of such obligations.

(4) The standard terms of any loan or increment guaranteed by the Corporation under this section shall be 30 years, with semiannual payments of interest only over the first 10 years, and with semiannual payments of principal and interest, on a level-payment basis, over the last 20 years thereof, except that the guaranteed loan or any increments issued in a single transaction may include obligations having different maturities, interest rates, and payment terms if the aggregate scheduled debt service for all obligations issued in a single transaction equals the debt service for a single loan or increment of like amount having the standard terms described in this sentence. Neither the Corporation nor the Government of Israel, as guarantors, shall have the right to accelerate any guaranteed loan or increment or to pay any amounts in respect of the guarantees issued other than in accordance with the original payment terms of the loan. For purposes of determining the maximum principal amount of any loan or increment to be guaranteed under this section, the principal amount of each such loan or increment shall be—

(A) in the case of any loan issued on a discount basis, the original issue price (excluding any transaction costs) thereof; or

(B) in the case of any loan issued on an interest-bearing basis, the stated principal amount thereof.

(6) Projects financed by the Enterprise Fund shall be conducted only in geographic areas which were subject to the administration of the Government of Israel prior to June 5, 1967.

(c) ESTABLISHMENT OF ENTERPRISE FUND.—

(1) to mobilize and facilitate the participation of United States private capital and skills in the development of the Israeli private sector, there is hereby established the Israel Enterprise Fund (the "Enterprise Fund"). The proceeds of the loans authorized to be made under subsection (b) of this section, net of all related financing expenses including the fees required under subsection (f) of this section, shall be used by the Enterprise Fund for the purposes provided herein.

(2) In carrying out the purposes set forth herein, the Enterprise Fund shall undertake to make available loans, grants, guarantees, equity investments, feasibility studies, technical assistance, training, insurance, and other measures as it deems appropriate, to eligible investors, as defined in paragraph (3), taking into account in its financing operations the economic and financial soundness of projects. All income and receipts of the Enterprise Fund (other than the proceeds of loans guaranteed hereunder but including income from the temporary investment of such proceeds), after payment of administrative and financing expenses, shall be used for the repayment of loans guaranteed hereunder, including the repayment of any amounts which may have been paid under the guarantees issued by the Corporation or the Government of Israel.

(3) "Eligible investor" means (A) United States citizens; (B) corporations, partnerships, or other associations, including nonprofit associations, created under the laws of the United States, any state or territory thereof, or the District of Columbia, and substantially beneficially owned by United States citizens; (C) foreign corporations, partnerships or other associations wholly owned by one or more United States citizens, corporations, partnerships or other associations, provided, however, that the eligibility of any such foreign corporation shall be determined without regard to any shares, in aggregate less than five per centum of the total of issued and subscribed share capital, held by other than United States citizens; (D) a joint venture undertaken by one or more of the entities described in subparagraphs (A) to (D) of this paragraph and one or more Israeli citizens, corporations, partnerships or other associations; (E) Israeli corporations, partnerships, or other associations, including nonprofit associations, provided that at least 50% of the goods and services (determined on the basis of cost, including shipping costs) to be used in the project proposed to be financed by an entity described in this clause (E) will be of United States origin.

(4) The Enterprise Fund shall be governed by a Board of Directors comprised of six members (or such larger number as may be determined by the Board of Directors), including an equal number of private citizens of the United States and citizens of Israel who have demonstrated experience and expertise in those areas of private sector development in which the Enterprise Fund is involved. The United States members of the Board of Directors shall be appointed by the Overseas Private Investment Corporation and the Israeli members shall be appointed by the Government of Israel. The Chairman of the Fund shall be appointed by the Overseas Private Investment Corporation from among the United States members of the Board, and the president and chief executive officer of the Fund shall be appointed by the Government of Israel from among the Israeli members of the Board.

(5) The Board shall act as an independent, non-governmental body, solely for the purposes of the Fund. The Fund shall retain such professional advisors, fund managers, consultants and hire such personnel as the Board may determine. The Board, acting by majority vote, shall have the exclusive authority to take such actions as may be necessary or advisable to carry out the purposes of this Act, including to:

(A) establish the annual budget of the Fund, including provision for the payment of reasonable administrative and operating expenses;

(B) adopt rules defining the policies, organization and procedures of the Fund;

(C) establish the timing and terms of Fund borrowings pursuant to this section and the timing and terms of any other financing to be obtained by the Fund;

(D) approve projects to be financed by the Fund;

(E) pay the Fund's administrative and operating expenses; and

(F) prepare the annual report required by subsection (e) of this section.

(6) Nothing in this section shall be construed to make the Enterprise Fund an agency or establishment of the United States Government, or make the officers, employees, or members of the Board of Directors officers or employees of the United States for purposes of title 5 of the United States Code.

(7) The Enterprise Fund may provide assistance pursuant to this subsection only for programs and projects which are consistent with the purposes set forth in paragraph (1) of this subsection.

(8) The terms of any financing provided by the Enterprise Fund shall be determined by the Board of Directors, and shall include such fees, royalties, interest and other charges as the Board may deem necessary in order for the Enterprise Fund to pay its operating, administrative and financing expenses, including the repayment of any loans guaranteed hereunder and the repayment of any amounts which may have been paid under the guarantees issued by the Corporation or the Government of Israel.

(9) The Enterprise Fund, including its franchise, capital, reserves, surplus, advances, intangible property, and income, shall be exempt from all taxation at any time imposed by the United States, by any territory, dependency, or possession of the United States, or by any State, the District of Columbia, or any county, municipality, or local taxing authority.

(d) PROCUREMENT OF U.S. GOODS.—Congress expects that raw materials and equipment used in connection with projects financed by the Enterprise Fund pursuant to this section shall be purchased from the United States to the extent that suitable materials or equipment are not available in Israel.

(e) ANNUAL REPORT.—The Enterprise Fund shall publish an annual report, which shall include a comprehensive and detailed description of the Fund's operations, activities, financial condition, and accomplishments under this section for the preceding fiscal year. This report shall be published not later than January 31 each year, beginning in 1993.

(f) FEES.—Fees charged for the loan guarantee program under this section shall be an aggregate origination fee of $20 million, pay-

able by the Enterprise Fund on a pro rata basis as each guarantee for each loan or increment is issued. Such fees may be financed as part of the loans or increments guaranteed hereunder. Except for the fees provided herein, no other fees or charges shall be payable to the Corporation in connection with the loan guarantee program.

(g) SUBSIDY APPROPRIATION.—The loan guarantees authorized hereunder for fiscal year 1992 and for each of the two succeeding fiscal years shall be made available without need for further appropriations of subsidy cost as the fees required to be paid by the borrower under subsection (f) of this section reduce the subsidy cost to zero.

(h) NONAPPLICABILITY OF OTHER LAWS.—The loan guarantees authorized to be issued hereunder may be made available under the terms and conditions specified in this section notwithstanding any other provision of law, rule, regulation or practice.

Mr. CRANSTON. Mr. President, I rise today as a cosponsor of this resolution on loan guarantees to Israel which will shortly be before this body. We should approve loan guarantees without delay to let the Israelis move forward in their challenging humanitarian task of absorbing hundreds of thousands of refugees.

There is an urgent need in Israel—a need we can and should help meet immediately. We have witnessed truly remarkable events in the past several years in this world of ours.

Who could have predicted that hundreds of thousands of immigrants from the Soviet Union, Eastern Europe, and Ethiopia would flood Israel over the course of a few years?

As cochair of the congressional caucus for Ethiopian Jewry, and as a longtime advocate for freedom for Soviet Jews, I feel a great moral imperative to help this historic immigration succeed.

These loan guarantees should be considered on their own merit. President Bush argues that extending loan guarantees to Israel will jeopardize the peace process. As a staunch supporter of these ongoing talks, I do not believe such a linkage exists. There certainly is no evidence that the opposition of the Bush administration to the loan guarantees has improved the attitude of Palestinians and Arabs toward the peace process. The Bush administration is playing rank domestic politics with this issue, and dangerous international politics with the peace process.

From a financial point of view, it should be noted that Israel, even in times of war, has never missed a debt payment. We can only believe that given the infusion of talent the new immigration brings, the country can only thrive and meet its obligations.

For 20 years, the United States made human rights in the U.S.S.R. a cornerstone of our foreign policy. Democrats and Republicans alike united on the issue of freedom for Soviet Jews.

We should recognize that there are natural problems of adjustment and absorption in the lands where they go. Now we should recognize that we cannot ignore these problems. We have an obligation to help resolve them. We should join in this celebration of freedom. The United States of America should rejoice in this great victory for a cause in which bipartisan support here has resulted in the chains of oppression being broken there.

Today, the task before us is that of helping to ensure that the fruits of our victory are realized. I cannot think of a more rewarding opportunity for our country to make good on a historic promise to a long-term friend and ally.

I urge support of this resolution.

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

Mr. SIMON. Mr. President, I rise to speak in support of the sense-of-the-Senate amendment offered by my colleague from New Jersey, Senator LAUTENBERG.

I think there are several questions here. No. 1, how much risk is the United States taking if we provide the loan guarantees? And here, up to this point, Israel has not reneged on a single penny that has been owed to the United States. So the loan guarantees do not pose any great risk to the United States.

The second question is: If we move ahead with this, does this, in any way, impair the peace process in the Middle East? I think it is essential for Israel, for the Arab countries, and for peace and stability in that area of the world, that we resolve this thing peacefully, and I do not see this is an impairment to that in any way.

The third question is: If we approve the Lautenberg amendment, does this mean that we approve of all of Israeli policy? Obviously, it does not. I happen to disagree with Israel on the settlements question. But, Mr. President, we have an obligation. We pushed the Soviet Union to let these people go free, but we said that we are only going to let so many come in here. These people who have emigrated from the Soviet Union—what was the Soviet Union—now are welcomed into Israel. Can we simply say, "sorry, we have no responsibility whatsoever here?" I think not. My hope is that we will agree to the Lautenberg amendment and agree to it overwhelmingly.

I yield the floor.

Mr. WIRTH. Mr. President, I am a proud cosponsor of the resolution offered by the distinguished Senator from New Jersey [Mr. LAUTENBERG]. I find it enormously unfortunate that we find ourselves where we are today. If we had passed the foreign operations bill last fall and included the loan guarantee program extended out over a 5-year period then it would have passed in a second. It should have been passed then and been done with.

We would have passed the loan guarantees because we all know of the historic commitments that this Senate and the House of Representatives have made to Soviet Jewry. In the 1970's my wife and I were involved in a number of delegations to the Soviet Union, including one with Congressman Vanik, the father of the Jackson-Vanik amendment.

We were in the Soviet Union about 3 weeks before the Soviet invasion of Afghanistan. At that time the window was opening and we were beginning to get positive responses from the Soviets. There were large numbers of Soviet Jews coming out of the Soviet Union. Congressman Vanik, was in that delegation and had a number of negotiations and discussions with the Soviet government about continuing this process, possibly leading to granting them most-favored-nation status.

Unhappily, that fall the Soviets invaded Afghanistan and the wall went up again. After that we had this brutal confrontation over a period of time at an enormous cost to tens of thousands of people, extremely brave individuals to whom the ideals of America and the promise of America had been laid out in no uncertain terms.

Those were very moving times for so many of us as we saw the remarkable bravery and consistency of a small group of people, embattled as they were, looking to us in the United States, for purpose and reinforcement. their ideals were, in fact, based in all that the United States of America stands for.

We have had this obligation for a long period of time. We encouraged these people to leave and they are now fortunate enough to be able to do so. Our immigration laws are such that they cannot all come to the United States. We have very tight ceilings on immigration and consequently there is a vast number of people moving to the State of Israel. In the long-term these people carry enormous promise for Israel.

If we look at our long-term interests, Mr. President, we would be much better off if we had gotten these loan guarantees behind us 6 months ago, so that we could now be thinking about some of the incredibly promising things that we can do in that region. If we did not have this problem sitting out there, we could be working on creating for example, a common market in the whole Middle Eastern area. If we were not part of this engagement, our opportunity to establish a comprehensive energy policy would be increased, giving us greater leverage around the world. If we were less dependent on foreign oil, we would be more able to take the kind of brave stance that we ought to be taking. There are a whole series of things that we can and should be doing in the Middle East for our own interest and that of the International Community. But much of that has now been braked by this very unfortunate administration position on the loan guarantees.

We can debate why the administration has chosen to take this position. However, I am not sure that I really understand the reasoning behind it. I have heard the explanation that the administration opposition to the loan guarantees is connected with the Middle East peace negotiations, but I do not really believe it. I do not think that the issue of the loan guarantees ever came up in the negotiations. I do not think that happened.

Rather, I think there are some other political reasons for this. However, it is unbecoming and inappropriate for us to be pointing fingers and casting stones. And I do not want to get into that. I just want to speak about my own beliefs regarding this historic obligation.

These loan guarantees are an opportunity for us in the United States as well. They would not be a huge loan on the American taxpayer as some people have suggested. Israel, as we know, has met all of its obligations in terms of past loan guarantees. Those have all been met.

The economic case for these guarantees is good. The bulk of this money would be spent in the United States generating much more income and economic activity than any costs connected with guaranteeing these loans. The national security case is very good in terms of our obligations in the Middle East, and our moral case, it seems to me, is very good as well.

Unhappily, we are in this position and we do not have the votes to override a veto. But I think the right decision has been made, given the dynamics of this, to avoid a huge confrontation which would raise the stakes here even higher. Our relationship with the State of Israel is better off without that kind of confrontation.

I think we should have dealt with this last fall, when we were not in this unpleasant political environment in which everything appears to be done for political reasons and there is very little sense of purpose. I would hope that our sense of purpose and our reinforcement of our joint purpose with Jews coming out of the Soviet Union and our joint purpose with Israel will in small part be reinforced by the adoption of the Lautenberg resolution.

I pay tribute to the distinguished Senator from New Jersey [Mr. LAUTENBERG] who has been a bulldog on all of this, and I respect enormously his consistency and the fact that even when it got uncomfortable in various meetings I have been in, he was right out there on a steady basis. I respect that and I wish we, as a country, had shown that same kind of dogged determination.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, the distinguished Senator from Oregon awaits the floor and I will not take but a minute of time to say thank you to my friend and colleague from Colorado.

His portrayal of the obligation is, as I see it, a reminder that this is not going to be at the expense of any domestic programs. Our people are out of jobs. They are frightened when they look at the prospects for the future; homes disappearing, foreclosures still moving at a very rapid rate; despite the fact that there is a glimmer of hope for recovery, more job layoffs. Sears announced a significant layoff. We see it as a continuum.

This is not going to cost the American taxpayers anything, unlike the 7 billion dollars' worth of forbearance that we gave Egypt on its loans.

So I hope that the comments that we have heard here will encourage our colleagues to look at this resolution in perspective. If not, Mr. President, this is likely going to be an amendment to the continuing resolution.

We are trying to work that out now. I appreciate the support and friendship of so many, but in particular the Senator from Colorado has been steadfast. I appreciate that. I yield the floor.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, first I ask unanimous consent that my name be added as a cosponsor of the resolution.

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

SETTLEMENTS IN THE WEST BANK

Mr. PACKWOOD. Mr. President, we have battled for a long time over the last 9 months, over a longer period of time than that, over settlements in the West Bank. No matter what we say about this resolution today, behind it is a feeling in the administration, I think very passionately felt, that there is something immoral or illegal or wrong with Jews living on what is called the West Bank or what historically would have been called Judea and Samaria in traditional Old Testament history, and if Israel would just give up its settlements on the West Bank, then peace would come.

So, with the indulgence of the Chairman, I would like to go through a bit of history, if I might, first from ancient times to now, and then lay the case for the legitimate right of Jews to settle and live in the West Bank.

First, I want to go back to what would have been called historical Israel, probably at the zenith of the Jewish kingdom at the time of David and Solomon, and it included all of that which you see in green on this map. And because we do not have contemporary borders, I will simply say that what we now call Israel would be nothing more than roughly this right in here. This part of the green would be Jordan. This would be most of Syria, some portion of Lebanon. And the little orange way down here was populated by the Phoenicians, a maritime trade people.

Now that was the zenith of the Kingdom of Israel. And you had the heartland around Jerusalem. If you were to draw a circle 20 or 30 miles around Jerusalem in ancient days that would have been the heartland. But you had the Jewish settlement in what is now Jordan of the 12 tribes. And you had significant settlements of Jews in other areas more than 30 or 40 miles from Jerusalem. But Jerusalem would have been the center of the center. The West Bank, as we now call it, or Judea and Samaria as it was called historically, was certainly a major part of historic Israel.

And then, the kingdom diminished and Israel was overcome by other powers, the Babylonians. The Babylonians in the 6th century B.C. undertook what was probably the first dispersal of the Jews, as the Jews congregated were a powerful force. So the Babylonians attempted to disperse the Jews in these areas but were not nearly as successful as the Romans.

The Romans controlled this area for the better part of 600 years. The term diaspora, disposing, was when the Romans said the Jews are too much trouble and we going to scatter them. And they were scattered into what I will show to be Iraq, Syria, and Lebanon, in an attempt to get them out so that they could not cause the Romans trouble.

Indeed, cause them trouble they did. Funny, we use the term revolt. When we talk about the Maccabees, or talk about Masada, or talk about Bar Kokba, this was a revolt of people trying to reclaim their own land.

I know nothing in Anglo Saxon law, I know nothing in the Judeo-Christian religion or law that says you lose your land when you are forcibly ejected from it against your will. But that is what happened.

And the Jews were dispersed all over the Middle East, the diaspora. I know that the argument will be made that is a long time ago; that is not relevant to current day legitimacy. So for purposes of argument, I do not rest solely the right of the Jews to settle in the West Bank on that argument, but I will make the claim legitimately that they did settle in the West Bank, they would have remained in the West Bank, and they would be in the West bank today had they not been forcibly ejected from it against their will.

Now you go through a long period of turmoil in the Middle East, and again the claim in terms of legitimacy as to who should get what, if you were to take a look at the longest effective rule in this area, after the diaspora, it was the Romans. Brutal, but effective. And I have yet to see any claim made that Italy should get the West Bank because of this long Roman rule. And it is ancient history. It is just before and just after the birth of the Christ.

The next longest rule was Turkey. Turkey has all of this area and more in

roughly 1500 to the end of World War I. And then Turkey made the mistake in World War I of allying itself with Germany. And so Britain and France decided in the midst of the war that at the end of the war they would take the area and divide it up, sort of to the victor belong the spoils, and Turkey chose the wrong side. And when it was over they were going to take it. And indeed they did. Lord Balfour was the Foreign Secretary and he very specifically said, of the area that we take, we will promise the Jews a homeland.

And this is the area. It was divided between England and France. This very dark line along here is called the Palestinian mandate. It includes all of what is now Jordan and Israel. That was all British. Iraq was also British, but it was not part of the Palestinian mandate. And France took this area that became Syria and Lebanon. That was ratified by the League of Nations. Everybody said this was legitimate. They won it fair and square in the war. Turkey is out.

Now, importantly, all during this time that the Romans had this area, all during the time the Turks had it, the Jews were allowed to live in the West Bank. There is no serious argument. And despite the fact that the Jews had still been dispersed and not many had yet returned, the Jews that were there and others that did come lived in the West Bank and lived as freely there as Arabs or anybody else did. There was no argument about is there any legitimacy to Jews living in the West Bank under the Turkish rule or under the British mandate after World War I.

Then an unusual thing happened. The one Arab ruler that had been dealt out after World War I was the grandfather of the present King Hussein, the Emir Abdullah. He had a good army. The best army of any of the Arab forces. And he was centered in here.

Here is Amman, which is the capital of present day Jordan. But as there was no Jordan at the time, he began to move his forces toward Damascus in the French sector. And the French said to the British: This guy is your problem. And this guy is in your sector and we agreed upon the division of this land. We get the northern part and you get the southern part. As he is come in the southern part, you have to do something to quiet him.

So the British created the country of Transjordan—trans, across; across the Jordan River. Everything east of the Jordan River became Transjordan.

The country had no ethnic background. If you were to trace this biblically, historically, or otherwise, you could have found no conceivable pretext for this as a separate country.

But the Emir did have a good army. So the British gave him the country. And, as I had said, there had been settlements in Jordan of Jews for several thousand years. There were Jews living there at the time. And on the day this country was created in 1921, it was closed to Jewish settlement and the Jews that were there were expelled or worse.

And that is 80 percent, what you see in green, that is 80 percent of the Palestinian mandate. Twenty percent of the area the British promised to give the Jews homeland in, and world Jewry never complained. This was created because this was not really the heartland. The heartland was still in here. So Transjordan was created; nobody complained.

Then the British discovered that they simply were not liked by anybody. They could not keep peace. The Arabs did not like them. The Jews did not like them. They were having their troops and occupation forces beset by both sides. I am not going to get in an argument here as in the twenties and thirties as to who was at fault for what.

But the British could not keep order and they were not liked. And the British finally decided they were going to have to eventually get out. So they suggested, finally, in 1937, a partition. It was called the Peel Commission.

Now you see, this is roughly what you call present-day Israel. The British suggested that the Arabs take all of the Negev, the desert in the south, the bulk of the West Bank—that the Jews get this part in green, and that the British would keep Jerusalem and this little corridor to the sea.

If there was a heartland to traditional historical Israel, this was it. And Jerusalem at the center.

So in this partition that the British suggested, most of what is the West Bank and was traditionally part of Judea and Samaria, the Arabs would get it. The Jews would not even get any part of their historical, religious, political center, Jerusalem.

The Jews agreed to this partition. The Arabs did not. And had the Arabs agreed, they could have had the West Bank, they could have had the Negev, its port down here, Aqaba down here and the Gulf of Aqaba. They could have had all that. They could have had land and peace. They chose to turn it down.

So, in 1938 the Jewish Agency suggested a partition. It is not significantly different than the previous partition with one exception, the Jews would get the area in green. This was the Jewish Agency itself that suggested it. The Arabs would get this portion in yellow, including a fair portion of the West Bank. But in the Jewish Agency-suggested plan, Britain would keep the Negev. Britain would keep this little corridor to the sea, and Jerusalem would be divided.

This was the Jews suggesting this. They did not ask for the West Bank. They did not ask for sovereignty over Jerusalem. They did not ask for the Negev. They said let the British keep it. Let it be determined later. The Arabs turned it down when they could have had land and peace.

Then comes World War II, and after the war, the Jewish Agency again suggests a partition plan in which the Jews would take the green.

Now for the first time it was suggested this be part of the State of Israel, the Negev, and they would take the part all the other partitions had given them but still leave the West Bank with the Arabs. In this case, Jerusalem would be an international zone—not governed by the Israelis, not governed by the Arabs, but an international city. Again the Jews were willing to give up the holiest of their cities, at least give up their exclusive sovereignty over Jerusalem; willing to give up the West Bank; and the Arabs could have had land and peace, and they turned it down.

Finally, the British said, "We are leaving."

By this time, they had the King David Hotel blown up by Jewish terrorists. By this time, they had their soldiers picked up and hanged and tortured. They said "We are leaving. We are giving this to the United Nations. Let the United Nations do what it wants." And the United Nations suggested this partition.

Here, in the Negev—this was not an area that people seriously wanted early on. It is desert. It is not arable. The wonderful, arable part of Israel is up in this area. But in this U.N. partition, the Arabs got Gaza, the strip along here, they got an immense West Bank, they got an enclave around Jaffa. And the United Nations said we will keep Jerusalem as an international zone.

This was the biggest suggested partition, where the Arabs would have had as much land as they got. And the Jews would not have gotten Jerusalem. The Jews, of course, accepted it. The Arabs turned it down. And on May 15, when the Union Jack came down, when the British just said, "We are leaving," Israel was attacked from all sides: from Lebanon up here, Syria, Jordan, Egypt on this side. How this country survived in the 1940's in what is called its war for independence I will never know. We were not giving them aid. We were then not giving them any aid. There was a very small, relative to the Arabs, Jewish population; and relatively unarmed in respect to modern weapons. Everyone thought it was the end of the Jewish State as all of this happened. But somehow they hung on.

After a little less than a year, an armistice was signed; not a treaty, an armistice. These are the boundaries, if you want to call them that, the armistice lines at the end of the 1949 armistice. I emphasize again—armistice; not a treaty, not a recognition, just an armistice. These are the lines that were held by the Israeli Defense

Forces. Jordan held all of this. They held all the West Bank. Jerusalem was literally divided. Jordan held half of it and Israel held half of it. And these are the lines that remain, with the Arabs in the West Bank—Jordan in the West Bank. This is Israel. And this is now Egypt, although Egypt never formally incorporated Gaza. They did not really want it. They administered it but it really was not a part of Egypt, but it was held by the Arabs.

This was the only time during this period, 1949 to 1967, the only time in history that the Jews were not allowed to live on the West Bank. They had lived there all during the British mandate—although the British mandate only lasted 27, 28, almost 30 years. They had been allowed to settle there then. They had been allowed to settle there during the reign of the Turks for 400-and-some years. Prior to Turkey it was almost a no-man's land and anyone could live where they wanted to live. The Jews lived on the West Bank. It was only when Jordan held this area for those 18 years that the Jews were verboten from settling there at all.

At this stage I suppose that, had Jordan chosen to do so, a Palestinian state could have been created. Jordan instead tried to annex it. They wanted to make it a legal part of Jordan but the only countries that recognized the annexation were Pakistan and Great Britain. None of the Arab world—Pakistan, of course, not being an Arab country—none of the Arab world would recognize it.

So, up until 1967—and this is after the forming of the PLO, and up until this time there probably would have been an independent state created by Jordan or by the Arab League or something. I do not know what Israel would have done. During these 18 years, Israel made no effort to take the West Bank.

Now comes a crucial day in this history. We are up into very modern history now. I want to emphasize again from the first Peel Commission report in 1937 suggesting the division of this territory, through the Jewish Agency division of 1938, through the Jewish Agency division of 1946, through the U.N. division of 1947, the Arabs could have had most of the West Bank; Jerusalem would have been divided or internationalized. Israel never would have gotten it all, and the Arabs would have gotten land and peace.

Now we come to the Six-Day War of 1967. It is only about 9 miles from here to the Mediterranean. If you ever stand on the bluffs along here, you have a sense of how fragile was Israel's existence.

Jordan still had the best army among the Arab countries. Through good intelligence, partially ours and partially that of Israel, Israel learned that the Arabs were going to attack them, again from all sides, in 1967.

So in a preemptive strike, Israel's Air Force came low across the Mediterranean and destroyed, in the areas through here, the Egyptian Air Force on the ground early in the morning. The Egyptian pilots, interestingly, had been in their planes every day, every morning, waiting for the order to take off. They did not want to be caught in their barracks. But they were caught flatfooted this day and the entire Egyptian Air Force was destroyed on the ground.

Just before the strike, but not so soon that he could warn his allies, the present ruler of Jordan, King Hussein was warned just to hold his place. "Do not move your troops. Do not try to conquer the rest of the Jerusalem. Do not try to move on Israel and we will not attack you. Hold the West Bank. Keep your land and you can also have peace."

But King Hussein could not resist. He tried to drive a salient right across here and divide Israel north and south in an attempt to take the rest of Jerusalem. But with the Egyptian Air Force destroyed, Israel was now in a position to turn its air force eastward. And in bloody, bloody fighting, Israel succeeded, and probably the worst fighting taking place in Jerusalem, Israel succeeded in putting together what is now the state of Israel.

This is now what I would call the state of Israel. For those who think the occupation of the West Bank is illegal—I do not think it is—but for those who say it is, this at least, including Gaza now, is the border defended by the Israel Defense Force. It is the armistice border now.

And now, for the first time, the argument—not for the first time since 1967—the argument is being made that Israel should give up this land in here. And the argument is made that Israel is obturate, and that Israel will not trade land for peace. The question is asked wrong. Israel has been willing to trade land for peace. They were willing to trade it in 1937, 1946, and 1947, when they could have had a treaty; and the Arabs turned it down, when they would have had land for peace.

Israel was willing to do it in 1967 by telling King Hussein: Hold your position and do not attempt to invade, and Jordan would still have the West Bank land and peace. But on every occasion, when Israel was willing to accept peace and give up land, they got neither.

So to me, the question should be posed really the other way, to the Arab countries: Are you willing to guarantee peace for land? If any country has ever been willing to show that it was willing to run the risk for peace by giving up land, it is Israel. Not only in all of these divisions were they willing to give up the West Bank—and I want to emphasize again, this is the heartland of historic Israel. Not only were they willing to say: for the sake of peace, we will give up our traditional homeland three times in 20 years—the Suez war in 1966; and then again in 1967, Israel took the Sinai and three times gave it back to Egypt, including oil, of which Israel has none, in the Gulf of Suez. They gave it back and got peace with Egypt because a courageous Egyptian leader, President Sadat, was finally willing to say: This is not worth it. He realized that Egypt was the cannon fodder. He realized without Egypt, there was not going to be a war with the other countries. And if Egypt did not go to war, that was in their interest.

So they got all their land back and Israel gave them a peace treaty. It is not as warm a relationship as that which we have with Great Britain, the special relationship, as we have referred to it so often. But it is better than war, and there has been no war between Egypt and Israel since that treaty was signed; and there will be no war between Israel and its Arab neighbors so long as that treaty holds.

But when we now get to the issue of the loan guarantees, we have the arrogance or the presumption to want to qualify these loans by saying Israel may not use any of this to build settlements in the West Bank, to build settlements in Judea and Samaria, your heartland, because it will endanger peace.

First, Israel's right to live there and to build there is as firm and legal and moral as any right you can think of. And if an American who is not Jewish or a Frenchman who is not Jewish can go to the West Bank and settle and build, then there is no reason why an American who is Jewish or a Frenchman who is Jewish or an Israeli who is Jewish should not be allowed to do the same thing.

But scratch all that. The worst mistake the United States could make would be to make the mistake that Britain made; and that is to think that we know how the land should be divided and who should live where or how the Jordan River should be divided for purposes of irrigation, because the only peace that is going to work in this part of the world is a peace that is bargained by the parties that have to live with it. It cannot be imposed from the outside.

It could not be imposed by the Soviet Union, before it collapsed, on its Arab surrogates if they did not like it. It cannot be imposed by the United States on Israel if it does not like it. Because if the parties that have to live with it—Israel and its neighbors—do not like it, then the peace will not hold.

And if we try to impose our idea of what a peace should be, then we had better be prepared to police it with 250,000 or 500,000 troops, and we had better be prepared for snipers and kidnapings and tortures and barracks blown up, like they were in Lebanon with several hundred of our marines

killed, and we pulled out. We do not have the stomach or staying power to stay there a quarter of a century.

What our policy should be is this: Patience and supply. Patience, because these peoples in the Middle East have lived together for a long period of time, the better part of 3,000 years. They know each other. They know each other's strengths, weaknesses and foibles, and dangers. And if it takes another 10 or 15 or 20 or 30 or 50 years for peace to come, that is not a long time in the history of the Middle East.

One day, there will be another Sadat in another Arab country—maybe Syria, maybe Saudi Arabia, maybe Jordan—that will step forward and say: Enough is enough; let us bargain.

And then my guess is—and I am not suggesting it, because it is not our position to do so—then my guess is that Israel will reasonably give up some land in the hopes of getting peace. In my experience in dealing with leaders of the Israeli Government and dealing with Israeli citizens themselves, they are more willing to run the risk of peace and more willing to give up land than I would be, given similar circumstances. If I were an Israeli, I would hang onto every inch, and I would say: I am not giving up so much as a grain of sand until I have an irrevocable commitment that cannot be broken that you will never, never, never again invade us.

So if I can put it succinctly, this ought to be the policy of the United States and Israel: We seek not to impose our system of government on others. We shall, however, against all odds, preserve that system for ourselves. America and Israel, now and forever one and inseparable, will survive. And if it be necessary for survival, we will fight. And be assured, if we fight, we will win.

I thank the Chair.

Mr. KENNEDY. Mr. President, I want to commend Senators LAUTENBERG, DECONCINI, D'AMATO, INOUYE, METZENBAUM, and KASTEN for bringing an important issue before the Senate. I hope we will have an opportunity to address it and support it. This is with regard to loan guarantees with the State of Israel. Soviet Jews in Israel deserve and need assistance, and we have delayed too long in providing it.

For decades, the United States has made freedom of immigration a priority in our relations with the former Soviet Union.

I was here when we passed the Jackson-Vanik program. I had opportunities to visit the Soviet Union four times before there was the major change on immigration with former President Gorbachev.

I visited Professor Lerner in his apartment; with those who were being persecuted on the basis of religion. And their only desire was to be able to practice their religion, and to be able to live with their families; and, they do. But when they held those particular meetings, the next morning either they or their families may very well have been picked up and sent out to Siberia—at enormous risk, to themselves and to their families, of persecution, torture, and even death.

The United States took a principal position at that particular time, and now that we see the changed circumstances we are being asked to address this issue. I believe that we should.

We raised the issue at the highest levels of government. We suspended normal trading relations over the issue. And we supported the courageous men and women struggling to win their basic human rights.

And now, just as our goals are being achieved, the administration turns back, denying Israel's humanitarian request and unconscionably linking this well-deserved assistance to the separate dispute over Israel's settlement policy.

The settlement policy can only be resolved as part of the peace process. Secretary of State Baker deserves credit for his persistence in bringing the parties together at the negotiating table. But the administration is wrong to take the 350,000 innocent men, women and children who have fled repression and anti-Semitism in the former Soviet Union and turn them into pawns of the administration's attempt to wring political concessions from Israel on the settlement issue.

This linkage is irresponsible and unacceptable. Less than 1 percent of the new immigrants have settled in the West Bank, Gaza and the Golan Heights. For the remaining 99 percent, there is no policy dispute whatever. Yet they are all being asked to pay a heavy price for the controversy over settlements.

The debate over loan guarantees is not a theoretical one. The needs in Israel are urgent and real. Denying this request will increase hardships borne by as many as 1 million men, women, and children seeking to begin new lives in Israel. These difficulties threaten to reverse the important gains we have made so far.

Israel faces an increase of one-quarter in its population by the middle of this decade. If the immigrants are to be successfully integrated into Israeli life, the international community will have to provide assistance.

It will be as if the United States absorbs some 40 million additional individuals into the United States. Contrary to public perception, the United States is not being asked to provide housing loans to Israel.

Rather, we are simply being asked to provide our stamp of approval to Israel's efforts to borrow capital on the international market. Israel is prepared to pay any reasonable expense, so the guarantees can be provided virtually cost-free to the American taxpayers.

While we debate whether to lend our help to Israel in this monumental task, the needs increase for the immigrants. Unemployment among the new arrivals is over 40 percent, four times the already high rate of unemployment for other Israelis.

Let us also not forget that the United States benefits from our close relationship with Israel. Twenty percent of all Israeli imports are from the United States. In 1991, imports from the United States totaled $3.3 billion. In the next 5 years, Israel is expected to purchase as much as $30 billion in American goods—items that will provide needed benefits and jobs to the United States economy.

The unnecessary controversy surrounding this issue has gone on long enough. The United States has a responsibility to assist in helping Soviet Jews begin their new lives in Israel. This resolution sends an important message to the administration that the Senate of the United States does not support any effort to use Israel's new immigrants to achieve unrelated policy objectives.

I urge my colleagues to support this resolution, and I urge the administration to resolve the dispute over Israel's settlement policy by other, more appropriate means. The courageous Soviet Jews deserve no less from the United States of America.

Mr. GRAHAM. Mr. President, we will soon be discussing the issue of U.S. policy relative to the extension of loan guarantees to the State of Israel. I rise with a sense of disappointment, first because it is possible that the nature of the debate that we will be having is over a sense-of-the-Senate resolution, a statement of the expectations, the hopes, of the U.S. Senate, but not an action which will result in U.S. policy.

I am disappointed that we are not today about to establish U.S. policy on an important fundamental issue of human rights in an area of the world in which we have had such a sustained role, and as seen within the last few months, a role for which we were willing to sacrifice American lives.

I am also disappointed, Mr. President, because what we should be having today is a celebration, a celebration of victory, a victory that has been long sought, a victory that is the reward of a sustained partnership among the free nations of the world, and particularly

between the United States of America and the State of Israel, a celebration which is in our proudest tradition.

From the very beginnings of this country, the words that Thomas Jefferson wrote in the Declaration of Independence, the United States of America has seen itself as a nation who has a universal responsibility for human rights. We were not a parochial country that looked at its interests around the world strictly from the standpoint of European realpolitik. We saw ourselves as having a different responsibility, a responsibility for fundamental human liberties, democracy, the freedom of all men and women.

That standard of the United States in the world has never been more aggressively, appropriately, or for a longer period of time demonstrated than as it relates to the issue of the former Soviet Union's treatment of its own Jewish citizens. Until the 1960's, Mr. President, the former Soviet Union never recognized the right to emigrate as a legal right, and therefore imposed very severe restrictions on its citizens, particularly its Jewish citizens who had expressed a desire to emigrate.

As a result of United States pressure, the Soviets began allowing limited emigration in the sixties in the name of family reunification. The number of Soviet Jews who emigrated climbed during the early 1970's to a high of 34,000. At that point, the Soviet Union instituted what was known as an education tax, charging those wanting to emigrate the cost of their Soviet education.

The United States response to the education tax was the Jackson-Vanik amendment, linking most-favored-nation status and Government credit to an opening of emigration by the Soviet Union. Senator Jackson stated on this floor, in support of the amendment which bears his name:

> The most dramatic violation of basic human rights is the decision to demand a ransom from Jews wishing to leave the Soviet Union. It violates our most deeply held convictions about human freedom and dignity. I must express my fear that the current ransom program, wicked in itself, carries with it the potential to exacerbate anti-Semitism in the Soviet Union to an extent and a depth that we hoped had perished for all time with the collapse of the Third Reich.

It was in that spirit, Mr. President, that the United States people, through their Congress, committed themselves to a linkage of improvement in our relations with the Soviet Union to the Soviet Union allowing its citizens to emigrate.

After the adoption of the Jackson-Vanik amendment, Soviet emigration dipped again. In the late 1970's, in 1979, after the completion of the negotiations on SALT II, emigration rose again and reached a peak of 51,000 Soviet Jews. During the 1980's, emigration fell, averaging approximately 1,000 Soviet Jewish emigres throughout that decade.

Mr. President, if I could inject a personal experience, it was in 1988 that I had the opportunity to share Passover seder with the Zelenchonick family of what was then called Leningrad—now St. Petersburg—in the Soviet Union.

The Zelenchonick family was typical of thousands and thousands of families within the Soviet Union. Mr. Zelenchonick was an acoustical engineer. Earlier in his career, he had worked in the Soviet naval construction industry, assisting in their efforts to make their submarines less subject to sonar detection. It was because of that that he was considered to hold state secrets, although it had been many years since he had worked in that particular application of his acoustical engineering profession.

His wife was an accomplished musician; their teenaged son an extremely bright young man. Over a period of approximately 10 years in which the Zelenchonick family had indicated its desire to emigrate, they had seen their lives, which once had hope and promise and respect and dignity, deteriorate.

Mr. Zelenchonick lost his academic position and was reduced to menial jobs. Mrs. Zelenchonick was denied her opportunities to perform. Their son was not allowed entry into the academic institutions appropriate to his ability. Year after year, the Zelenchonick family had been denied the right to emigrate to Israel.

As we celebrated that Passover seder together, at the end of the service, we stood holding hands and expressed that Biblical wish: Next year in Jerusalem. For the Zelenchonick family, their hope was granted. By Passover of 1989, they had been one of the few—soon to become many—who were the beneficiaries of a new Soviet policy on emigration. They were to lead what has become a floodtide, which in 1990 reached 180,000 Soviet Jews emigrating to the State of Israel.

And so, Mr. President, it is in that historical context that we approach this debate. It is a context of victory. We have achieved what we have sought for a quarter of a century in terms of a change in Soviet policy. Little did we know that the change in policy was soon to be followed by a collapse—and now a disintegration and evaporation—of the very political system which had captured, jailed, and imprisoned, so many of its citizens.

It was fully to be expected, Mr. President, that as part of this celebration, part of this act of victory, that there would be some further implications; that there would be the need for continued assistance in victory, as there had been in the striving to achieve the emigration of the Soviet Jews to the State of Israel; that there would be the need for the United States and other Western allies' assistance in the transition of this large number of very talented persons into full participation as citizens of the State of Israel.

It was fully expected that a request such as this would be made—and the request that has been made is a modest one; it was made more than a year ago—that the United States would provide not grants, not loans, but loan guarantees of $2 billion a year for 5 years, for a total of $10 billion of loan guarantees, in order to facilitate the financing of the housing, job training, job creating, and other necessities of the transition of this large population.

It is a modest request—a request, Mr. President, I suggest, that probably would have been adopted with the kind of act of celebration and enthusiasm that I think we should be experiencing today, but for Saddam Hussein's invasion of Kuwait almost 2 years ago.

That event froze in place a number of United States policies in that region in spite of the great restraint shown by the State of Israel throughout that Persian Gulf war, including the restraint of not responding to unprovoked attacks against civilian populations.

The State of Israel was asked to defer its request from the spring of 1991 until the fall of 1991. September came. Again they were asked to defer this 120 days until after the beginning of this current year, 1992.

Now, on April 1, 1992, we are faced with a political circumstance in which delay is being asked yet again.

The policy that we are being asked to adopt, the policy of loan guarantees, is fully consistent with actions we have taken within this region. We are all aware of the fact that recently a vote of the Congress provided loan forgiveness to the State of Egypt of an amount almost as much as the loan guarantees that are being asked by the State of Israel. We forgave large amounts of loans to the State of Egypt in recognition of their service to the cause of the democracies in the Persian Gulf war. Yet, for the State of Israel, we are unwilling to extend even loan guarantees for the natural, expected consequence of an action of which the United States was a principal cause.

The context of the decision that is being made, a decision of not to move forward with the loan guarantees at this time, I think has some ominous implications.

One, it has the implications that we are linking loan guarantees and potentially other aspects of the United States assistance to the State of Israel to the State of Israel's settlements policy. The United States, since 1967, has had an official position in opposition to the development of permanent settlements in the territory occupied by the State of Israel at the conclusion of the 1967 war. But we have never used those settlements as a precondition to the various forms of aid and assistance we have rendered the State of Israel over those many years.

Second, this is occurring at a time when, we hoped, as a consequence of

the Persian Gulf war we would have created an environment in which there could be movement toward real peace in the Middle East, a recognition of the right of states to exist, a resolution of longstanding disputes, a lowering of the high level of armaments which have come to characterize the Middle East. By the position which the United States has taken, which essentially says to the State of Israel, "You take off the negotiating table the issue of settlements as a precondition to our assistance to you in the transition of Soviet Jews," we are thus weakening the ability of the State of Israel to enter into negotiations with its Arab neighbors. The consequence of our action is not to advance the cause of peace but to make peace more elusive.

Finally, this all occurs at a time of tremendous instability and turmoil within the former Soviet Union. Every day we are required to learn new difficult-to-pronounce names of towns and regions within the former Soviet Union where some latest civil disturbance or civil war has broken out. Those are exactly the kinds of circumstances in which old prejudices and biases can emerge. The potential of a new round of pogroms and anti-Semitism within the former Soviet Union and States in Central and Eastern Europe is a real one. This is the most inappropriate time for the United States to be indicating that we do not have full support for the policy of the last 25 years of emigration of all Soviet citizens, and particularly those who have been most discriminated against, to a land in which they can live in freedom and dignity.

That is exactly the message that this recalcitrance of the administration to accept the principle of the appropriateness, the necessity, the consistency with our national character that the loan guarantee request represents.

Mr. President, I close by citing these points because I do not want to be part of an America which walks away from a policy which is consistent with our tradition and which has been successful in achieving its result by providing freedom for literally hundreds of thousands of men, women, and children. The Zelenchonick family is illustrative of those who have been the beneficiary of our sustained commitment to the cause of human rights.

This is a humanitarian issue. This is not a political issue. This is an issue which should unite this country, not divide it. This is an issue in which we should take great pride, not resort to partisan bickering.

Mr. President, Israel is the only democracy in the region. It is a country with which we have strong cultural and historical as well as security ties. I hope my disappointments prove to be exaggerated, that in fact we will move forward by completing this act of celebration and extending loan guarantees to the State of Israel to assist that brave country in the transition of a brave population of former Soviet Jewish citizens who are now finding a new life of respect and freedom in Israel.

Ms. MIKULSKI. Mr. President, in a few short minutes we are going to be speaking on the issue of foreign aid, and specifically on a Lautenberg resolution.

Mr. President, people talk about foreign aid, and they think it is a giveaway program around the world. But foreign aid has the capacity to generate jobs in the United States of America, particularly where we send food around the world, food that can leave from America ports in American ships, feeding the hungry. That is the kind of foreign aid we support.

We also support those countries that enable people to help themselves, emerging democracies.

Last but not least, foreign aid is a tool of our foreign policy to help those who could face persecution.

In a few short minutes, Senator LAUTENBERG will be offering a resolution, a sense-of-the-Senate resolution, to support the consent of loan guarantees for the State of Israel.

I support the Lautenberg resolution because I support the framework for providing loan guarantees to the State of Israel. What many Americans do not understand is that this is not a handout. This is not cash grant. It is not a loan. It is simply a backing for Israel to be able to go on the world market, to borrow money, to practice self-help, to deal with the immigration issues, dealing with the flood of immigration coming from the Soviet Union.

This backing of the loan guarantees is a modest effort on our part. Israel has always paid back its loans. And in fact, it is a better risk probably than many of the S&L's that we are bailing out. At the same time, we know with the millions flooding into the State of Israel what this means.

Mr. President, I am not of the Jewish faith. But I have followed their traditions and admire their heritage. I know one of the most sacred feasts that they honor is the feast of Passover commemorating when Moses came into the promised land. We are now only 19 days from Passover, and the members of the Jewish faith the world over will say "Next year this time in Jerusalem" as their commitment to an exodus.

We have now Soviet Jews sitting on their suitcases, wondering if they can be absorbed, and when they say: "Next year this time in Jerusalem," they wonder if it can happen. And it rests on the type of help the world gives to create a new world order.

I support the Lautenberg amendment, and I yield the floor and thank the Senate for its consideration of my remarks.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I ask unanimous consent that I may yield to Mr. DECONCINI so that he may utilize the time under his control without any time being charged to me during the time of his statement.

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

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. Mr. President, I thank the President pro tempore, chairman of the Appropriations Committee, for letting me proceed with the 10 minutes allocated to me. I have to go to a Judiciary Committee hearing, and I am grateful to be able to speak now.

Mr. President, I want to compliment the Senator from New Jersey for laying out what the problem is here and why we are here. He has, indeed, provided a background of this resolution offered by the Senator from New Jersey. It is a sense-of-the-Senate resolution. We know it is not binding, but it does send a clear signal. I trust we will pass it with heavy votes in favor of it because it is the right thing to do.

Providing refugee settlement loan guarantees for Israel is in the best interests of the United States. Our policy since 1974 has been focused on gaining the freedom of emigration from the former Soviet Union.

With the passage of the Jackson-Vanik amendment to the Trade Act of 1974, this country went clearly on the record that it will not tolerate the then Soviet Union refusing and discriminating against any of its citizens who seek permission to leave that country.

How many in this body have visited the Soviet Union? How many have gone out and talked to the refuseniks? Not all are Jews; some are Baptist, some are of other Christian faiths who wanted to emigrate from that country, and by merely filing an application for immigration, they lost their jobs and their housing. Some of them were actually put in jail.

Then comes the 1975 Helsinki Final Act which the Soviet Union signed, along with 34 other countries, including the United States, which guarantees to each citizen of each signatory country the right to emigrate and to travel without the Government arbitrarily refusing their right to so do.

The former Soviet Union said no. And it was not until the brave leadership of Gorbachev did the Soviets finally realize that you cannot—you cannot—snuff out the inherent freedom of movement, freedom of conscience, and the freedom of press.

We have seen this issue develop over a long period of time. The United States can take great pride, and up until this moment this administration could take pride, in standing by this longstanding moral commitment to see that those people were permitted to leave if they wanted to. I, like many of

my colleagues, have been to those people's homes, and have looked them in the eye and said we will not forget you.

Now you can look those people in the eye in Israel. They are looking for a place to live. That is what this is about. It is not a Jewish or Israeli issue. It is an issue of morality, about what kind of a commitment the United States will make? How good is the word of the Secretary of State, the President of the United States, or a U.S. Senator who says, I am going to support your efforts to be able to go to Israel or anyplace else you want to go. That is what we are talking about here.

The money that is involved is nothing. If we had a loan guarantee, it would cost the U.S. taxpayers nothing because out of that guarantee, the Israelis have agreed to pay any losses, No. 1, and any finance charges, or administrative charges necessary to see that the loan guarantee is implemented. So we have no cost to the United States.

Will the Israeli Government go bankrupt? I suppose that is possible. But they have never defaulted on any line of credit or any loan guarantee or any loan whatsoever thus far. It is on record. Their record is clear.

We are saying, by not going through with the loan guarantees, that we are not prepared to stand by our word. So we are stuck here today with a resolution that is a sense-of-the-Senate. The least we can do is indicate to the White House that the President had better get back on track. He may think it is politically popular to bash Israel in the middle of their election, but people understand what a moral commitment is, and they understand what it is to have the right to be free and to express themselves.

The National Conference of Soviet Jewry states that through February of this year there have been 517,678 Jews which left the former Soviet Union for Israeli. That is something to be proud of. That would not have happened had the administration and this body and the House not continuously pressured the former Soviet Union. In 1991 alone, over 145,000 immigrated to Israel from the various republics; 14,000 more refugees arrived last May in an emergency evacuation from Ethiopia. I have been to Ethiopia. I can tell this Senate that nobody else would extend a hand, except Israel, to those people who were being absolutely mutilated by Mr. Mengistu and his Communist regime. The Israelis said come home, come home, and they have welcomed them. It has been a big problem, integrating these people into that society, but they were willing to do it.

This is what the Jackson-Vanik amendment was all about. This is what the human rights principle of the Helsinki Act has been all about. What has the administration been doing? Almost behind the backs of the American public, in 1990, it was keen enough to grant loan guarantees to Iraq for $650 million in commodity credits; to Egypt, $214 million; to Morocco, $116 million for the Eximbank, $5 million in commodity credits and $82 million from AID for a total of $203 million.

To Jordan we granted AID loans totaling $121 million. In 1991, Bahrain got $367 million from the Eximbank; Egypt got $2 million; Kuwait, $15 million for commodity credits; Jordan $25 million in commodity credits; Yemen, $15 million in those credits, and on and on. Israel got some, too, $36 million in 1990, from the Eximbank on a loan guarantee.

It just indicates to me, Mr. President, that we are not playing on a level field here. I think it is unfair that the administration has decided to politicize a very important moral issue. That moral issue is to be a partner and to assist a nation which has committed itself to absorb refugees, in part, because of the commitment that we made that we would do everything possible to help these people.

I have spoken in opposition to settlements on the West Bank and Gaza, and I have attempted to use whatever little bit of influence I have to be sure that Mr. Baker and Mr. Bush do not link the settlements with the loan guarantee—to no avail, I must say. I think it was unfairly thrust upon this country that these guarantees be linked, so that there would be the political pressure put on them, so that we would be exactly where we are today. In Israel, there is almost no place for these people to live and work. There is no opportunity, without some assistance. We are not talking about a handout; we are talking about the Israeli Government and the people of Israel standing up and putting their pocketbooks behind these loan guarantees.

It is my hope that this administration will learn something, assuming this sense-of-the-Senate resolution passes. I hope that it will learn that this body is willing at least to stand up and be voted and counted in support of a commitment to free emigration that this country made in 1974.

It has been estimated that the projected effects of $10 billion loan guarantee program could result in more than 200,000 jobs being created here in the United States alone. So it is a good jobs bill. But that is not why we are here. We are here because it is the right thing to do. It is the right thing to do when you have made a promise—and this country has made a promise for years—to stick up for one person's individual rights, no matter where that person lives. That we will not forget them, whether they are lost in Vietnam, or whether they are being persecuted in China, or whether they are still not getting out of Russia. Indeed, there are some 50 refusenik cases pending in the Republic of Russia today that cannot get out. I would remind those leaders.

I have had Soviet Union officials ask me: Senator, why do you care about the Yelistratov family living in Moscow? What is one family that cannot get out? Are there not bigger things to negotiate, such as disarmament treaties, border disputes in the Baltics, and what-have-you?

What I said is what any American would say: There is nothing more important in the United States than one individual's rights, because that is what makes a democracy, and that is what this country was founded upon.

Mr. President, it is time we do what is right and pass this resolution with overwhelming support. I thank the Senator from West Virginia for his patience and will permit him to speak at this time.

The PRESIDING OFFICER. Who yields time?

Mr. METZENBAUM. Mr. President, I ask unanimous consent, with permission of the Senator from West Virginia, that I may speak for not to exceed 3 minutes.

The PRESIDING OFFICER. I assume that the Senator's time would be coming on the time controlled by the Senator from West Virginia.

Mr. METZENBAUM. I ask unanimous consent that it not be charged against any particular Senator.

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

Mr. METZENBAUM. Mr. President, I rise to commend the Senator from Arizona for his remarks and for his longtime commitment and concern for the Jews of the Soviet Union. I know that it is not a newfound concern.

I remember when I visited the Soviet Union with him, when we visited the home of one of the Soviet refuseniks who was attempting to leave the Soviet Union for Israel at that time. And I remember the warmth of the reception that we received when we walked into that home. I think the man at that time was earning a living as a tennis pro because he had lost his job as a professor or as an engineer in the Soviet hierarchy.

During the recent negotiations that we had on this particular subject, there has been no Senator who has been more resolute and more determined to fight for the loan guarantees than has the Senator from Arizona. He has been steadfast in his concern. He has been willing to stand out and stubbornly resist others who might have suggested alternative routes to follow. It is the concern of the human rights of fellow human beings, those human beings who are in the Soviet Union, among others, that drives the Senator from Arizona.

I commend him for his concern, for his leadership, for his willingness to stand out and to speak up. And I just wish to make it clear that there are

many of us who were proud not only of his role throughout this entire effort regarding the loan guarantees but, also the time, concern and commitment he has expended for the many Soviet Jews who wanted to emigrate to Israel over the years whom he has helped.

Mr. President, I thank the Senator from West Virginia for his courtesy in permitting me to speak at this time.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I wish to state my respect for the distinguished Senator from New Jersey [Mr. LAUTENBERG] in offering the resolution. I am sorry that I have to oppose the resolution. I respect the views of all those who support it.

It is a sense-of-the-Senate resolution and, therefore, has no legally binding effect. But, Mr. President, it is a policy statement, nevertheless. The distinguished Senator from New Jersey [Mr. LAUTENBERG] himself, stated when he introduced the resolution, it puts the Senate on record in support of loan guarantees to Israel.

I have found in the past that these sense-of-the-Senate resolutions, although they are not binding on anyone, they nevertheless, as I say, do constitute policy statements. Anyone who wishes may interpret the resolution as he wishes to interpret it. But I think it does send a message which is not the right message.

Mr. President, I, therefore, rise to speak in opposition to the resolution now pending before the Senate, and I do so because I have come to the conclusion that the loan guarantee program, as it has been proposed, does not serve the interests of the United States and, indeed, is not in the best interests of Israel. I am taking the Senate's time to outline my views on this important issue in some detail because the United States-Israeli relationship is extremely complicated with an extensive history. That relationship continues to have many ramifications, for both countries, which need exposition and examination. I think it deserves our careful attention and study. There is sometimes a tendency to oversimplify and view such issues from one perspective. I hope to provide a contribution to this debate that shows where we have been and where we are going in our relationship with Israel.

This resolution touches on many important issues for this body and for our country, and I hope that during our debate we will be able to address these issues—the real issues, not red herrings. We cannot be distracted by the false argument of whether this is a vote for or against Israel; we are all for Israel. This body and this country remain committed to Israel's right to exist, and to promoting peace and stability in the Middle East as the only way to ensure Israel's long-term security.

We must also not allow this vote to be cast as a decision as to whether the Senate supports the continued migration of thousands of Soviet Jews seeking to find safety and begin a new life in Israel. The Senate and this country have been rock solid in their support for Soviet Jews during the dark years of virtual imprisonment in a country hostile to their faith and way of life. We took many steps, from trade restrictions against the Soviet Union to personal intervention by many of the Members of this body, including myself, to relieve the plight of the Soviet Jews. The last thing this Senator would want to do is to prolong this dire situation, or make their escape to freedom from oppression any more difficult. Once again, the most effective way to provide that escape route is to work for a secure and economically viable Israel.

Our overriding concern must always be the interests of the United States. Does the proposal serve our interests and support our policies, which include working for peace in the Middle East and ensuring the well-being of Israel? If our policies help to foster a period of peace in the Middle East, then those policies will benefit Israel, allowing it to reduce defense expenditures and shift to a more steady and stable peacetime economy that will be able to absorb the new immigrants. A real question is whether or not this proposal contributes to that goal. It is not a question of support for Israel.

The real question is this, does the loan guarantee program that we have heard so much about, support U.S. policy by encouraging the ongoing peace process and by contributing to the security and economic stability of Israel? Our position on this issue could have a profound effect on the ongoing peace process in the Middle East; the region of the world most likely to draw the United States and others into continued conflagrations until the underlying causes of friction and poverty are relieved. The question is whether the longstanding policy of the United States opposing Israeli settlements in the disputed zones should be discouraged or encouraged. That issue is a fulcrum of our policy toward the future of the Middle East. The stated and demonstrated policy of the state of Israel is in direct contradiction to that of the United States regarding such settlements.

Our position could also have a major impact on the economic situation in Israel and we must consider a broad range of factors before embarking on such a massive new assistance program. Several important questions come to mind immediately. First, what in fact is the so-called Housing Loan-Guarantee Program money for? Is it, as we have heard it described, an important humanitarian program of housing loans for immigrants? Or is it for something else, something much broader? Second, what is the likely impact on the U.S. taxpayer? Is the risk of default substantial and will huge liabilities accrue to our taxpayers? Third, what are the ramifications in terms of U.S. policy toward settlements and ultimate peace in the Middle East?

My view is that the economic rationale is questionable, and most of the funds may not end up as a direct humanitarian program for Soviet immigrants at all. Further, economic reforms which are needed in order for Israel to continue to be able to repay its debts are in some doubt. Infusion of new funds guaranteed by the United States, along with the additional money made available from other sources as a result of United States guarantees, may well work directly against economic reform and long-term stability in Israel, as well as running counter to United States policy toward settlements in the occupied territories and the peace process in the Middle East.

The distinguished chairman of the House Appropriations Subcommittee on Foreign Operations, Mr. OBEY, held detailed hearings on this matter earlier this year.

I have read the record of those hearings, and a reading of that record suggests that the sums the United States is being asked to guarantee are not just for housing, or even principally for housing. Rather, the record suggests that the money is to be used in a comprehensive program of infrastructure development. Indeed the whole request might be more accurately labeled as a vigorous economic growth package for an economy which is weak, overly dependent on public sector and socialistic practices, and in need of market-oriented economic reforms.

Mr. OBEY had three leading economists, all experts on the Israeli economy, who testified unanimously that any additional United States aid to Israel should be conditioned upon implementation of economic reforms. Otherwise, the aid would result in postponement of needed reforms, as has already happened several times in the past. Economic self-sufficiency is just as important as peace for Israel's long-run security. Israel's near economic collapse in 1985 proved that. Out of that experience, the Israeli Government has formulated detailed plans for economic reforms. Some have been carried out, but nowhere near as many as are necessary to become self-sufficient. The longer these reforms are postponed, the longer the United States will be called upon for more aid to Israel.

The American people are apparently being asked to underwrite major new economic growth programs for Israel when we cannot develop them for our own desperately-in-need economy. We are being asked to guarantee funding for what appears to be wide-ranging infrastructure projects, running far afield from anything directly con-

nected to Soviet immigration, at a time when United States spending on its own infrastructure is far lower than that being infused by our European allies into their economies. It is no wonder that foreign aid is held in such disrepute by the American people.

Mr. Emanuel Sharon, a former Israeli Finance Minister, testified before Mr. OBEY's subcommittee that we are not really talking about housing guarantees here, but more so about money to be used for a wide variety of economic purposes. This is confirmed in a document provided by the Embassy of Israel, "Absorption of Soviet Jewry Immigration," that indicates that about half of the loan guarantees would go to the private sector for investments, and the rest would be divided equally between housing and infrastructure. There is no agreement between the Government of Israel and the Government of the United States as to how thw money will be channeled, and the specific uses to which it will be put. The fact is that we really do not have any specific understanding as to how the money will be used. That should be an elementary predicate to even the consideration of a loan guarantee request. How many houses will be built? How much money will go for low-income housing, how much for moderate-, and upper-income housing? More particularly, who is going to be living in the housing—Soviet immigrants? Where will this housing be? The document of the Israeli Ministry of Finance is silent on these very salient questions. It does, however, talk about major projects in the infrastructure area, including transportation, energy, communications, and water resources. We have here plans for a new multibillion-dollar road system, a national arterial highway, billions more for a railway system and expansion of civil aviation, ports for $1 to $2 billion, sewer expenditures. What does all this have to do, except in the most indirect ways, with Soviet immigration? Are the American people prepared to simply underwrite a separate, very substantial, economic infrastructure package on top of the aid we are already giving Israel every year on terms more generous by far than for any other country?

Provision of the loan guarantees by the United States would have wider ramifications by enhancing Israel's ability to attract additional money. Additional billions of dollars are reported to be available from private credit markets if the U.S. loan guarantee program is approved. Otherwise, these additional resources are reported to be unavailable. As Herbert Stein testified before Mr. OBEY'S subcommittee, the money will simply be "in addition to the total resources of the Israeli economy and society." Indeed, the package being requested by Israel is not really a package at all; it is simply a massive infusion of new funds for a flagging economy, on top of the billions we annually provide for such purposes already.

Let us examine what existing Israeli economic policy is and how it needs to be reformed, not only so that we may be assured of Israel's ability to repay the loans and relieve the United States of the liability such guarantees would incur but, even more fundamentally, so that we can address the question of whether providing these funds will tend to encourage the Israeli Government to stand pat on economic reform, or to waffle on it, creating a negative effect on the long-term health of the Israeli economy. Our goal should be to stabilize that economy by weaning it off of foreign loans and remittances so that it may stand on its own two feet. We must not encourage Israel to go down the path of deeper and deeper debt.

We have heard and read a great deal about Israel's outstanding record of debt repayment. The resolution states that loan "guarantees will not result in any cost to the United States taxpayer." Proponents say we are risking nothing by guaranteeing loans to Israel because it has never defaulted on a loan to the United States Government. This, as best I can tell, is a true statement; however, it may not tell the whole story. The 1973 Congressional Quarterly Almanac contains a discussion of the $2.2 billion in emergency aid requested by the President and subsequently approved by the Congress in December 1973. Between the outbreak of the war and the consideration of the supplemental request, Israel had purchased over 1 billion dollars worth of military equipment that we had rushed to them without hesitation. The CQ Almanac points out that "the Foreign Military Sales Act provided that payment was due within 120 days of delivery. During congressional hearings, administration witnesses repeatedly stressed that without United States military grant assistance or credits Israel might default on these payments when they came due in February–March 1974." In other words, in effect, we give Israel the money to pay back its debt to us.

Again, in 1985, when the Israeli economy was facing a crisis and suffering from hyperinflation, the United States responded with a $1.5 billion supplemental appropriation. Then in 1988 and 1989, Israel was allowed to refinance high-interest foreign military sales loans owed to the United States Government. In an August 1989 report, the General Accounting Office estimated that the cost to the United States Government of allowing Israel to refinance these loans was $1.2 billion. This refinancing not only made it easier for Israel to make its debt payments to us, but also saves Israel about $150 million a year in interest charges.

A final point to consider when evaluating Israel's record of prompt repayment is a provision included in every Foreign Operations Appropriation bill since 1985. I will quote from the fiscal year 1991 bill. "Therefore, the Congress declares that it is the policy and the intention of the United States that the funds provided in annual appropriations for the Economic Support Fund which are allocated to Israel shall not be less than the annual debt repayment, interest and principal, from Israel to the United States Government. * * *" It seems to me that by guaranteeing to make repayment to ourselves, and backing up that guarantee by rushing in with supplemental appropriations whenever there is a crisis, then Israel certainly ought to have a spotless record of repayment. But it also strikes me that this does not mean that loans and loan guarantees to Israel do not cost the United States anything.

The Department of the Treasury reported that, as of September 30, 1991, Israel owed the United States Government $4.209 billion directly and we had contingent liability for another $6.199 billion in the form of loan guarantees. This resolution would endorse an increase in the U.S. Government's exposure. That endorsement could ultimately lead to a sizable, additional risk to the U.S. taxpayer.

Beyond the question of repayment to the United States, there is a consensus that the Israeli economy needs to reform and move toward a more market-oriented system. Government there is too big. The share of government-owned corporations is still about 15 percent. The focus of reform should be in the direction of liberalizing capital markets, liberalizing trade, abolishing subsidies, privatizing government-owned corporations, easing labor laws and regulations that obstruct the adjustment of wage rates to market conditions, and reducing a web of economic regulations that tend to produce cartels and other inefficiencies in the economy.

These reforms are so important and basic that there has been a general feeling, shared, I know, by the chairman of the Foreign Operations Appropriations Subcommittee in the Senate, the distinguished Senator from Vermont [Mr. LEAHY] that the reforms must be implemented and that our aid should be conditional upon their being implemented. This is a task that is difficult but can be accomplished, according to informed witnesses, if enough political will is available on the part of the Israeli leadership. Mr. President, the resolution before us, unfortunately, is silent on the question of reforms. There is no requirement here that Israel should begin to put its own house in order as a condition of receiving any guarantees in the future.

Recent actions of the Government of Israel do not resolve my doubts on the determination of that Government to

implement needed reforms. Last year, the Government created 16 new monopolies, whereas one would hope that the trend would be in the opposite direction, which is to demonopolize the economy and infuse new competition into it. As Dr. Alvin Rabushka, of Stanford University, testified before Mr. OBEY's subcommittee the worry is that the "whole reform process will get nipped in the bud and the very changes that are required to make that economy grow, the people to be prosperous and free and to make the immigrant system work, will be stopped because there won't be the financial pressure to do it." So, there is an economic case to be made that provision of the loan guarantee package may be undesirable for those reasons, that it will relieve the financial pressure for reform and delay needed change. Other economists may disagree with this assessment, but the economic package itself and how it affects the necessary reform measures need examination and study, and that has apparently not been done. In addition, there is debate over whether there exists in Israel itself the resources that could be made available to substitute for this loan package. In other words, it may not be needed at all.

In February of this year, the GAO released a report, done at my request, that indicates the Israeli Government would be able to fully service its external debt if it fully implements its major absorption plans. An internal Export-Import Bank report dated last July 10 states that the "expected buildup of external debt gives rise to concerns about Israel's ability to meet its future debt service obligations on a timely basis." It says the debt service burden should be manageable "if the country's domestic and external political and economic conditions encourage large capital inflows." Such capital infusion from private sources has not yet appeared. It goes on to say that the Government has not implemented adequate economic reforms to deal with its looming financial and economic problems. So the assumptions of repayment are based on implementation of reforms, and that is certainly a big question mark. Where is the evidence that the current Israeli Government will implement such reforms?

Israel has maintained a highly socialized economy since its inception in 1948. The government runs every aspect of production, either directly, or indirectly through the Histadrut labor union, which fixes wages for 85 percent of the work force and owns companies which account for 23 percent of business revenue in Israel. The Institute for Advanced Strategic and Political Studies in Jerusalem recently reported that Government expenditures will comprise 68 percent of GDP this year.

New business ventures arise only after a governmental grant of monopoly power. In 1991, the Israeli Government granted 16 new monopolies. Investment capital and debt financing can only be obtained through the Government, through Government-owned banks, or through the Histadrut. There are no privately-owned banks in Israel. There is very little foreign investment in Israel, and there are no foreign banks. This means that the Government is the primary source for Israeli job creation.

To cope with approximately 400,000 Soviet and Ethiopian immigrants since the fall of 1989, Israel offers to pay employers one-third of an immigrant's first-year wages and one-quarter of their second-year wages. These subsidies result in make-work jobs which are unlikely to survive the end of the subsidy. Even with these subsidies, immigrants have suffered a 30-percent unemployment rate. Another 30 percent are enrolled in language classes. The remainder tend to be severely underemployed. These immigrants are highly, skilled—25 percent are engineers, and 6 percent are doctors—but most of them can find only menial jobs. Israel estimates that 450,000 jobs would have to be created over the next 5 years to accommodate the estimated 1 million Soviet immigrants. Another 170,000 jobs would be needed for normal population growth over the same period. Israel actually created only 132,900 jobs between 1985 and 1990. Israeli unemployment was running at historically high levels, in excess of 8 percent, prior to 1989, and it now stands near 10 percent. Per capita real GDP growth has been less than 1 percent annually for the past 3 years and shows little prospect of increasing beyond that level in the future.

Without job creation, retaining the immigrants will prove difficult. Recent polls find that a majority are advising relatives back in the former Soviet Union against coming to Israel. On July 12, 1991, the Jerusalem Post reported that a Tazpit Research Institute survey of Soviet immigrants found that 37 percent advised relatives to delay immigration to Israel, 15 percent counseled against coming to Israel at all, 8 percent recommended going to another country, 7 percent urged remaining in Russia, and only 32 percent said to come to Israel immediately. A follow-up poll reported in the November 8, 1991, Jerusalem Post found that 30 percent of all Soviet Jews who had arrived in Israel since September, 1989, wished to emigrate from Israel, and over half now advised relatives to delay immigration to Israel. Peak monthly immigration in November, 1990, reached 25,000, but immigration in January of this year, 1992, fell to only 6,200.

The original $10 billion loan request was apparently based upon an estimate of over 400,000 Jewish immigrants arriving in Israel from the Soviet Union in 1991 and over 1 million over a 5-year period. However, only 175,000 arrived in 1991, and the request has not been adjusted to reflect that reduction, as far as I know, so there is a rather loose connection between the request and the need as demonstrated by the facts. Taking on long-term debts to finance what could well prove to be only a temporary rise in immigration levels would postpone vitally needed economic reforms in the short run and increase the possibility of repayment difficulties in the long run.

Of real concern is the virtual lack of private foreign investment in the Israeli economy. From 1980 to 1990, the whole range of cash transfers from abroad, reparation payments from Germany, personal remittances, United States aid, et cetera, amounted to $40 billion, in comparison with only $1 billion in direct foreign investment. So, the entire economy is dependent on a collection of unilateral grants and transfers, augmented by loans. What is needed is some serious foreign investment in order to tie the Israeli economy to the global economy.

The Israeli economy has been in trouble and has experienced little growth since the mid-1980's. It has become more and more dependent on these external grants and loans. That is not a healthy situation, and we should not be taking action to further such dependence, and allow the avoidance of needed reform measures. Are we helping Israel in the long run to continue its dependence and to delay the implementation of measures which would make its economy more market oriented and attractive to private investors? In Dr. Stein's testimony, he said, "If the immigrants are successfully integrated into the Israeli economy, and if reasonable prospects of peace are established in the area, Israel will be able to dispense with aid from the United States Government."

Certainly an atmosphere of peace would allow the Israeli Government to reduce its defense expenditures and make for a more attractive investment environment. It seems clear, therefore, that the road to economic growth will go hand in hand with the creation of a more secure political and strategic environment in the Middle East. Thus, it is the peace process that is the key to political and economic stability, not additional aid programs that perpetuate Israel's dependence, and are conducive to the delay in making reforms.

In the face of all of the uncertainty in Israel, this proposed program would ask the American taxpayer to cosign a total of $10 billion in investment guarantees intended to prop up this unstable foreign economy at a time when we are telling the American people that we cannot afford to invest at home. Last week, the Senate failed to pass S. 2399, a measure that would have allowed us to move savings from the de-

fense budget into the domestic discretionary accounts in order to fund desperately needed investment in infrastructure, housing, and job training, among other areas. These are exactly the kinds of programs that Israel will fund with this $10 billion loan that we are being asked to guarantee.

The U.S. economy is barely strong enough to support our own needs, let alone to take on additional burdens overseas. This new month of April, our economy entered its 22d month of recession. In this century, only the 43-month Great Depression lasted longer. Unemployment stands at a 6-year high of 7.3 percent, but if we count discouraged workers, who have given up looking for work, and underemployed workers, who want full time jobs but cannot find them, then the unemployment rate is really 13.3 percent.

The duration of this recession and the weak recovery expected from it are not temporary phases in the business cycle. This structural weakness will be with us for a long time—too long. This weakness arises from our failure to invest on a par with our trading partners. Reversing these trends will not be accomplished easily. We need to retrain our work force and make the public and private investments necessary to keep up in an increasingly competitive world economy. We must upgrade our own infrastructure and our own work force first, before we start worrying about similar problems in Israel or elsewhere. Our effort to restore the health of the American economy will require resources which dwarf—which dwarf—the administration's paltry $50 billion peace dividend, and which will force us to reconsider our budgetary priorities on a number of fronts, including this one.

At this point, I think it might be instructive to review the history of the relationship between the United States and Israel, and to examine in a little more detail exactly what support we have provided to Israel in the past and continue to provide at present.

In fiscal years 1949 through 1991, the United States provided $50.5 billion starting with a "B", billion dollars, in military assistance, economic support and food aid to the State of Israel. This represents approximately 13 percent of total United States foreign aid to all countries since the end of World War II, despite the fact that Israel did not become a major aid recipient until the early 1970's. Their $50.5 billion is more than we gave to Vietnam or Korea, and more than we provided to Great Britain during the Marshall plan. During the time period of 1949 to 1991, Israel also received an additional $2.5 billion in other aid programs. Of the $53 billion in total aid, $40.1 billion has been given since the Camp David accords were signed in 1978.

We can see on this graph that during the 1950's and 1960's, the United States provided a small amount of assistance to Israel. This started as primarily food aid and loans for economic development. In the 1960's, we introduced a modest level of military assistance, also in the form of loans. That level increased significantly, to around $500 million a year, in the early 1970's. Then, following the 1973 Arab-Israeli war, we saw a major policy shift as total aid rose from $492.8 million in 1973 to $2.6 billion in 1974, a jump of 427 percent. The composition of the aid also began to shift from loans, for which we expected repayment, to outright grants. Of the $2.6 billion in aid which we provided to Israel in 1974, $1.6 billion was in the form of grants.

The aid level then bounces around a little for the next 3 or 4 years, but averages out to around $1.85 billion, almost $2 billion a year. Then in 1979, following the Camp David accords, the Congress approved a huge supplemental aid package for Israel and Egypt. Israel's assistance for fiscal year 1979 was $4.9 billion, almost $5 billion; 1980 saw the aid level drop back to just over $2.1 billion, but it has increased steadily since then to $3.7 billion in 1991. In 1985, we responded to an economic crisis in Israel by converting all military and economic support assistance to cash grants instead of loans, and by passing a $1.5 billion supplemental aid package bringing the total appropriated in 1985 to $4.1 billion in grants.

Since 1979, Israel has accounted for 21.5 percent of our total foreign aid budget, including all multilateral as well as bilateral aid. During these years, the United States has pursued foreign policy objectives around the world and dealt with many crises. Over the 13-year period from 1979 to 1991, we pumped $2 billion into Honduras while that country was serving as the base for the United States-backed Nicaraguan Contras. During that same period, we gave El Salvador $4.2 billion in aid to fight the leftwing insurgents there, and we provided $3.9 billion in support for the Philippines. We also spend $5.9 billion in combined aid to the Afghan freedom fighters and the Pakistan Government. More recently, we have bolstered the failing economies of Nicaragua and Panama as they continue to struggle with the transition to democracy. Since 1979, we also have provided almost $8 billion in assistance to Turkey, another important strategic, democratic ally in the Middle East region. Yet, during that period, 1979 through 1991, Israel has not only remained the No. 1 recipient of American largess, it has received $14.7 billion more than all of these other countries taken together. I repeat, Israel's 13-year total of $40.1 billion was $14.7 billion more than Honduras, El Salvador, the Philippines, the Afghan freedom fighters, Pakistan, Nicaragua, Panama, and Turkey combined.

Nor have we forgotten Israel in times of crisis. I have already mentioned the 427-percent jump in aid following the 1973 war, and the $1.5 billion supplemental appropriation during the economic crisis of 1985. And, of course, in 1990, the United States responded to the increased immigration of Soviet and Ethiopian Jews by providing $400 million in housing loan guarantees.

The United States also rushed to provide additional assistance during the Persian Gulf war. Early in the war, President Bush used his emergency authority under section 506(a) of the Arms Export Control Act to transfer to Israel two Patriot missile batteries valued at $117 million. The Congress appropriated an additional $650 million economic assistance grant, allowed the use of $200 million of Economic Support Fund money for the purchase of military equipment, and earmarked $300 million for the prepositioning in Israel of United States defense equipment that can be used by Israel in an emergency. Congress also authorized the President to transfer another $700 million in United States military equipment to Israel. Although the President has yet to make use of this authority, the Defense Department is preparing to transfer 10 F-15 aircraft, valued at $45 million.

Despite this unmatched foreign aid program, this is only part of the story. Israel derives many other benefits, both direct and indirect, from its special relationship with the United States. In addition to the $3.7 billion already identified in fiscal year 1991, Israel also received another 80 million dollars' worth of excess military equipment under the authority of section 516(c) of the Arms Export Control Act. So far in 1992, DOD has transferred $5.2 million using this same authority. And, as I mentioned, during the gulf war the President used emergency authority to transfer to Israel two Patriot missile batteries valued at $117 million.

Additionally, items of assistance or special treatment that were contained in fiscal years 1991 and 1992 legislation are: Continued participation in the American Schools and Hospitals Grant Program representing $2.7 million for 1991; $7 million for Arab-Israeli cooperative programs, of which approximately half is spent in Israel; $42 million for joint research and development on the Arrow antitactical ballistic missile follow-on program. This amount increased to $60 million in the fiscal year 1992 Defense Appropriations Act; also, authority to use up to $475 million of its military aid in Israel instead of spending it in the United States. Although the President has the authority to allow countries to engage in non-United States procurement in certain limited cases, Israel is the only country that receives specific legislative authority and a designated dollar amount for such procurement; moreover, priority over every other coun-

try, except Turkey, to receive excess defense articles; additionally a major new petroleum reserve of 4.5 million barrels, worth $180 million, which is available for Israel's use in the case of an emergency; furthermore, $15 million to improve military facilities at the Israeli port of Haifa in 1991 and another $2 million in 1992 to study the costs of further improving the facilities to allow for full-scale maintenance and support of an aircraft carrier battle group; in addition thereto, specific inclusion in the Overseas Workload Program, allowing Israel to bid on contracts for the repair, maintenance, or overhaul of United States equipment overseas; and additionally $1 million in investment insurance in Israel, provided by the Overseas Private Investment Corporation.

Other, earlier legislative initiatives that provide continuing benefits to Israel include:

Immediate transfer each year of the $1.2 billion Economic Support Fund grant and the $1.8 billion military assistance grant. Thus, our grants to Israel are turned into interest-bearing assets for Israel while our own budget deficit is increased, resulting in higher interest charges to us. This immediate transfer created approximately $86 million in interest income for Israel in fiscal year 1991. Such an arrangement has been in place for the Economic Support Fund since 1982 and was extended to military aid in fiscal year 1991 and applies to no other country; moreover, debt restructuring that took place in the late 1980's allowed Israel to lower interest payments by an estimated $150 million annually; additionally, the fair pricing initiative within the Foreign Military Sales Program that allows Israel to avoid certain administrative fees normally charged on foreign military sales. This benefit saved Israel an estimated $60 million in 1991.

Mr. President, I have gone through this litany of aid, assistance, and special treatment not necessarily because I feel that any particular program is unwarranted or excessive, but because I think it is important, if we are going ultimately to endorse a huge new assistance program, to remain aware of the current high level of support that we already provide to this single nation. We have provided Israel with multibillion-dollar aid packages since 1974, and both the United States and Israel have very little progress to show for it. Israel has become dependent on both our economic and military assistance. Our aid has enabled Israel to maintain its enormous military capability, put off much needed economic reforms, and avoid making serious progress in solving its problems with its neighbors. Israel must, for its own good, start to stand on its own and cut itself free of a dependence that is really a roadblock to progress, both economically and from the standpoint of achieving security, and it is a dependence that will have no end otherwise.

As we consider increasing Israel's reliance on the United States and conversely, United States involvement in Israel, we should examine how well another aspect of that friendship has been functioning recently. Over the last 2 weeks, the press has been rife with reports of questionable arms transfers from Israel to such countries as China and South Africa—transfers that may involve United States technology, in violation of agreements between our two nations.

Of the more than $40 billion that the United States has provided in aid to Israel since 1979, $23.3 billion has been military assistance. As we can see on this chart (chart 2), Israel's arms exports have grown considerably during that time, and our assistance has certainly helped promote the arms export industry in Israel. Since 1984, Israel has been allowed to use a portion of its foreign military financing credits for procurement of Israeli-made military items. Unlike other countries that receive United States military assistance, Israel does not have to spend all of those funds to purchase United States equipment. In 1991, of a $1.8 billion military assistance grant, we allowed Israel to use $475 million to buy the output of its own defense industry instead of American-made products. Moreover, Israel was allowed to spend an additional $150 million of the 1991 grant for its own research and development in the United States. We also have provided $126 million in funding for the development of the Arrow antimissile defense system in Israel, with another $60 million appropriated for the Arrow follow-on in fiscal year 1992, and the prospect of several hundred million more dollars in the future.

Given our involvement with, and support of the Israeli defense industry, I think it is quite proper for us to fully air these charges of improper arms transfers. An article in the Wall Street Journal of March 13, 1992, lays out the charges that will reportedly be made in an upcoming report by the State Department inspector general. The Wall Street article says that the report "will summarize intelligence reports of the apparent Israeli violations of United States regulations and agreements." It goes on to say that "The classified intelligence provides 'overwhelming' evidence, according to senior U.S. officials, that Israel has reexported weapons containing United States technology without first obtaining Washington's approval for the sales, as the United States requires."

Israel is accused of taking United States components and including them in its own products and then selling those products to third countries. The kinds of products we are talking about are such things as the Israeli versions of the United States-made AIM-9L Sidewinder air-to-air missile and TOW-2 antitank missile. Obviously, we want to maintain strict control of this kind of sophisticated technology, and, if the reports are true, Israel certainly has violated the spirit, if not the letter, of agreements between our two countries. The staff of the Inspector General's Office has informed my staff that they expect to release the report and a classified annex within days. I look forward to that release so that any further discussion on this topic will not have to be based on press reports only.

To whatever extent these charges have merit, I consider them to be symptomatic of the problems caused by the attitude that Israel is somehow exempt from the laws, rules, regulations, policies, et cetera, that apply to other countries. Those who hold this view seem to think that we are still immersed in the cold war, when Israel was a bulwark against Soviet expansionism in the region, when Israel's strategic importance in the East-West conflict may have outweighed the necessity to focus on a solution to the region's own intractable, internal problems. We should wake up to the reality which has been slow to dawn on many, including our own Pentagon, that the cold war is over and the real threat to stability in the Middle East lies in the tension between Israel and its Arab neighbors. And that tension only increases as a result of the continued expansion by Israel of settlements in the occupied territories.

Every United States President since Lyndon B. Johnson has called for Israel to withdraw from the occupied territories with the caveat that some adjustment might be made to ensure Israel's security. The Congress has always supported this policy, and, in 1990, when the United States provided $400 million in housing loan guarantees, it was explicitly linked to the settlements so that none of the money could be spent in the occupied territories. Unfortunately, this linkage was not enough to influence Israeli policy in any way. The GAO report issued in February found that the guarantee program, as restricted, "did not influence the Israeli Government's decisions on where to build new housing or on how much settlement activity to undertake in the occupied territories." Indeed, the number of settlers in the occupied territories has risen from 75,000 in 1989 to 104,000 in 1991.

I would like to point out, Mr. President, that the Israeli Government's policies and practices regarding the settling of the disputed territories—the West Bank, East Jerusalem, the Golan Heights and Gaza Strip—is very clear: settlement has greatly accelerated during the last 2 years; two to three times, in comparison with a period a year earlier. There is no restraint, as one might reasonably expect with the development of the peace process and the ris-

ing concerns from the United States over the settlement policy—no restraint whatsoever. There is clearly a clash of policy goals between the current Government of Israel and the United States.

The problem is that the recent policy of the Israeli Government is to aggressively promote settlement in the disputed territories. There is the appearance of preemption here—fill the territories with Israeli settlers and thus exert maximum leverage to forever keep the lands and have de facto sovereignty over them. According to Geoffrey Aronson, of the Foundation for Middle East Peace, who testified before Mr. OBEY, the Government of Israel in 1991 allocated $2 billion for settlement-related purposes, funding construction of 19,999 housing units in the West Bank and Gaza. This figure is larger than the combined construction expenditures from 1968 to 1984. According to Mr. Aronson, there is a Government of Israel plan for 106,000 housing units in the West Bank, which would increase the Israeli population in the West Bank by 400,000, at a cost of some $13-$14 billion. The Israeli Government will not publish statistics on its plans, but enough information is available to raise the alarm over the accelerated pace of settlement taking place at the same time that a historic negotiation is underway with the Palestinians over the future of those lands. Public information and reports put the Israeli investment in settlement activity in the occupied territories at more than $3 billion in 1991.

The Israeli Government's key policy priority seems to be that of settling the occupied territories at the fastest possible pace, a policy priority that seems to be ahead of absorbing Soviet immigrants per se. It seems fair to conclude that the loan guarantee money may well be used to further that key Israeli policy, rather than primarily for immigrant housing.

How many of these settlers are Soviet immigrants? Perhaps 10 to 20 percent. The Israeli Government has put together a package of mortgage and other financial incentives to entice Soviet settlers into the occupied territories. So, Mr. President, we have a right to ask how much of the housing guarantee, or economic development package, that is before us in this amendment will go toward creating a market for settlement on the West Bank and in other occupied territories.

There are some who argue that settlement activity enhances Israeli security. That is a somewhat dubious theory. The Israeli Army would be hamstrung in its defense efforts if it first had to deploy to the settlements and protect the settlers. The choice would be to defend the State of Israel from an invasion and leave the settlers to their own devices, or to split its forces to include defense of the settlements. This is a security nightmare and a military planning nightmare. It is not an enhancement of Israel's security.

The Bush administration's policy, as I understand it, is that any loan guarantees must be accompanied with a complete and permanent freeze in Israeli civilian construction and related expenditures in the occupied territories. There is no freeze provision in the resolution before the Senate. A freeze has been rejected by Mr. Shamir. So the question raised by the pending resolution is clear: Do we support Mr. Shamir's policy of rapid settlement of the occupied territories through provision of U.S. financial largess even though such policy runs counter to longstanding U.S. policy? If the answer is yes, then the prospects for a negotiated settlement, including the disposition of those lands between the Israelis and the Palestinians, would, in my opinion, be dealt a severe blow. If the negotiations fail and there is not any prospect for a lessening of tensions in the Middle East, all of the negative long-term economic consequences follow: little or no foreign investment in Israel, high Israeli defense spending, continued confrontations with Israel's neighbors, further delay of economic reforms, and continued long-term dependence on United States aid. This is a formula to continue a cycle of dependency. The administration is working hard to break that cycle, and I believe this Senate should endorse that policy by rejecting the resolution before us.

We have poured foreign aid into Israel for decades at rates and terms given to no other nation on Earth. And we are the only nation to have done so. Our European allies provide, by comparison, nearly nothing. Beyond the massive economic and military aid, however, in our so-called strategic relationship with Israel, we have served as a protector almost in the same sense as the Government of the United States would protect one of our 50 States.

Now, we hear the disturbing allegations that Israel has made a market of weapons around the world with the aid of components provided by the United States, violating bilateral export control agreements under which the technology was provided. It has also become clear that the previous housing guarantees of some $400 million provided by the United States had no effect on settlement policies in the disputed territories, and that no restraint has been evident in connection with those guarantees, according to the February GAO report.

It is clear that despite this massive infusion of foreign aid, Israel is no closer to economic sufficiency than it ever was. The United States must take steps to wean Israel from the pipeline of United States foreign aid, and to discourage that government from relying on arms exports to help shore up a flagging economy.

Likewise, it is just as important for the United States to encourage Israel's Arab neighbors to demonstrate a commitment to the peace process. The Arab States should immediately end their economic boycott of Israel, and I would encourage President Bush and Secretary Baker to push hard for the removal of this barrier to peace. The boycott is a continuing reminder of Arab hostility toward Israel, and we should work to bring it to an end.

In summary, Mr. President, my principal objection to this resolution is that it puts the U.S. Senate on record in favor of American financial support for a policy which is in direct opposition to the central pillar of longstanding U.S. policy on land disputes in the Middle East. It could easily be interpreted as support for the continued establishment of Israeli settlements in the occupied territories. This will work against an equitable negotiated settlement on the status of those lands, which is a keystone to peace in the Middle East.

Second, provision of yet more financial transfers, via a loan guarantee program, perpetuates Israeli dependency on nonmarket factors to prop up its economy. Israel's dependency on the United States is too deep, and such an overly dependent situation inevitably breeds resentment on the part of the dependent entity. Everyone agrees that market-oriented reforms in Israel are desperately needed to infuse real economic growth from within and attract foreign investment from abroad. Only economic reforms, not continued transfers of money, will put Israel on the road to true independence and economic stability.

In essence then, there is no reference or conditionality in the resolution linking loan guarantees either to the need for fundamental economic reform of the Israeli economy or to an end to the settlement practices in the occupied territories of the current Israeli Government.

Mr. President, my opposition to this resolution is about our commitment to the deeply important values that underpin U.S. policy aimed at peace in the Middle East. The resolution does not further the peace process, and if loan guarantees were in fact issued, they would increase Israel's dependence on foreign assistance and make it easier to delay much needed economic reforms. Let us carefully weigh the consequences of our decision and send a message which is in the best interests of both Israel and the United States.

Mr. President, I ask unanimous consent that the following documents, to which I referred in my speech, be included in the RECORD following my remarks:

A GAO report of February 12, 1992, executive summary, "Israel-U.S. Loan

Guarantees for Immigrant Absorption."

An Export-Import Bank document: "Israel—Country Review."

A Wall Street Journal article of March 13, 1992.

A Jerusalem Post article of July 12, 1991, and another of November 8, 1991.

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

[U.S. General Accounting Office, February 1992]

ISRAEL: U.S. LOAN GUARANTIES FOR IMMIGRANT ABSORPTION

(Report to the Chairman, Committee on Appropriations, U.S. Senate)

U.S. GENERAL ACCOUNTING OFFICE, NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION.

Washington, DC, February 12, 1992.

B-247481.

Hon. ROBERT C. BYRD,

Chairman, Committee on Appropriations, U.S. Senate.

DEAR MR. CHAIRMAN: As you requested, we reviewed the $400 million housing loan guaranty program authorized for Israel in May 1990 and evaluated the effect on Israel's debt burden of the U.S. Government's granting the additional $10 billion in loan guaranties that Israel requested in September 1991. Our objectives were to (1) examine the use of the $400 million loan guaranty to see whether it was used in accordance with applicable agreements and understandings between the United States and Israel, (2) determine whether Soviet Jewish immigrants are being offered special incentives or are receiving subsidies to settle in occupied territories, and (3) evaluate whether Israel's basis for estimating the future immigration of Soviet Jews is reasonable.[1] With regard to the proposed $10 billion loan guaranty program, our objective was to analyze the impact of the guaranties on Israel's debt-servicing capabilities.

RESULTS IN BRIEF

Israel is expected to certify in February 1992 that it used the $400 million U.S. loan guaranty to finance about 12,300 loans valued at about $425 million for Soviet immigrant housing mortgages within Israel's pre-1967 borders. Such use would be consistent with the key provisions of the guaranty. The program was implemented by attributing the loan guaranty to local currency expenditures for mortgages; however, because of the fungibility of money, other Israeli government funds were made available for use as the government determined, including use in the occupied territories.

As part of the assurances given by the Israeli government in connection with the release of the loan guaranty, Israel agreed to provide periodic data on its settlement activities and spending in the occupied territories. Incomplete information was provided on settlement activities, but Department of State officials provided no evidence that any information on government spending in the occupied territories was provided.

Israel has not directed or required Soviet immigrants to settle in the occupied territories, and it does not offer special incentives that are unique to Soviet immigrants for settling there. However, Israel's stated policy is to encourage settlements in the occupied territories, and it offers numerous incentives and allowances to all Israelis, including Soviet immigrants, who will settle there. The State Department estimates that as many as 8,800 of the Soviet immigrants who entered Israel in 1990 have settled in the occupied territories, including East Jerusalem.

We found that the Israeli government has a reasonable basis for its estimate that about one million Soviet Jews will immigrate to Israel during the current wave. There is no consensus, however, on how quickly this level will be reached. Israel estimates that about 200,000 additional immigrants will arrive each year through 1994, but Israeli officials we interviewed said the influx could be more than 200,000 or less than 100,000 per year.

Our analysis indicates that if the United States provides the $10 billion in loan guaranties requested by the Israeli government, Israel will likely be able to fully service its external debt and to continue its past record of payment under most foreseeable circumstances. However, the large size of these guaranties makes them more risky to the U.S. Government. The level of risk involved, if these loans are guaranteed to Israel, will depend to a great extent on Israel's implementation of its absorption plans and the economic reforms urged on it by U.S. and Israeli experts. The more fully and rapidly the reforms are adopted and the more closely Israel follows its strategy to employ new immigrants in the private sector rather than in the public sector, the stronger Israel's ability to repay the loans will be.

COUNTRY REVIEW: ISRAEL

(Prepared by Alice L. Mayo, Country Risk Analysis Division, Export-Import Bank of the United States, July 10, 1991)

SUMMARY AND CONCLUSIONS

Israel faces an enormous challenge in absorbing one million immigrants over the next few years. The process will place tremendous strains on the economy and entail appreciable domestic and external costs.

Fiscal and external current account balances are expected to deteriorate markedly. The Israeli government is seeking additional U.S. A.I.D. housing guarantees and transfers to cover a significant portion of the financing requirement. The remainder of the country's projected increased foreign borrowing is likely to come from export credit agencies and commercial sources. The expected buildup of external debt gives rise to concerns about Israel's ability to meet its future debt service obligations on a timely basis.

The Eximbank staff scenario for developments over the next several years suggests that Israel's debt service burden should remain in a manageable range if the country's domestic and external political and economic conditions encourage large capital inflows. Even so, Israel's financial resources will be strained, and thus far, the government has not implemented adequate economic reforms to deal with its looming financial and economic problems.

Eximbank expects a substantial increase in demand for financing exports to Israel. The Bank should also be prepared for Israeli government requests to extend new financing to private sector companies and to parastatals—without government guarantees—to ease the growing debt burden on the central government.

Should the assumptions regarding Israeli export growth, higher levels of transfers, and new financing not materialize as envisioned in the staff scenario, or adverse political developments occur, then Israel may well be forced to seek some form of relief in its debt servicing by the end of the decade.

STRUCTURE OF THE ECONOMY

There are some noteworthy fundamental features of the Israeli economy:

The State of Israel and the General Federation of Labor Unions (Histadrut) own considerable portions of the means of production. Reflecting the socialist bent of its founders, the Israeli state accounts for 20% of industrial production and employs 39% of the labor force. Complementing this is the role played by the Histadrut which owns 25% of the country's enterprises and employs another 16% of the labor force. Together, these two entities employ over 50% of the labor force and greatly diminish the role played by the private sector in the Israeli economy.

The Histadrut exercises an effective veto over labor reforms, largely dictates nationwide wage rates, and can assure continuation of wage indexation. While wage indexation has been around since the founding of the Israeli state, indexation has now been expanded to financial assets, contracts, mortgages, tax payments, and other arrangements.

Israel has shown a pattern of large fiscal and external deficits to finance high defense expenditures, an extensive social welfare system, and a relatively high standard of living. These deficits must be covered by debt, transfers from abroad, or foreign investment in Israel. Foreign investments have not been a major factor, and while transfers remain appreciable, more reliance is now being placed on debt financing (both domestic and foreign).

ECONOMIC PERFORMANCE IN THE 1980S

The founders of the Israeli state saw a need for government investment and ownership if a viable economic entity was to be quickly established. Private capital was scarce and hardly likely to take on the considerable risks of establishing a Jewish state in the late 1940s. Further, an extensive social welfare system was required to address the basic needs of the immigrants making up the country's initial population.

The Histadrut complemented the government's role and has been a major force in defending labor's interests as interpreted by Histadrut's leadership. Between 1948 and the early 1970s, this approach to growth and development—considerably aided by massive external capital transfers—was relatively successful and Israel enjoyed rapid economic growth.

By the early 1970s, the limits of state-led extensive growth policies began to be evident. Over the past two decades economic growth has slowed considerably, and the country has been beset by frequent bouts of price and fiscal instability.

In the early 1980s the government finally incurred an unsustainable fiscal deficit equal to 34% of GDP and an equally unsustainable inflation rate. (See graph below.) With financial assistance from the United States the government was able to bring the fiscal deficit back into balance and embarked on an emergency Economic Stabilization program which lowered inflation to a relatively stable annual rate below 20%. The costs of the government's delayed action were high. In 1983 the government was forced to step in and buy up shares in the commercial banks to prevent their collapse after stock values plunged on the Tel Aviv stock exchange. This expended even further the government's involvement in the economy, and it became the majority shareholder in the country's commercial banks.

---

[1] The term "Soviet immigrants" in this report refers to immigrants from the former Soviet Union.

Government direct involvement in commercial activity expanded again in 1988. After the Histadrut industrial conglomerate—Koor Industries—defaulted on $25 million in payments to Bankers' Trust, the bank sought to force the liquidation of the company in an Israeli court. The default, and the subsequent action by Banker's Trust, was unprecedented in Israeli history and sent shock waves throughout the economy.

Although insisting that Koor was private, the government approved a $50 million supplemental grant to Koor. In addition, the kibbutzim, the Histadrut affiliated agricultural cooperative, began to have cash flow difficulties stemming from both poor investments and inefficient management. Commercial bank debt obligations could not be met. To prevent defaults, the government interceded and directed the banks to reschedule the kibbutzim debt on longer terms with government subsidized interest rates. These bail-outs, combined with the budgetary impact of the Palestinian uprising in the occupied territories—the Intifada—have contributed to a renewal of significant budget deficits since 1988.

The experience of the past two decades indicates the government has put off free-market reforms and has been willing to adopt emergency economic measures only when confronted with a crisis. Further, the Histadrut continues to resist all major economic proposals adversely affecting labor.

ECONOMIC IMPACT OF INCREASED IMMIGRATION

Israel expects 1 million immigrants from the U.S.S.R. and Eastern Europe over a 5 year period. This represents a 22% increase from its 1989 population of 4.5 million. Absorbing this increase has serious financial and economic implications for the country.

Exim staff has examined the budgetary and external impact of the expected increased immigration. In our scenario it is assumed that GDP growth will be high enough to employ most of the additional labor provided by the surge in immigration. The assumed average annual real GDP growth rate of 5.6% through 1995 is consistent with the expected increase in population and an increase in per capita real income. Our scenario (which is presented in the attached Tables 1–5) indicate the following:

The budget deficit: While the fiscal deficit is projected to show a sharp increase in 1991 to over 5% from 4% of GDP in 1990, the data suggest even higher deficits in the future. In the staff scenario, the budget deficit will show a steady deterioration to a high 8%–9% of GDP by 1995.

Unemployment: Immigration will add appreciably to the unemployment rolls. To keep unemployment from surpassing 12% of the labor force, government expenditures will likely rise from the current 55% of GDP to 60% by 1995 and private investment from 18% to 21% of GDP.

External balances: Merchandise imports are expected to rise appreciably to meet housing and other needs of the much larger population. But export growth is not likely to keep pace with imports, and the trade deficit is expected to widen from $2.9 billion in 1990 (5.8% of GDP) to $8.7 billion by 1995 (over 12% of GDP). Net interest, tourism and other services, together with the trade balances, are likely to result in current account deficits (before transfers) that rise from $5.1 billion (10% of GDP) in 1990 to over $13 billion (18% of GDP) by 1995.

EXTERNAL FINANCING NEEDS

Given the high degree of private and official support Israel is receiving for the immigration surge, the staff scenario assumes a higher level of transfers over the period covered. A steady increase in transfers is seen from $5.8 billion in 1990 to over $8 billion in 1995. Even so, the increase will not be enough to prevent a deterioration in the current account (after transfers) from a small surplus equal to 1.4% of GDP in 1990 to a deficit equal to 7.0% of GDP by 1995.

These deficits have to be financed by foreign investment or debt. The staff scenario allows for an increase in investments from $100 million in 1990 to $300 million in 1995. However, the current account deterioration is expected to overwhelm these investment flows and require appreciable new debt to meet the deficit and debt amortization needs. Thus, Israeli external debt is expected to increase by 59% and rise from $32 billion in 1990 to $51 billion by 1995.

Were it not for assumed much higher transfers during the forecast period over current levels—an assumption which lowers the borrowing requirement as well as the debt service ratio—the larger borrowing requirement over the next several years would substantially increase Israel's external debt servicing burden. Even with these higher transfers, the downward trend in the debt service ratio will be reversed by 1994.

Since the repayment period of Eximbank's transactions would extend beyond 1995, the staff scenario covers the period through the year 2000. Even with generous assumptions about transfers, all the debt indicators deteriorate. Between 1990 and the year 2000, the debt to GDP ratio goes from 64% to 101%; the debt to current account income ratio goes from 167% to 186%; and the debt service ratio goes from 18% to 24%.

IMPLICATIONS FOR EXIMBANK

Absent systemic reforms, the Israeli economy is becoming ever more dependent on external capital flows to cover larger current account deficits and amortization payments on previous debt. Instead of becoming more self-sufficient, Israel is becoming less so. Without a narrowing of the current account deficit—which could only be done by the politically difficult task of enforcing a much lower standard of living—prospects for timely repayment of external debt depends on the degree to which creditors would be willing to extend new debt. Such willingness depends on creditors' perceptions of Israel's political stability, and stability in the region in general.

The projected debt servicing burden is not beyond Israel's ability to pay—provided new credits and generous grants are forthcoming. Rescheduling is not yet viewed as a probable course for the government. But rescheduling at some point over the forecast period has a higher probability than before.

The government is already pressuring foreign lenders, including Eximbank, to extend financing to parastatals, such as El Al, without government guarantees. In the event of debt repayment difficulties by such borrowers, the Government calculates that it would not reflect negatively on its own credit rating.

The government is also pressuring foreign lenders to extend credit to private borrowers for the housing program. However, the experience with Koor Industries where lenders are faced with debt write-offs has sounded a warning signal about the overall creditworthiness of the private sector in Israel. This experience is likely to deter lenders from extending large amounts of new credit to private companies.

Lastly, the U.S. government is a major lender to Israel—currently holding approximately 31% of total external debt—and provides more in new financing than it receives in repayments. If new lending is sharply increased, the U.S. will continue to be a net creditor over the next few years. However, it is likely that by the end of the decade, the U.S. Government will be in a position where scheduled repayments exceed disbursements. Thus, the U.S. government would become a net capital importer from Israel.

Should Eximbank become a net capital importer in the future, Israel could be expected to pressure Exim to increase its disbursements or adjust scheduled repayments.

RISKS TO THE SCENARIO

Domestic instability. Israel faces two domestic threats to its political stability. The first is the country's continued building of settlements in the occupied territories which will likely exacerbate the Intifada. The second depends on the government's ability to create jobs for the large number of immigrants. Higher unemployment levels than envisioned in the staff's scenario could trigger domestic unrest.

External threats. Israel continues to face the possibility of a military challenge from Syria.

U.S.-Israeli relations. Israeli insistence on building settlements in the occupied territories could effect a cooling of relations and jeopardize Israel's request for $10 billion in new A.I.D. housing guarantees in the next fiscal year. It should be noted that President Bush has stated that the building of settlements in the territories is the biggest obstacle to peace in the region.

ATTITUDE OF OTHER ECA'S

The attached table shows that other Export Credit Agencies are generally open for short and longer-term business without restrictions. In March of this year Belgium reported dropping Israel's rating to a 3 on a scale of 1–5. Additional information on ECAs current attitudes and risk ratings is being sought.

[From the Wall Street Journal, Mar. 13, 1992]

EXPLOSIVE ISSUE: U.S. SEES NEW SIGNS—ISRAEL RESELLS ITS ARMS TO CHINA, SOUTH AFRICA

(By Edward T. Pound)

WASHINGTON.—U.S. intelligence agencies have developed strong evidence indicating that Israel has been arming nations such as China and South Africa through unauthorized sales of sensitive American weapons technology.

The classified intelligence provides "overwhelming" evidence, according to senior U.S. officials, that Israel has re-exported weapons containing U.S. technology without first obtaining Washington's approval for the sales, as the U.S. requires. The weapons include air-to-air missiles sold to China, anti-tank missiles sold to South Africa and cluster bombs sent to Ethiopia and Chile, as well as various sophisticated aircraft radars and jamming devices.

Such evidence of unauthorized sales is certain to add to the current tensions between the U.S. and Israel. Relations between the allies have been strained recently, largely as a result of President Bush's efforts to get Israel to stop settlement construction in the occupied territories in return for $10 billion in U.S. loan guarantees. (See page A7.)

HOW IT CAN BE DONE

Information obtained from government officials during a six-week investigation by this newspaper suggests Israel uses several schemes to transfer, or re-export, U.S. items

to other countries. In some cases, they say, the Israelis acquire U.S. components, install them in their own systems and sell the finished products to third countries. In others, Israel employs reverse engineering—disassembling a weapon to acquire its design secrets—and then copies it with changes before selling the item to another country.

U.S. officials have privately been pressuring Israel for months to halt the practice, officials say. But Israeli officials have repeatedly denied any wrongdoing.

An Israeli government spokeswoman, Ruth Yaron, declines to answer specific questions about arms sales, but she says Israel hasn't violated U.S. regulations. "Our policy is to adhere strictly to the procurement and technology transfer regulations," she adds.

The State Department's inspector general, Sherman Funk, is expected to issue a report later this month that will summarize intelligence reports of the apparent Israeli violations of U.S. regulations and agreements, the officials say. That report will exclude many of the sensitive details revealed in classified intelligence, and it probably won't list Israel by name.

FAILURE TO MONITOR

Mr. Funk's public report is also expected to criticize the State Department for failing to monitor defense sales adequately. Israel spends about $900 million in U.S. military aid each year to make commercial purchases from American contractors, including sophisticated weaponry and technology. But Mr. Funk's auditors last year found the State Department over several months hadn't checked on how high-tech items sold to Israel were used, according to an official familiar with the inquiry.

Separately, the Washington Times reported yesterday that the Bush administration is investigating intelligence reports that Israel secretly supplied a U.S. Patriot missile or its technology to China. Israeli officials strongly denied the report, and U.S. officials say they are attempting to verify the intelligence information.

Intelligence and State Department officials say that physical inspection and disassembly of Israeli military hardware would be required to prove unequivocally that Israel was diverting U.S. technology and arms. But reports have been so pervasive as to leave no doubt in the U.S. intelligence community that Israel has repeatedly engaged in diversion schemes.

ARMING CHINA AND SOUTH AFRICA

Israel's role in arming nations such as South Africa and China has long been a matter of public knowledge. But at the highest levels, Israel repeatedly has denied to the U.S. that the arms it exports involve unauthorized use of U.S. technology. Mr. Funk's report will mark the first time the government has publicly released evidence that without naming Israel, will strongly suggest it has exported U.S. weapons technology without authorization.

The U.S. discourages trading with certain countries, including South Africa and China, in some cases because they promote terrorism or have poor human rights records. The U.S., for instance, won't sell arms to South Africa's military or police and complies with a United Nations arms embargo of South Africa because of apartheid racial policies.

Mr. Funk didn't start out investigating Israel exclusively. His investigation began as a broad look at the department's failure to prevent unauthorized diversions of U.S. arms and technologies by companies in Brazil, South Korea and Singapore, as well as Israel. And his final report will cover some other countries. But the investigation eventually focused on Israel because in the words of one senior American official, "bucketsful of intelligence data" tied companies owned by the Israeli government to illicit sales.

Mr. Funk briefed Secretary of State James Baker and Deputy Secretary Lawrence Eagleburger on Israel's purported activities last June. Mr. Eagleburger began an immediate review of Mr. Funk's preliminary findings. In an Aug. 24 memo sent to 10 senior officials, Mr. Eagleburger ordered that procedures be adopted to ensure that information on unauthorized reexports involving any arms purchaser be investigated and reported to Congress, department records show. Mr. Eagleburger also went to Capitol Hill and at least twice briefed congressional leaders, including Speaker Thomas Foley and members of the Senate Foreign Relations Committee.

Soon after the meeting with Messrs. Baker and Eagleburger, documents show, the State Department began holding up export licenses for Israel, including U.S. equipment for Israel's heat-seeking Python 3 air-to-air missile. Companies need export licenses to ship arms that are on the official U.S. Munitions List. In a blunt letter, the department warned the Israeli government that licenses wouldn't be granted for certain high tech equipment unless Israel could ensure that the technology wouldn't be diverted.

"We would like to be assured you will seek the usual [U.S. government] approval before third-party transfer occurs," wrote Charles Duelfer, a State Department official. Israel's Defense Ministry said it would do so, but the State Department continues to closely scrutinize Israeli export applications, according to senior U.S. officials.

The only public hint of this tug-of-war came last October, when Mr. Bush slapped Israel on the wrist after the U.S. discovered that an Israeli-owned company had exported ballistic missile components to a South African government firm. Mr. Bush imposed trading sanctions on the South African firm, but waived them for the Israeli company. Under pressure from the U.S., however, Israel agreed to adhere to international missile controls aimed at preventing the proliferation of missiles capable of carrying nuclear warheads.

CRIPPLING A COMPANY

The Israeli company wasn't publicly named, but according to U.S. officials, it was Israel Aircraft Industries, or IAI. U.S. sanctions would have crippled IAI, Israel's largest exporter of military items and the prime contractor on the Israel-U.S. Arrow ground-to-air defense missile, which is being developed to protect Israeli cities from missile attacks. U.S. officials say the sanctions, if imposed, would have barred IAI from receiving U.S. technology, obtaining export licenses from the State and Commerce Departments or doing business with U.S. agencies.

Surrounded by hostile neighbors, Israel has steadily built its defense industry, getting a helping hand from the U.S., which provides a basic military grant of $1.8 billion a year. In the past decade, Israel acquired billions of dollars in weapons and technology from U.S. companies and also joined the ranks of the world's top exporters of military items. Government companies such as Israel Aircraft Industries and Rafael are among the principal exporters.

American officials with access to extremely sensitive information say IAI and Rafael and a third, government-owned company, Israel Military Industries, are among the Israeli concerns listed in intelligence reports as having made unauthorized transfers of U.S. technology.

Rafael, they say, has sold its Python 3 air-to-air missile to China and Thailand and is suspected of having sold the missile to South Africa. The Python 3, they say, is listed in intelligence reports as having a "high degree" of U.S. technology and was adapted from the U.S. AIM-9L Sidewinder.

ISRAEL TO CHINA TO IRAQ

China is Israel's largest arms customer, according to the officials. Officials say China, itself a major arms exporter, sells arms to Iraq, including its own version of the Python 3, called the "PL-8." "That shows you how the system breaks down," says one senior official. "Once you let the genie out of the bottle, there are no controls."

IMI, the officials say, has sold the Mapats anti-tank missile to South Africa and Venezuela, and is suspected of having sold it to China. The Mapats, intelligence reports show, is a close copy of the Hughes Aircraft Co.'s TOW-2 missile. Israel, they add, also has sold cluster bombs to Chile, South Africa and Ethiopia. Intelligence reports list many other systems, including aircraft, airborne electronic countermeasure systems and other sophisticated electronics equipment.

Marvin Klemow, an IAI official in Washington, said he couldn't comment on Mr. Funk's report or any allegations. An IMI official here declined comment and referred all questions to IMI officials in Tel Aviv, who weren't available last night. Rafael is part of Israel's defense ministry.

Intelligence data reviewed by officials includes a September 1990 report by the Technology Transfer Intelligence Committee, a group representing several U.S. agencies and headed by the Central Intelligence Agency.

The classified report, entitled "Israel: Marketing U.S. Strategic Technology," listed several countries—including South Africa, China, Venezuela, Chile, Ethiopia and Thailand—to which Israel has sold weaponry allegedly containing U.S. technology. The report's authors include officials from the CIA, the Defense Intelligence Agency, the National Security Agency, the National Security Council and the Federal Bureau of Investigation.

IT'S THE LAW

In many cases, re-exports of high-tech defense items acquired from U.S. sources are forbidden by the Arms Export Control Act, unless approved by the U.S. The law requires reports to Congress whenever the State Department receives reliable information on re-export violations.

Some State Department officials in the bureau of politico-military affairs maintain that reporting requirements apply only to re-export violations that involve equipment furnished directly by the U.S. government and not on commercial transactions. Moreover, they argue, U.S. sanctions, including termination of military aid, can only be imposed on violations that involve direct U.S. government sales. But Mr. Funk argues that sanctions can be imposed by the president as long as the items re-exported are on the official U.S. Munitions List, people familiar with his inquiry says.

A senior State Department official says the CIA was especially helpful to Mr. Funk in his investigation. His auditors discovered that the CIA's intelligence reports on Israeli sale weren't widely circulated within the State Department.

Indeed, Richard Clarke, assistant secretary of state in charge of the bureau of politico-military affairs, wasn't convinced by the in-

telligence, although he occasionally filed protests with the Israeli government, according to three American officials. Mr. Clarke previously served as the department's Deputy Assistant Secretary for Intelligence and Research, which initially receives U.S. intelligence from other agencies and distributes it within the department.

CRACK DOWN

One government agency, the Arms Control and Disarmament Agency, has long been pressuring State Department licensing officials to crack down on Israel.

Last spring, the ACDA notified licensing officials that it wanted to review export applications for U.S. components if they were to be used in certain Israeli weapons systems, State Department records show. The notification covered more than a dozen systems, including the Phalcon Awacs aircraft (Airborne Warning and Control System), a lethal unmanned aerial vehicle, surface-to-air missiles and anti-missile flares used in combat aircraft, the records show. Several license applications were stopped as a result of ACDA's inquiry, a U.S. official says. ACDA was among the agencies that cooperated with the inquiry by the State Department inspector general.

The State Department's Office of Defense Trade Controls, which is part of the bureau of politico-military affairs, issues more than 55,000 licenses a year for items on the U.S. Munitions List, and must enforce export laws, making sure that foreign end-users listed in license applications actually receive the items. In a 1989 inquiry, Mr. Funk's inspectors found the office seldom did end-user checks to verify how the items were put to use, and the State Department reorganized the office in January 1990.

Last spring, Mr. Funk sent his auditors back to see how the office was doing, and found a curious pattern. Reviewing licenses for shipments to several countries, they noticed that end-user checks has improved markedly, except in the case of Israel. Indeed, despite thousands of commercial sales to Israel, the State Department had done only three or four end-user checks on exports to that country—and none involved significant major weapons systems, according to people familiar with the inquiry.

The inspector general's auditors pulled together intelligence reports on Israel arms activities and found repeated instances where Israel was reported to have made unauthorized sales of U.S. technology, the people says. Further, they add, CIA officials briefed Mr. Funk, and State Department files contained a 1990 letter from William Webster, then the CIA director, confirming that U.S. intelligence on unauthorized Israeli sales was considered highly credible.

Israeli officials have hinted in the past that they received tacit approval from the Reagan administration to re-export U.S. equipment without first seeking U.S. approval, according to current and former U.S. government officials. The subject came up at high levels of the Defense Department in the mid-1990 after officials reviewed U.S. intelligence reports linking Israel to such schemes.

This prompted Henry Rowen, then assistant secretary of defense for international security affairs, to check out the story. He was told by former Defense Secretary Caspar Weinberger and Mr. Rowen's predecessor, Richard Armitage, that no such agreement had been made, these officials say. Mr. Rowen reported his findings to Defense Secretary Richard Cheney.

In an interview, Mr. Armitage confirms there was no tacit understanding and says that more than once he told Israeli officials of American suspicions that Israel was diverting U.S. technology. "I do recall cautioning Israeli military attaches that if I found proof that Israel was involved in diverting technology, friendship aside, I would come down hard on the State of Israel," says Mr. Armitage, now a senior State Department official.

[From the Jerusalem Post, July 12, 1991]

POTENTIAL SOVIET OLIM ADVISED BY NEWCOMER TO DELAY PLANS

(By Herb Keinon)

More Soviet immigrants are advising friends and relatives to put off their aliya than are encouraging them to pack their bags and get on the next plane, according to a survey released yesterday.

In addition, the survey found that the percentage of Soviet immigrants satisfied with life in Israel has declined steadily since December, although it is still above two-thirds.

According to the survey, carried out by Dr. Aharon Fein of Jerusalem's Tazpit Research Institute, 37% of the new immigrants advised relatives to put off their aliya, as opposed to 32% who are encouraging immigration now.

Fully 15% of the respondents advised against Israel altogether, with 7% telling friends and relatives to stay in the USSR and 8% recommending emigration to a country other than Israel. The other 16% were undecided.

The survey also found that about 68% of the new Soviet immigrants said they were either satisfied or very satisfied with life here, compared with 72% who responded positively to the same question in March, and 75% in December.

The survey also indicated that younger immigrants were more satisfied here than elderly newcomers, and also more likely to encourage others to make aliya. Regarding the immigrants' expectations, the survey found that 42% of the respondents said that life in Israel is worse than what they expected, while 6% said it is better and 52% said that Israeli reality matched their expectations.

The survey, carried out in June amount 809 Soviet immigrants who arrived between September 1989 and May 1991, is one of a series the Taxpit Institute is conducting for various governmental agencies on immigrant attitudes.

Another study released yesterday, the Absorption Ministry's statistical breakdown of immigrants who arrived in the first five months of the year, points to a continued trend among the new immigrants to live in the center of the country, despite massive building taking place in the south.

According to Ministry figures, fully 47% of the 76,000 immigrants who arrived between January and the end of May settled in the Tel Aviv area; some 33% in Haifa and the north; 12% in Jerusalem; and 8% in the south.

[From the Jerusalem Post, Nov. 8, 1991]

WITH 52 PERCENT ADVISING TO DELAY ALIYA 30 PERCENT OF SOVIET OLIM WANT OUT SOON

(By Herb Keinon)

Nearly 30% of the Soviet immigrants who have arrived since September 1989 would like to live elsewhere five years from now, according to a survey on immigrant attitudes released yesterday.

According to the survey, conducted by the Tazpit Research Institute, nearly 10% of those surveyed said they would like to live in Western Europe, 7% said they would like to live in the U.S., 5% want to return to the Soviet Union and 7% want to move to other countries. But 71% of the respondents said they want to continue living here.

In addition, 52% of the new immigrants said that they are advising friends and relatives in the Soviet Union to delay their aliyas. This is a marked increase over an identical survey conducted in June, when 37% of the immigrants advised relatives to remain in the Soviet Union.

Aharon Fein, who conducted the survey in October among 809 Soviet immigrants, said that 22% of the respondents are advising friends and relatives to immigrate to Israel now, while 16% recommend going to another country, and 10% advise staying in the Soviet Union. In June the number who advised remaining in the Soviet Union was only 7%.

Uri Gordon, head of the Jewish Agency's immigration and absorption department termed these findings "grave." "This indicates a worsening absorption crisis in Israel. The crisis in absorption is the main reason preventing a significant increase in the number of immigrants," he said.

Gordon said that barring, a dramatic change in absorption policy, Soviet immigration—which now stands at just under 10,000 a month—will continue to slow down.

Absorption Minister Yitzhak Peretz, however, termed Gordon's charges "nonsense." He said that his ministry has also been carefully following immigrant attitudes, and that in a survey published in August the ministry found that 90% of the immigrants said they would make aliya if they had to do it all over again.

Peretz said that immigrants may be advising against friends and relatives making aliya now merely because they don't want to be responsible if the immigrants encounter absorption problems, and not necessarily because they themselves are unhappy here.

The PRESIDING OFFICER (Mr. BINGAMAN). Who yields time?

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. KASTEN. Mr. President, I ask unanimous consent that I control the time on this side, regardless of my position for or against the resolution.

I support the resolution of the Senator from New Jersey.

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

ADDITIONAL COSPONSOR

Mr. KASTEN. I ask unanimous consent that Senator GRAMM from Texas be named a cosponsor of the resolution.

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

ADDITIONAL COSPONSOR

Mr. LAUTENBERG. If the Senator from Wisconsin will yield, I ask unanimous consent to add Senator PELL as a cosponsor.

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

Mr. LAUTENBERG. Mr. President, I thought we would have the majority leader on the floor to clarify an understanding. It is believed, if I may say, that a unanimous-consent agreement is going to be propounded that would

have a vote at a time certain. But, meanwhile, operating under the old rules, if the Senator from Wisconsin, who is handling the Republican side, wishes to speak, I yield.

Mr. KASTEN. Mr. President, I will yield 10 minutes to the Senator from Pennsylvania [Mr. SPECTER] with the understanding that he follow the majority leader who will speak at this time.

Mr. SPECTER. I note the distinguished majority leader is indicating an interest in seeking recognition at this point and I would be delighted to yield to him at this time, Mr. President.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. Mr. President, I thank my colleague.

UNANIMOUS CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the vote on adoption of Senate Resolution 277, occur at 7:40 p.m. today; further that once all time is used under the previous order, any time until the hour of 7:40 p.m., be equally divided and controlled in the usual form; that the provisions of the previous agreement regarding disposition of Senate Resolution 277 remain in effect.

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

Mr. MITCHELL. Mr. President, Senators should therefore be aware that a vote will occur at 7:40 p.m. on the resolution.

I thank our colleague for his courtesy.

Mr. LAUTENBERG. Mr. President, just to clarify, if the majority leader will yield, the Senator from Pennsylvania controls 10 minutes. That leaves, therefore, some extra time and if it is acceptable the Senator from Wisconsin and I will work out the distribution of that time according to the time used and the time remaining. It comes out to approximately 80 minutes for the Senator from Wisconsin and 50 minutes for this side.

Mr. MITCHELL. Mr. President, it is my understanding that the Senators from New Jersey and Wisconsin are on the same side on this issue so I think the allocation of time for the opponents should be by someone who is opposed to the resolution.

Who is allocating the time currently for the opposition?

Mr. KASTEN. If the majority leader will yield, I recently asked for unanimous consent that I be allowed to control time on our side, notwithstanding the fact I support the resolution of the Senator from New Jersey. There are, I believe, only a few people on our side who are opposed and I am going to be yielding to some people opposed some of my time and that has been allocated. The Senator from West Virginia has spoken now in opposition to the resolution. I am trying to control the time recognizing people who are both opposed and in favor of, in effect trying to keep the train running on time.

Mr. MITCHELL. If that is agreeable with the Republican leader it is agreeable with me. I do not have opposition to that. But the common practice is for someone to control time in opposition that he be someone in opposition. If the Republican leader is agreeable, then I have no objection.

Mr. KASTEN. I thank the leader.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 10 minutes.

Mr. SPECTER. Mr. President, I have listened with great interest to the entirety of the presentation of the distinguished Senator from West Virginia, and in the course of the 10 minutes, I wish to reply to the observations advanced by the Senator from West Virginia.

The bulk of time was spent on the issue of Israel's ability to pay. Notwithstanding a number of comments by the distinguished Senator from West Virginia, I have this verbatim:

"Proponents say we are risking nothing by guaranteeing loans to Israel, because it has never defaulted on a loan to the United States Government." This, as best I can tell, is a true statement.

Moving from that statement, acknowledging that Israel has always repaid its obligations, I shall quote first of all from a General Accounting Office report dated February 12, 1992, referring to the $10 billion loan guarantee request. "Israel's government will likely be able to fully service its external debt and to continue its past record of payments."

I next, Mr. President, cite a report by Salomon Brothers in September of 1991 in analyzing Israel's economic conditions and saying that Israel is considerably higher in credit quality than is generally understood. Salomon Brothers' report went on to say, "Israel's record of timely payments and no defaults has established it as a reliable long-term borrower in the international credit market."

I then cite a Bank of America report in 1991 which concluded in relation to economic issues defining Israel as a nonproblem country and after analyzing 10 recognized economic measures concluded on the strength of Israel's economy it ranked higher than the countries such as Australia, Canada, Denmark, and Finland.

I would say, Mr. President, on the state of the record, and on the state of what expert evaluations have been articulated and what Israel's repayment record has been that Israel is indeed an excellent credit risk.

Next the distinguished Senator from West Virginia went to some length to point out the amount of aid Israel has received over the years.

Mr. President, the foreign aid allocation bears substantial familiarity to our national defense allocation. If you take a look at our support in the Mideast and contrast that with our support in NATO, in NATO we have spent, in recent years, approximately $150 billion contrasted to the Mideast of $5.1 billion in foreign aid, $3 billion to Israel, and $2.1 billion to Egypt.

I would suggest that the value received for United States' national interests from the Mideast is considerably more proportional in returned benefits than the 30 times amount of aid spent on NATO. And, when you take a look at the allocation between Israel and Egypt, and note the forgiveness in excess of $7 billion to Egypt within the course of the past year, the allocation to Israel on United States national self-interest is very, very profound.

When the distinguished Senator from West Virginia makes a statement of concern about the form of the Israeli Government, and wonders about Israel's economic conditions for the future, I would point out that in 1985 Secretary of State Shultz, himself an expert in economic matters, negotiated with the State of Israel economic reforms that cut hyperinflation from a figure estimated to be about 800 percent down to about 20 percent. So if there is a concern as to Israel's internal economic situation, it may well be that there could be an arrangement worked out to satisfy any conditions which the United States Government might have. So if economic fungibility considerations are really the reason for opposition to loan guarantees, that certainly is a negotiable issue.

When the Senator from West Virginia points out that immigration fell from 450,000 in 1991 to 175,000 and there had been no adjustment in the figures, there again there might be an adjustment if that were to be a realistic factor which separated U.S. policy in this respect. However, it should also be noted that the uncertain economic conditions in Israel as a result of the delay in loan guarantees are probably a significant factor in the drop in immigration figures.

When the Senator from West Virginia talks about two Patriot missile batteries having been allocated to Israel for $117 million, I would suggest that the United States of America has never made a better investment than that $117 million.

Remember, Mr. President, too many people forget too fast, the State of Israel sustained 39 unanswered Scud missile attacks. Its civilian population, its cities, were subjected to Scud missiles. Women and children were maimed, wounded, and killed. There was extensive property damage. Thankfully, the United States had provided those Pa-

triot missile batteries which provided some protection, not total protection. There was still enormous damage—property damage and personal injury—and Israel absorbed a $3 billion loss on property damage and loss in tourism. Again, I challenge anyone to find a better United States investment of $117 million when Israel agreed with United States policy not to respond to those missile attacks.

Mr. President, when the Senator from West Virginia talks about sales of missiles to third countries, I would submit that that is largely unestablished. We have recently had a major controversy about an alleged sale to China. Israel opened up its borders and opened up its facilities for an inspection and at the conclusion of that inspection, the statement was made by the Government of Israel that it was in total compliance with its obligations and as yet there has been no statement by anybody in the United States contrary to that notion.

Certainly, the willingness of the State of Israel to open its facilities for inspection, and the absence of finding a technology transfer violation certainly supports that kind of a conclusion.

Mr. President, the statement by the distinguished Senator from West Virginia deals only in minor part on the political considerations about the settlements on the West Bank.

I would submit that when we are dealing with a humanitarian issue and a policy commitment which has been solid in the United States since 1974 based on the Jackson-Vanik legislation, that we ought not to impose political conditions. When we consider what the security interests are for those Israelis who live on the proximity of hostile Arab borders, we should recognize that they alone can determine their own security interests.

Mr. President, the totality of the 1 hour argument by the distinguished Senator from West Virginia boils down to a couple of issues. Is Israel likely to make a repayment? I think the answer is a resounding yes, but if there is any doubt and this has not been voiced by the United States Government, there could be negotiations as there were in 1985 to shore up any concerns about Israel's ability to repay.

When the Senator from West Virginia talks about a change in the cold war and claims that the strategic interests of the United States are now different, I would suggest today that Israel is still as valuable an ally as ever. The reality is that Iraq is still a major menace and there are simply no other pro-American democracies in this vital region. Moreover, Israel was a major ally in the recent gulf war and Iraq and Libya continue to flaunt the rule of law in the United Nations. The concerns in the Mideast are still paramount and what was a cold war with the Soviet Union erupted into a hot war with Iraq. I would argue that the value of Israel as a strategic partner is still very, very important and has not diminished.

I believe that the approval of humanitarian loan guarantees for Israel for resettlement of Jews from the former Soviet Union is in the best interests of the United States. I strongly urge the administration to reconsider its opposition to these vital loan guarantees and immediately approve Israel's request without reservation or political linkage.

While I applaud the efforts of President Bush and Secretary Baker in bringing the Arabs and Israelis to the peace table, I am of the opinion that opposition to the loan guarantees request endangers the peace process and removes the United States from the honest broker role. The longtime humanitarian cause of freedom for Jews of the former Soviet Union should not be linked to collateral political considerations, including settlements. Moreover, Israel should not have to be compelled into making preliminary concessions on issues that can be addressed in bilateral negotiations with Arab delegations.

It should be recalled that loan guarantees were not previously a factor in the evolving Arab-Israeli peace process. The Arab countries invited to the conference accepted the original invitations without any concession by Israel to cease settlements. Also, we should remember that Israel abided by a special United States request not to bring up the loan guarantees issue last Spring while it was enduring 39 Scud attacks from Iraq without retaliation. The Israelis suffered over $3 billion in physical damage and a loss in tourism as a result of the attacks. Because of the Persian Gulf war, Israel agreed to the special administration appeal to wait until fall before making the loan guarantees request. This agreement was well known, and it was public knowledge for months that the Israelis would repeat the postponed request in September 1991.

The reality of this situation is that the United States routinely grants foreign governments loan guarantees without political linkage. In fact, a recent House Republican study committee analysis concluded that over $12 billion in United States guarantees were disbursed to Israel's Arab neighbors during the last 5 years, including $3.4 billion to Iraq. No Arab country was asked to recognize Israel or abandon its illegal boycott of Israeli and Jewish products in order to receive loan guarantees.

As the son of Russian Jewish immigrants, for me the most distressing aspect of the administration's rejection of the loan guarantees, is that it puts at risk the thousands of men, women, and children seeking refuge from anti-Semitism and political uncertainty. No one knows when the doors will shut on emigration. The changes in the former Soviet Union have been rapid and the current government is still very unstable. With the rise of nationalistic movements in Eastern Europe, virulent anti-Semitism has again been unleashed and should not be underestimated as it was in the 1940's.

There are many reasons why we should support loan guarantees for Israel. On the fiscal merits alone, the loan guarantees for Israel make good sense. Israel is one of the few nations that has never defaulted on a loan and maintains a highly favorable debt portfolio. Loan guarantees are not in the same category as the $7 billion in foreign aid debt that the administration urged Congress to forgive earlier last session. Loan guarantees are not part of the foreign aid budget. By extending such guarantees, the U.S. Government would not in any way limit its ability to provide capital for domestic programs. The guarantees would simply allow Israel to borrow at lower interest rates for longer periods of time.

The proposed loan guarantees, allocated at $2 billion a year for the next 5 years, would also have a positive impact on the U.S. economy. Much of the money borrowed is expected to come from the American banking community, who would benefit by servicing the loans. A major portion of the loan money would also be spent on American builders and suppliers in the construction and housing industries, generating tens of thousands of jobs for American citizens and revenue for American business. Judging from past experiences, the Government of Israel estimates that over $30 billion in goods and services will be imported from United States businesses.

While the approval of the loan guarantees is a winning proposition for the American economy, failure to approve them would be disastrous for Israel. Guaranteed loans are essential for Israel's absorption of immigrants, especially since the Israelis are already heavily taxed to meet their national security needs. In 1991 alone, Israel will have to spend over 20 percent of its budget on immigrant absorption. The harsh reality is that former Soviet immigrants are only permitted to leave with about $100 and a few belongings; the recently rescued Ethiopian Jews came to Israel with even less. Because of these circumstances, the cost to transport these immigrants to Israel, feed, house, and then assimilate them into the culture and economy is astounding. Estimates are that it will cost more than $50 billion to settle the immigrants. The situation is analogous to the United States absorbing some 60 million people, or the entire population of France.

The challenge of emancipating and resettling over 1 million Soviet and Ethiopian Jews has been a moral quest

for many in Congress over the years, including myself. Now that this historical opportunity has finally arrived, we must meet the obligation of ensuring their welfare. To abandon the cause of these immigrants at this stage and link it to political considerations is immoral and just simply wrong. I sincerely hope that the administration will recognize the concerns of Congress and reconsider providing Israel with the loan guarantees it so desperately needs and deserves.

To better communicate the urgency and the case for the loan guarantees, I have attached a summary of the fundamental humanitarian and economic issues concerning the request; which I ask to have printed in the RECORD.

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

LOAN GUARANTEES TO ISRAEL FOR RESETTLEMENT OF SOVIET JEWRY: THE HUMANITARIAN AND ECONOMIC CASES

HUMANITARIAN ISSUES

Overwhelming refugee numbers: Israel is faced with the challenge of absorbing one million Soviet, Ethiopian, and other Jews in Israel during 1990–95. This is an additional 25% to Israel's population—equivalent to the U.S. absorbing and providing for the whole of the population of France (60 million)!

Resurgence in anti-semitism: Delaying loan guarantees jeopardizes the safety of thousands of Jewish refugees from the former Soviet Union and Eastern Europe who wish to emigrate to Israel. Instability and increased nationalism in Eastern Europe make resurgence of violent anti-semitism a likely prospect and should never be underestimated.

U.S. moral obligation: For years the U.S. has promoted the emigration of Soviet Jews to live in freedom. To reverse U.S. policy and risk this historic opportunity is a betrayal of morality. Political conditions should not be imposed on a humanitarian issue. The U.S. should respect the sovereign national security interests of Israel. Moreover, "linkage" to the settlement issue also undermines the U.S. role as an "honest broker" in the Arab/Israeli peace process.

Israel is a strong U.S. ally: While many Mid-Eastern countries have fluctuating allegiances, Israel has always been a reliable U.S. friend and military ally in the region, especially in the Gulf War, when Israel refrained from retaliation against Iraq despite 39 Scud attacks. (Ironically, the Administration earlier supported the proposition of $5.5 billion in loan guarantees to Iraq) Israel is the *only* Democracy in the Middle East, providing true religious pluralism, justice, and other basic freedoms for its people.

Linkage to "settlements": Despite having a moral, legal, strategic, political and religious claim to the "territories," Israel strictly adheres to restrictive guidelines on U.S. foreign assistance, and each year provides a full, detailed report on the expenditure of all U.S. assistance (which will also hold true for the loan guarantees).

It is wrong for the Administration to link the issue of settlements with the humanitarian issue of Soviet refugees. As it stands now, less than 1% of the already settled exiles from the former USSR have chosen to move to Judea and Samaria in the West Bank and Gaza communities.

LOAN GUARANTEES—HOW THEY PROVIDE ECONOMIC BENEFITS TO AMERICA

U.S. budget

The U.S. taxpayer will not pay for this program. The only cost involved is a small percent to be set aside by law in the event that Israel cannot meet its debt obligations. Israel has indicated that it is prepared to cover this cost. This is starkly contrasted with the United States' forgiveness of Egypt's $7.5 billion debt in return for a minor role in the Gulf War, a debt forgiveness paid for by the U.S. taxpayer!

Exports/U.S. economy

Estimates are that the net effect of the loan guarantees will be to stimulate an additional $10–15 billion in U.S. exports to Israel for the period 1992–1996. The four U.S. industries that will benefit the most are (1) mineral, chemical and plastic, (2) misc. metals, (3) machinery and electrical equipment, and (4) transport vehicles (cars, airplanes, ships).

Jobs

The U.S. Dept. of Commerce estimates that for every $1 billion in U.S. exports, an additional 20,000 jobs are created in the U.S. Thus, an additional $2 billion in exports per year to Israel will create an additional 40,000 jobs for U.S. workers.

Investment/economic catalyst

A major portion of the loan money would also be spent on American builders and suppliers in the construction and housing industries, generating jobs for American citizens and revenue for American businesses.

Already, a number of U.S. housing and construction firms, suffering from a depressed economy at home, have been awarded contracts in Israel. In 1990 alone, U.S. companies won 75% of tenders, leading to contracts worth an estimated $250 million.

As a center of strong and steady economic growth, Israel has already attracted an ever-increasing number of U.S. businesses, including Intel, Toro, Microsoft, and Octel Communications Corp., many of whom are steadily expanding their Israeli facilities.

The U.S. financial and banking community, shaken by the S&L crisis, will benefit by servicing the loans to a country with such an immaculate credit history as Israel. As the GAO report indicates: "We believe that if the Congress authorizes the $10 billion in loan guarantees requested by the Israeli government, the Israeli government will likely be able to fully service its external debt and to continue its past record of payment."

FISCAL CONSIDERATIONS

Massive cost of provisions: Israel's absorption costs have eclipsed defense expenditures. $6 billion, or 20% of Israel's budget, is needed simply to provide adequate transportation, housing, water, sewage, education and employment for these immigrants, most of whom are only allowed to emigrate with a few belongings and only $100 in cash.

Unrelated to U.S. Gov't funds: Despite Secretary Baker's P.R. campaign to convince the American public so, these loan guarantees are not the same as foreign aid—Israel is neither requesting grants nor applying for loans. It merely requests guarantees which will enable it to raise the necessary funds in the private banking sector. No cash outlay is required, and the U.S. domestic programs will not be affected.

Israel is a sound investment: Israel's debt repayment history is unblemished. It has a zero default record. Looking toward the future, the influx of immigrants will increase Israel's labor force by 36% by 1996, producing greater GDP growth rates, improved export capabilities, and enhanced economic competitiveness. This helps ensure Israel's ability to fully repay the loans.

BACKGROUND STATEMENTS ON THE LOAN GUARANTEE ISSUE

Jack Kemp (HUD Secretary): "It is not a political issue—it is a humanitarian issue, and this country owes it to Israel to help . . . They need our help. I plan to see to it that Israel works out a compromise with America to get those loan guarantees to house the Soviet and Ethiopian Jews. . . . Of course, America first. But America first with friends and allies."

Standard & Poor: "Israel's outlook is revised to positive from negative, reflecting a significant lessening of the external threat facing the nation. . . . Over the next few years, the economy as a whole is set for rapid growth, involving significant investment in housing and industry, as well as opening up new consumer markets."

Salomon Brothers: "We believe that the State of Israel is considerably higher in credit quality than is generally understood . . . Improved diplomatic relations between Israel and many foreign countries are expected to result in increased integration of the Israeli economy into world markets."

Yoram Ettinger (Minister for Congr. Affrs., Israeli Embassy): "May the culmination of 'Let My People Go' not be held hostage to the complexities of the unpredictable and violent nature of Mideast politics, as we hopefully move toward peace."

William Brown (Former U.S. Ambassador to Israeli): "Israel asks neither for grants nor loans but rather for guarantees that will enable her to borrow funds needed for investing in the rich human potential represented by the new immigrants, funds that will be expended to a considerable extent in our country. These guarantees will cost American taxpayers next to nothing."

Called loan guarantees "an essential element of a great humanitarian enterprise that has enjoyed bipartisan American support—the rescue of Jews in danger."

On American policy toward Israel: "It is not in our country's advantage to strong-arm the freely-elected Gov't of Israel into concessions it believes it cannot make. Nor is it in the American interest to jeopardize Israel's qualitative military edge by making available to Israel's Arab enemies the same high-tech equipment Israel has been receiving from the U.S., such as the 72 F–15 fighter-bombers that the Pentagon is considering selling to Saudi Arabia."

Frank Gaffney, Jr. (Former Deputy Ass't Secretary of Defense and coordinator of Committee on U.S. Interests in the Middle East): "We wish clearly to demonstrate that concerns about U.S.-Israeli relations and the security of our only democratic ally in the Middle East are not the exclusive interest of the American Jewish community. . . . Though President Bush prides himself on pragmatism, his Administration's policy toward Israel is far from pragmatic."

The U.S. "should not engage in pressure diplomacy against Israel that may bring on the war we are hoping to prevent. This applies in particular to efforts to foist on Israel territorial concessions."

Mr. BYRD. Mr. President, will whoever controls the opposition time yield me 2 minutes?

The PRESIDING OFFICER. The Senator's 10 minutes has expired.

Who yields time?

Mr. LAUTENBERG. Mr. President, I had made a commitment to the Sen-

ator from Tennessee to yield 10 minutes to him following the Senator from Pennsylvania. And if we could proceed in that order, I would be happy to discuss it with the President pro tempore.

Mr. BYRD. If the Senator would allow me, if the Senator would get the floor and would yield to me, then I would ask unanimous consent that I might have 1 minute, inasmuch as the distinguished Senator from Pennsylvania has made reference to the Senator from West Virginia a number of times.

Mr. LAUTENBERG. I would certainly not have any problem with that. I am sure the Senator from Tennessee would be happy to yield to the chairman of the Appropriations Committee.

Mr. GORE. Mr. President, am I recognized?

The PRESIDING OFFICER. The Senator from Tennessee is recognized for 10 minutes.

Mr. GORE. I yield to the President pro tempore.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. SPECTER. I do not object, but I would like 30 seconds for rebuttal.

The PRESIDING OFFICER. There was no unanimous consent request posed. The Senator from West Virginia was recognized.

Mr. BYRD. Mr. President, I do not intend to debate this. The Senator from Pennsylvania may stand on his feet all afternoon if he wishes to debate it. I merely made my statement and I did not intend to direct my statement to any Senator in this body.

But the Senator has called my attention to the Scud attacks that occurred on Israel. And, of course, Israel sacrificed, no doubt about that. But let us not forget that the United States sacrificed far more. There were 28 Americans killed and 98 wounded in the Scud attack on February 24, 1991. That attack was on a United States position in Saudi Arabia. And all of those Americans who died and, as far as I know, all those who were wounded were from Pennsylvania. So, I state that for the record in view of the fact that the Senator has reminded me of the Scud missile attacks on Israel.

Also, the Senator from Pennsylvania has mentioned the waiver of the Egyptian debt. Mr. President, on the vote which occurred on that matter, I voted against canceling Egypt's debt to the United States. But the distinguished Senator from Pennsylvania did not vote against the waiver.

Mr. GORE addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. GORE. Mr. President, I ask unanimous consent that the time just consumed not be charged against the time allocated to me by the Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, if the Senator will yield, I will now yield 10 minutes to the Senator from Tennessee.

Mr. BYRD. Mr. President, I thank the Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for 10 minutes.

Mr. GORE. Thank you very much, Mr. President, and I thank my colleague from New Jersey for his generous yielding of time to me.

I rise in support of the resolution. I feel very strongly about this, Mr. President.

The current exodus of Jews from Russia and other former Soviet Republics is the fruit of a long American effort, supported by both parties, whether in or out of power at the White House, or in or out of power as the majority of power in Congress. This is not just a victory for Israel. It is a victory for U.S. policy. That is why it is so deeply troubling that United States-Israeli relations are more strained than at any time in recent memory: worse still, that our relations are strained precisely over an issue, the housing loan guarantees, the outcome of which will weigh very heavily in determining whether Israel can readily absorb its returning people or will have to stagger under that burden for a long time to come.

Despite all the publicity surrounding this issue, I doubt that most people fully realize the magnitude of the challenge confronting Israel at this point in time. And although I am sure that all of my colleagues are fully current, perhaps it will not do any harm to sketch out the full dimensions. According to a recent study by the Congressional Research Service, between January 1990 and December 1991, Israel received 400,000 immigrants, mostly from the Soviet Union but also in substantial numbers from Ethiopia. Israel expects between three quarters of a million to 1 million additional immigrants over the next 4 years.

The cost to absorb these people is not $10 billion, but somewhere between $45 and $50 billion: of which $10 billion is supposed to come in the form of loan guarantees—not grants, not loans from the United States but guarantees, a tiny portion of the cost of the loans themselves, a very tiny portion, attributable for accounting purposes in the form of guarantees; then $10 billion from other nations; $5 billion from donations; and $25 billion from the national budget of Israel, from its own citizens.

The stakes here are immense. For Israel, this is nothing less than a defining moment. With the access to credit that the United States can provide, Israel can not only house its new citizens but eventually harness their skills. The intellectual capital they bring with them, combined with the kinds of assistance we can provide with others, will enable Israel to burst forth as a great powerhouse of scientific and cultural talent.

On the other hand, failure to meet this challenge means that the dream of Israel as the homeland for oppressed Jews cannot be met. Failure will create tens of thousands of Israeli citizens disaffected from the Israeli state; not just the immigrants, but Israelis who are already in place whose lives are going to be powerfully influenced by this flood of new people. Failure will also result inevitably in a slowing of immigration from the former Soviet Union. Indeed, some few are already moving back. That could be tragic, and I would like to share with you a peculiar insight as to why.

Recently, Radio Free Europe published the translation of an article from the newspaper Sovietskaya Rossiya. The article, referring to efforts by the Lubavich community to recover a collection of sacred texts from the former Lenin Library, claimed that the books contain proof of Jewish blood rituals involving the sacrifice of Christians. As we all know, this is one of the deadliest slanders against the Jewish people, and its surfacing at this time in a mass circulation newspaper is an extremely sobering matter.

It reminds us that, despite the substantial easing of conditions in Russia for Jews, and despite the fact that the Yeltsin government itself has done nothing to suggest that it is motivated by anti-Semitism, a murderous hatred of the Jewish people still exists within parts of Russian society. There is abundant evidence of it and it is extremely troubling. It also reminds us that there are people engaged in an effort to fan that hatred and to use it as the spark with which to burn down Russia's experiment with democracy. Should this come to pass, we already have some insight as to what might follow. I am sure many of you may have heard of Vladimir Zhirinovsky, a rabid anti-Semite who, as it happens, polled 6 million votes in the same election that made Boris Yeltsin Russia's President.

What that tells me is that the Jews of Russia, who want to leave, should be able to leave at the fastest possible rate. The current improvements in their circumstances may be temporary. This is a historic moment. We should not be standing by and failing to take the minimal action to make it possible for these people to escape circumstances that are extremely dangerous for them. It follows that Israel's ability to absorb such people at maximum speed could turn out to be a very critical matter.

And yet, at precisely this moment, the Bush administration and the government of Prime Minister Shamir are in bitter deadlock. As of February 24, when the Secretary of State testified on this matter, the U.S. Government's position is very stark. It can be paraphrased as follows: First, if Israel agrees to completely stop any settle-

ment activity, the administration would support loan guarantees of up to $2 billion a year for 5 years; however, if Israel only halts new construction, but continues to develop old construction, then the administration will support no more than $1 billion a year, with provision to deduct money spent on finishing old construction from the $1 billion.

That in my view is a drastic position, and the administration has insisted upon it despite efforts by Senator LEAHY and Senator KASTEN to reach a compromise well within the orbit of the administration's intentions.

What brought the Bush administration to this point? Ironically, it was the search for peace in the Middle East. Like all of its predecessors since 1967, the present administration believes that Jewish settlement in the occupied territories is an obstacle to peace. Indeed, the administration holds that Jewish settlement is not only unwise but seems close to holding the idea that it is a violation of international law. I could spend a lot of time on the fine points. There is a credible legal case, advocated by no less an authority than former Yale Law school dean Eugene Rostow, that a Jewish right of settlement in the West Bank has existed without interruption since the British mandate over Palestine under the League of Nations. There is a counterargument to the claim that Israel is violating the fourth Geneva Convention, which holds that the occupied territories do not fall within its sphere. And there is a very compelling reading of U.N. Resolution 242, according to which one would conclude that whatever "Land for Peace" means, it does not mean the return of all the occupied lands to Palestinian control, nor does it mean Palestinian sovereignty.

But the core of the matter is power politics. One can understand that the administration would not want to appear to be in lock-step with the Shamir government and still be able to urge the Arab states and the Palestinians to come to the conference table. But there is a line between the administration's wanting to distinguish American policy from that of the Shamir government on the one hand, and an attempt to use American financial leverage in an attempt to break the will of the people of Israel in this matter on the other hand. There is a line between the administration's wanting to get the Arabs to begin to negotiate with Israel, and trying to pry out of Israel concessions that ought only to be made by Israel herself in return for values offered by the Arab side.

In my view, the administration has crossed those lines, and is in effect expressing the Palestinian point of view in this matter. They have overshot the goal of presenting themselves as an honest broker to all sides and have skidded into the Palestinian camp on this question. In this, I do not think the Congress supports the administration. But neither does the Congress presently have any means to break this stalemate on its own.

In other areas of the negotiations, other areas, to give credit where it is due, the administration's vision has been steadier. I believe it is to their credit that they have criticized the Palestinian attitude in the last round of talks as being essentially frivolous. Israel came to the table ready to open a dialog about some form of limited autonomy. That is what Camp David provided. It is what the terms of reference of the negotiations provided. Clearly, the Palestinians were of a mind to spend their time angling for a sovereign Palestinian state. That kind of outcome is not in the cards, unless Israel herself were to offer it someday for her own reasons. It certainly is not in the cards to be part of the outcome of this negotiation. The hallmark of Palestinian seriousness is to negotiate on the subject of limited autonomy. It is good that the administration has made that clear.

I also would add that it is a relief to see the administration finally come to full alert about Syria's drive, evidently with the help of Iran, to acquire advanced Scud missiles from North Korea. For too long, the administration has indulged Syria with the same mild eye it once turned on Iraq. In my opinion, Syria will pursue peace only so long as it thinks that war is not an option. If Syria has reason to change that view, by virtue of the proliferation of these missiles or other advanced weapons, that equation will change. So the current awakening is late, and in this instance, the North Korean ship has eluded us. But at least one can welcome the administration's heightened awareness.

Nevertheless, the administration's own conduct in the matter of the loan guarantees encourages the Palestinians to believe that the United States can be dragged in to reinforce their demands. That is a dangerous position, and the President should get out of it.

It is critical to the cause of peace that the administration do this. With the Soviet Union no longer a factor, the United States alone has the ability to nurture the peace process. The administration's evident hostility toward the Shamir government, which after all does legitimately represent the people of Israel, is suggesting to the Arab governments and the Palestinians that they need not exert themselves to obtain the goal of peace. Instead, they will believe that nearer at hand—and much to be preferred—is the goal of breaking the United States-Israeli entente and of shattering Israel's base of support in the United States. I do not believe that this support is nearly that fragile, but am speaking here of an Arab perspective, which might well be distorted by excessive optimism on their part, encouraged by the administration's bitter treatment of Israel.

For those and other reasons I strongly and enthusiastically support this resolution and I hope it will be adopted with a solid vote on both sides of the aisle.

The PRESIDING OFFICER. Who yields time?

Mr. KASTEN. Mr. President, I yield 2 minutes to the Senator from Texas.

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

Mr. GRAMM. Mr. President, from 1867 to 1914, 20 million immigrants came to America looking for opportunity and freedom, and they found both. Israel is trying to do in 5 years what the United States of America, in proportional terms, took 45 years to do. It is going to be a very difficult task under the best of circumstances. It is going to be difficult to absorb roughly a projected 25-percent increase in population in 5 years.

Mr. President, I want to remind our colleagues here today that although there are many elements involved in the loan guarantee issue, and despite disputes having to do with the peace process and settlements, that what we are talking about here is people. We are talking about people who, for the first time in their lives, as they leave the former Soviet Union, have an opportunity to use their God-given talents to advance themselves and to advance their families in freedom in Israel.

I want both the Government of the United States and the Government of Israel to redouble their efforts to work out their differences and ensure that this loan guarantee goes through. In doing so, they will make it possible for a million people to enjoy opportunity and freedom. In the process, this will enrich Israel, creating an economic base that will generate capital for the purchase of exports from the United States to Israel as a result of this absorption process. Markets will be created that could generate up to 400,000 new jobs in the United States and thereby guarantee that the United States will benefit from the economic expansion that will occur.

I ask both our Government and the Government of Israel to remember that amid all of the differences that exist, as we look at disputes over issues that are important, that the loan guarantee question is ultimately about people and about their aspiration to freedom and opportunity. I hope that we will be able to work out these differences.

I want to state here on the floor of the Senate my strong support for doing what we have to do to make these loan guarantees a reality.

The PRESIDING OFFICER. Who yields time? The Senator from Wisconsin?

Mr. KASTEN. Mr. President, I yield to the Senator from Washington [Mr. GORTON], 10 minutes.

The PRESIDING OFFICER. How much time was that?

Mr. KASTEN. Ten minutes.

The PRESIDING OFFICER. The Senator from Washington is recognized for 10 minutes.

Mr. GORTON. Mr. President, I regret that the debate over Israeli loan guarantees has reached this pass. I voted with some reservations for the continuing resolution an hour or so ago. I will vote for this resolution.

Nevertheless, every Member of this body, whether he or she votes for or against this resolution, knows that it will have little, if any, impact on driving us toward a solution to the challenge presented to us by the request for loan guarantees by the State of Israel.

Mr. President, I supported the entire $10 billion guarantee which was a reasonable response to an unprecedented challenge in the history of both the former Soviet Union and of the State of Israel.

Even though I supported that original unlimited guarantee, I have nothing but admiration for the distinguished Senators from Vermont and from Wisconsin who attempted to work out a compromise which must have moved 80 or 85 percent from the position which the Senator from Wisconsin first took, toward that of the administration.

I am deeply sorry that the administration was unwilling to agree to that compromise.

I say all of this, Mr. President, because I believe that the administration's position to be bad policy, as a matter of substance, and to be a serious impediment in the search for peace in the Middle East.

In the view of this Senator, Mr. President, Israelis have a perfect right to settle on the West Bank. Israel is taking in a number of immigrants almost unprecedented in the history of any other nation in the history of the world as a proportion of its original population. It lives in a handful of square miles, hugged up against the coast of the Mediterranean. It is surrounded by enemies who have offered almost no compromise whatsoever with its quest for security and for existence.

The fact that people from the State of Israel, both original settlers and new immigrants from Russia, are settling unoccupied portions of the West Bank is, in the view of this Senator, both legal and appropriate.

But beyond that, Mr. President, this policy of the United States denying these loan guarantees unless the settlement policy is frozen in its entirety departs very profoundly from the appropriate position of an honest broker seeking peace. We should not be in the position of requiring a unilateral concession on a major point on the part of one of the parties and no comparable concessions on the part of the other party.

This country, this administration, simply has not acted as a facilitator. It has taken the part of one side and ironically it has taken the part of the side which dislikes the United States, has created turmoil in the Middle East and has refused consistently over the last several decades to work for peace itself.

My own preference, Mr. President, would have been that we acted as that honest broker without imposing preconditions on either side. But if we were going to do so, they should have been balanced conditions, and the only conditions as profound as this request for a cessation of settlement activity on the other side would either be the end of the entire Arab boycott against Israel or the formal recognition by the various Arab nations backing the Palestinians of the existence of Israel and the extension of the trading of Ambassadors between those nations.

These conditions, of course, are at the heart of the peace process itself, and certainly further settlements should not have been required to be given up by Israel until at least one and perhaps both of these conditions of the other side were equally imposed by the United States.

Finally, Mr. President, it seems clear to me that the very settlement policy itself was an incentive rather than an impediment to peace; that if settlements are frozen, we will simply have taken almost all of the incentives away from the Palestinians and their allies from engaging in serious negotiations toward a permanent peace. It is the very fact that they were losing lands which they claimed were their own which required them seriously to seek out these negotiations and, in the absence of our conditions, seriously to pursue them.

So, in summary, Mr. President, the policies of the United States have not only been wrong in substance but I think have provided a lack of incentive to the creation of a permanent peace in the Middle East.

Mr. President, I deeply regret we are not going ahead with the substance of loan guarantees. I support this resolution as an expression of the vast majority of the Members of the Senate of the United States, but we are substituting form for substance, and I deeply regret that action.

The effects of this decision will extend beyond our refusal to help a vital ally in its absorption process—in assuming this uncompromising stand, we have also slowed the peace process. I not only believe that we should not have conditioned the guarantees upon stopping the settlements in the occupied territories, but that Israel's ability to continue settling these territories will speed the peace process.

Mr. President, these Middle East talks represent an unprecedented opportunity for peace in this region because extraordinary events have brought once reluctant parties to the negotiating table. The Palestinians came out of necessity. In the past few years, they have lost Soviet assistance in their struggle against Israel and the United States, they have lost much Arab backing by supporting Saddam Hussein, and they have watched the flow of thousands of Soviet Jews into Israel, and anticipated their settlement in the West Bank and Gaza Strip.

The people who occupied the East Bank from 1948 to 1967 were unwilling to negotiate peace because they had little incentive to do so. They had Soviet and Arab backing, and little cause to expect that others would settle their land. Last October, the Palestinians approached Madrid with a decidedly different attitude. They had lost Arab and Soviet patronage and had watched the erection of 170 Israeli settlements in the West Bank and Gaza Strip.

These circumstances have made the conference, and a peace settlement, possible. Curtailing Israeli development provides the Palestinians—a people who were against us in the gulf war, and who still espouse terrorism—with another patron, and removes their incentive to negotiate. As a broker, we should see that the process provides sufficient incentive to keep the parties engaged. Settlements in the occupied territories provide much of that incentive.

Already, the Palestinians realize the alternatives afforded them by our policy. In September, they approached Madrid with a hard opening position: they talked of a Palestinian Self-Government Authority which would control executive, legislative and judicial powers in the occupied territories and would permit no Israeli security forces once the authority was established. They had not, however, thought of conditioning negotiations on a settlement freeze. Seven months later, by which time we had hoped for serious progress on the form of an interim government, the Palestinians have moved backward, suggesting that their interim government have a foreign policy, and, unsurprisingly, that American-subsidized development in the occupied territories will end their participation in discussions. I am confident that the Palestinians and Israelis would be closer to peace had the United States quietly and unconditionally offered the loan guarantees in September. We made demands of substance on the Israelis; we made no comparable demands on the Palestinians and their allies. We are the cause of the inevitable stalemate.

Furthermore, as brokers we have done Israel a disservice by bringing the issue of settlements into these first three stages of negotiations. The talks'

agenda, which comes from a prenegotiated Camp David framework, dictates that discussions should now center only on the interim management of the territories, and that final status not be discussed until that interim government has been established for 3 years. Our demand for a settlement freeze began discussions on the final status of these territories and therefore began this process with its most controversial issue. We assured Israel that discussion on final status would not begin for at least 3 years, but before the talks had begun, we had implicitly asked for a compromise on settlements.

The most recent proposal to extend the guarantees took into account the President's aversion to financing settlements in the West Bank and Gaza Strip. It included a penalty, or deduction, for any development in those territories and gave the President authority to revoke $9 billion of the $10 billion requested. The bill was fashioned to concede to the President's position on settlements, so that we might extend some assistance to Israel in its absorption process.

Mr. President, 400,000 Soviet Jews have arrived in Israel since 1989 and an additional 1 million are expected in the next 5 years. The estimated cost to Israel is $26.5 billion. Without the guarantees, Israel's unemployment could rise substantially. Even those reluctant to finance settlements in the occupied territories should nonetheless consider the enormity of Israel's task and extend what support is possible. In this case, that would be support that could not be spent on developing the West Bank and Gaza Strip. I regret that we have just missed such an opportunity.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. WELLSTONE). Who yields time?

Mr. KASTEN. Mr. President, I yield 5 minutes to the Senator from Florida [Mr. MACK].

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. MACK. Mr. President, I rise in strong support of the resolution on loan guarantees for Israel before us today and want to congratulate both the Senator from New Jersey and the Senator from Wisconsin for putting this resolution forward at this time.

I support the resolution because I believe that we should finish what we started so many years ago and, in essence, an obligation, a moral obligation, on our part to do so. This is not an issue about settlements, per se, it is not an issue about economics and specific dollar amounts and technical legal requirements that might be related to loans and loan guarantees. This is an issue about people. Let me just relate to you a conversation that I had in Israel not too long ago with Benjamin Netanyahu, Deputy Minister of the Government of Israel. What Mr. Netanyahu said was if we are not careful, the world could find itself in a period like back in 1939, when the warning signs, the signals were all there, the feeling of hatred, potential conflict, signs being carried in the former Soviet Union that say: "Today the Armenians, tomorrow the Jews."

Benjamin Netanyahu says, in essence, the Jews of Russia are living next to a volcano. Natan Sharansky, in a separate meeting on my trip to Israel, indicated that 50 percent of all the entrepreneurs in Russia today are Jews who are successfully making their way in this new society where freedom and capitalism are just beginning.

As a result of their success, they are finding themselves subject, once again, to the hatred and envy with which the Jews of Russia are all too familiar. Unfortunately, the messages that are coming back to those people from Russian Jews who have already gone to Israel is that it is a great country, one that will provide you freedom and opportunity, but now is not the time to come because you might not be able to get a job, and you should wait until there is a place for you. And what the United States is doing with its policy is sending a second message that says: "Now is not the right time to come."

My concerns are, what if we do have an explosion of that volcano? What then would happen to those hundreds of thousands of Jews who have not been able to leave Russia and come to Israel? Benjamin Netanyahu put it best: The issue is no longer an issue about immigration, it is an issue about evacuation.

The United States ought to provide the guarantee for those loans to make sure that the Jews of Russia will not hesitate and this evacuation can, in fact, take place.

Mr. President, U.S. policy that links settlements and loan guarantees, in my opinion, is immoral and should be reversed. Israel should not back down one iota on settlements, on Gaza, on Judea, on Samaria outside of the negotiations with her neighbors. What happens in those cases should be the end result of negotiations between Israel and Jordan, Israel and the Palestinians, Israel and its Arab neighbors, not between Israel and the United States.

So, Mr. President, again, I rise in strong support of this resolution, and I hope that Senators on both sides of the aisle will support it overwhelmingly, because it is important we send a message that we are in full support of the people of Israel and their desire to support Soviet Jews in Russia, and giving them the opportunity to come to Israel.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. KASTEN. Mr. President, I yield 5 minutes to the Senator from Oklahoma [Mr. NICKLES].

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, I compliment Senator MACK of Florida for his statement and also Senator GORTON from Washington for his statement. I echo their comments. I also wish to compliment Senator KASTEN and Senator LAUTENBERG for their leadership on this resolution.

It disappoints me that we did not do something on the continuing resolution that passed today because, frankly, I think we should have. The need is there now. We have had hundreds of thousands of Soviet Jews since 1989 who have emigrated to Israel, I believe something like 400,000. There are hundreds of thousands of other Soviet Jews who wish to emigrate to Israel, a very small country that needs some help.

Many of us for years have been urging the Soviets to allow Jews to emigrate to Israel. Now that that opportunity is there we feel some obligation to assist, not to pay for it, not to pay for half of it, not to pay for a third of it, but to provide some loan guarantees as a way in which we can help. The nation of Israel is going to be ultimately responsible for the settlements and taking care of this massive flow of new immigrants into Israel. These immigrants are, in a way, returning to the homeland as a result of commitments that go all the way back, if you read the Old Testament, to covenants made to Abraham, Isaac, and Jacob.

Many people say there should not be settlements on the West Bank and therefore we cannot give any loan guarantees unless Israel agrees to freeze settlement activity in the occupied territories. I think that is a mistake. I do not think there should be a linkage between settlements and loan guarantees. I, for one, am not troubled by the settlements. Other people are opposed to settlements. Other people say the question of settlements should be left up to negotiation.

I particularly object to linkage between loan guarantees for assisting refugees moving back to Israel and a freeze on settlements in East Jerusalem. I think linkage is a serious mistake, one that I regret has been made and one I hope will be changed. I also hope there will continue to be negotiations with this administration. I am still hopeful that yet at some point this year we might work out a package that is both acceptable to the administration and to Congress and to Israel, one that will help settle hundreds of thousands of Soviet Jews who wish to emigrate to Israel.

I wish to make one additional comment, Mr. President. I do not think the United States should indirectly use pressure to force Israel into territorial concessions in any way, shape, or form.

I know I have heard the administration say they do not have any desire to do that, but I am troubled by the posture that we are now in as a result of pressuring Israel to freeze settlements. I think that is a mistake. I think we have a commitment, an obligation to help our friend and ally in this area, I might say one of our best friends and allies.

I might add that Israel showed great tolerance and patience at our request in the Persian Gulf war a year ago not to respond to the Scud attacks on Israel, including Tel Aviv and other cities. I might mention I was in Israel a week before that war started. Frankly, I was surprised that Israel showed such great restraint. We might remember that our Secretary of State Mr. Baker, Mr. Eagleburger and others, strongly urged them not to respond, or to retaliate against Iraq for the Scud missile attacks. They did not do so. Israel proved to be a very steadfast ally to the United States, which they have been since their re-creation in 1948. And despite Israel's steadfast support for the United States in the Persian Gulf war since the beginning of the peace talks I think we have given a lot more criticism and a lot more pressure toward Israel than we have other parties to the negotiations. I regret that.

I hope maybe we will have a change in administration policy and one that will help make this loan guarantee possible for Jewish immigrants returning to their native land of Israel.

The PRESIDING OFFICER. Who yields time?

Mr. KASTEN. Mr. President, I yield 5 minutes to the Senator from Rhode Island [Mr. CHAFEE].

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

MOVING TO HIGHER GROUND

Mr. CHAFEE. Yesterday, Governor Clinton, in New York City in an appearance before the Jewish Community Relations Council, charged that the Bush administration has "ever so subtly * * * broken down the taboo against overt anti-Semitism."

The impression Governor Clinton clearly and not so subtly wanted to convey was that the Bush administration is anti-Semitic.

This is a disgusting charge, and Governor Clinton does the voters a disservice with such tactics.

No one cares if Governor Clinton desperately wants to ingratiate himself with one group of voters or another, but to advance his cause by charging President George Bush with anti-Semitism leaps into not only the area of total falsehood but also crosses any bounds of decency.

Mr. Clinton may wish to reverse the position of every administration in the past 20 years by condoning expansion of Israeli settlements in the occupied territories—that is his choice. It is not the choice of President Bush, who strongly and correctly believes that the settlements are an obstacle to peace and that U.S. guarantees should not be used to further these obstacles.

The American people are clamoring for a serious discussion about the problems that face our Nation. But what type of political discourse is Governor Clinton engaging in? Have we reached the point in American politics where policy differences cannot be debated without ascribing religious, racial, ethnic, or gender prejudice?

Let us give the voters of New York, and across the country, more credit. Let us debate the issues, aggressively if need be. But let us not stifle debate with reckless accusations and charges of bias.

It is time for Governor Clinton to move to higher ground.

SENSE OF THE SENATE REGARDING LOAN GUARANTEES FOR REFUGEE RESETTLEMENT IN ISRAEL

The Senate continued with the consideration of the resolution.

Mr. CHAFEE. Now, Mr. President, I join with many of my colleagues in voting for the Lautenberg resolution. I would like to comment on what I believe the term "appropriate" means, where the language is "the United States Government should support appropriate loan guarantees to Israel for refugee absorption." I would like to comment on what the term "appropriate" means and what I hope we will see occur in the Middle East in the coming years. It should be stated that loan guarantees for Israel are needed to help absorb the hundreds of thousands of Jewish refugees from the former Soviet Union and Ethiopia.

It is my desire that these refugees have homes in which to live, schools in which to learn, roads on which to drive, and jobs at which to work. This we can all agree upon. It would seem that we also should be able to agree upon finding some way to bridge the gap between Israel and its Arab neighbors in order to reach a lasting peace accord in this troubled and volatile region. Secretary of State James Baker has clearly outlined the American policy of linking the granting of loan guarantees to the cessation of construction of new housing in the Israeli occupied territories of the West Bank and Gaza strip. I believe this to be a reasonable and prudent approach. This approach is not intended, as some have suggested, to manipulate the Israeli elections or unilaterally impose conditions on Israel without any conditions on Arab countries. After all, the American Government has consistently held that unilateral settlement construction is counterproductive to the Middle East peace process. Why is this the case? The answer is that building settlements makes it more difficult to negotiate a peace with the Arab countries and with the Palestinians. The United States cannot and should not tell Israel it must return the occupied territories.

That issue must be resolved through negotiations between the various parties. The critical question here is how can there be negotiations on the final status of the occupied territories if Israel has virtually annexed the territories because of its settlement construction? That is the question, Mr. President,

Clearly, without a settlement freeze, these loan guarantees will free up Israel's own money so that the settlement construction can continue at a brisk pace.

The resolution states that "appropriate loan guarantees" should be granted. To me, "appropriate" means that the United States should hold firm to its position and not grant any loan guarantees until the Israeli government agrees to stop all new settlement construction in the occupied territories.

"Appropriate" also means, Mr. President, that the details of the program be rational. In other words, the amount of the loan guarantees should be tied to the actual number of refugees going to Israel. In recent weeks, far fewer Jewish immigrants have been arriving in Israel than had been previously estimated. We must not remain locked in at any particular amount of loan guarantees. Common sense suggests that we should carefully examine Israel's needs relative to the actual number of refugees arriving.

In addition, Mr. President, the resolution states:

> Whereas the General Accounting Office found that 'if the Congress authorizes the $10 billion in loan guarantees requested by the Israeli Government, the Israeli Government will likely be able to fully service its external debt and to continue its past record of containment.'

I, too, have read the GAO report, and this resolution leaves out some critical language. The language, which said as follows:

> * * * the Israeli Government will likely be able to fully service its external debt and to continue its past record of payment under most foreseeable circumstances. However, the large size of the guarantees makes them more risky to the U.S. Government. The level of risk involved, if these loans are guaranteed to Israel, will depend to a great extent on Israel's implementation of its absorption plans and the economic reforms urged on it by U.S. and Israeli experts. The more fully and rapidly the reforms are adopted and the more closely Israel follows its strategy to employ new immigrants in the private sector rather than in the public sector, the stronger Israel's ability to repay the loans will be.

I hope, Mr. President, that Israel will adopt these economic reforms as suggested by their own experts.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. LAUTENBERG. Mr. President, will the Senator from California withhold while I put an inquiry to Senator CHAFEE, the last speaker?

I ask the Senator if he thinks that before we ask the Israelis to refrain from any further settlements, that we should ask those Arab countries who have declared war on Israel to remove that declaration? Or does he think that the Israelis ought to freeze their settlements before her neighbors end their declaration of war and say they no longer intend to destroy Israel?

Mr. CHAFEE. It was my hope, Mr. President, that the Arab nations would remove their declaration of war. This is a matter that is part of the negotiations that we hope will take place; and indeed, the negotiations are underway, as the distinguished Senator thoroughly knows. He is very familiar with those.

But the point that we are making here is that if the West Bank and the Gaza strip are fully settled, there is no chance of negotiating philanthropies, as the Senator fully knows. My fear is, and the fear of this administration—and the fear, I might say, of every other prior administration, Republican or Democrat—is that the subject will be foreclosed, and that one of the great opportunities to achieve a lasting peace in that area will have been lost through these settlements.

Mr. LAUTENBERG. Mr. President, I will accept whatever time was required to be charged to my time allocation.

I just wanted to hear the Senator express himself on the declaration of war. And I will now relinquish the floor.

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. KASTEN. I yield 4 minutes to the Senator from California [Mr. SEYMOUR].

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. SEYMOUR. Mr. President, thank you.

First, Mr. President, let me thank the distinguished Senator from Wisconsin [Mr. KASTEN] for his leadership on this issue, and Senator LAUTENBERG, who has been a very forceful leader on the Israeli housing loan guarantee issue.

Mr. President, I would respectfully disagree with my distinguished colleague from Rhode Island. Although I find many areas that he and I agree on, in this particular issue we are far from agreement.

Although, Mr. President, I rise in strong but disappointed support for this resolution on the concept of housing loan guarantees for the State of Israel, my support is strong because the measure before us outlines a clear series of principles regarding the moral and humanitarian nature of this issue. But it is equally disappointing because Congress and the administration failed to reach a workable agreement on the extension of these loan guarantees that ultimately would not have cost the American taxpayers a single penny.

Furthermore, the effort to achieve any compromise failed during a critical year for Israeli Government and society. Early this summer, the Israeli electorate will vote in parliamentary elections that many observers view as a referendum on how the Jewish state should address the interwoven issues of peace, land, and security. At the same time, our State Department imprudently sought to link the matter of housing loan guarantees for Soviet and Ethiopian emigrants to a cessation of West Bank settlement activity by the Israeli Government before these elections and before the completion of the Arab-Israeli peace process. Therefore, they are predetermined.

This bizarre coordination of policy and timing put the United States in the position of dictating diplomatic concessions to a government before it had the opportunity to develop its diplomatic approach towards neighboring adversaries that do not even acknowledge the right of the government to exist. Furthermore, we sought to impose our judgments on the leadership of a sovereign state in advance of allowing the Israeli voters to impose their own will.

I cannot think of a point in the history of U.S. foreign policy during which we so closely linked the promotion of American strategic interests with such ineffective attempts to leverage the policies of an allied government.

The absence of the housing loan guarantees in this bill, Mr. President, will not enhance Israel's security. It will not contribute to the country's financial independence. And it will not make Israel more confident in its negotiations with the Arab representatives of the West Bank.

But it will leave the country with a severe challenge to absorb hundreds of thousands of immigrants who need jobs and shelter.

I therefore submit that both sides lost this debate. We now have a result that leaves Israel struggling to face its most significant demographic challenge since 1948 while nothing has been done to advance either the peace process or our own political and economic interests in the Middle East.

But at least, if we decisively adopt the resolution now before us, it will make the necessary statements of fact and leave a permanent record not simply of our mistake today, but also of our willingness to correct it, and hopefully in the very near future.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KASTEN. Mr. President, I yield 4 minutes to the Senator from Kentucky [Mr. MCCONNELL].

Mr. MCCONNELL. Mr. President, this should have been worked out a long time ago. We have been aware that these housing guarantees were needed. We have been aware that granting these guarantees was the right thing to do; the right thing to do as a matter of principle, the right thing to do as a matter of money, and the right thing to do as a matter of politics.

Mr. President, I am confused as to how we got to this point, having been involved in a number of discussions with the administration on this issue over the last few months. I rise tonight with some degree of disappointment that we have not been able to achieve a compromise that was acceptable to both sides so that we could go forward with these housing loan guarantees, which should be offered to the Government of Israel.

It is important to remember, Mr. President, that for decades, the United States has applied pressure, the United States encouraged the Soviet Union to open up to allow freedom of emigration for those who had suffered persecution and repression for their religious beliefs.

Now we won that case, and the very reforms in Soviet law which have allowed for a record flow of emigrants, we now have a humanitarian obligation, having encouraged that for so many years, to support their absorption into Israel. To do any less is to abandon a principled cause, the cause of religious freedom.

In addition, we would be abandoning that cause when no money is at stake. I repeat, no money is at stake for the U.S. Government. Virtually every package that I looked at, every offer on the table, was cost-free to the American taxpayer, not a penny. Whatever fees were involved were to be assumed by the Government of Israel in the loan base.

So, Mr. President, we are only being asked to back loans, not to make them. I repeat, we are being asked to back loans, not to make them. There is an important distinction. I, for one, am absolutely confident of Israel's commitment and ability to meet every payment, to clear every financial hurdle.

Finally, I am left with a feeling of confusion on the politics of this issue. Without the guarantees, Mr. President, who wins? My constituents, and people across this country, were willing to pause for peace. They put their hopes on hold for 120 days. Now, not one bit closer to a peace agreement, new terms are put forward which complicate their resettlement process and create doubts about America's good faith.

Mr. President, I continue to hope, I continue to believe in the common sense of the participants involved in

the discussion of these guarantees, that the humanitarian needs of those who have suffered so long will carry the day, and we will resolve the differences.

To have been victims of religious repression is bad enough, but to become victims of a pointless dispute between governments which are allies and friends, why, these emigrants must be wondering why they left. They must be wondering why they left. We should send a message of support and hope today by supporting this resolution. I hope, Mr. President, that sometime in the near future, we will be able to do a lot more than just support this resolution.

I yield the floor.

Mr. DURENBERGER. Mr. President, I rise to support the pending resolution regarding the loan guarantees that Israel has requested to assist with its massive immigrant absorption efforts. I ask unanimous consent that I be added as an original cosponsor.

I will not take the Senate's time now by re-stating the compelling case for this assistance. But I will express my deep disappointment that the administration has repeatedly hardened its negotiating positions, both with Israel and with Congress.

I honestly do not understand the administration's total unwillingness even to consider a serious compromise. I am just not sure what the administration is trying to do, what their ultimate objectives really are.

I have stated on numerous occasions my view that Israel's current settlement policies and practices are not helpful in the peace process. I continue to support financial linkage between the settlements and the loan guarantees, such that no money secured through the U.S. guarantees would be used in the territories. I believe this is appropriate and in conformance with U.S. policy.

But the fundamental issue at hand is the political linkage between U.S. aid and matters that are integral to the peace process. I am deeply concerned about the potentially very negative effect that such linkage has on the peace process.

Notwithstanding the United States opposition to the settlements, this issue is a central element in the negotiations between Israel and the Arab participants. Whether by design or happenstance, introducing this form of linkage has a direct, substantive, and critically important bearing on the negotiations themselves.

Such United States-imposed linkage has the practical effect of bringing the United States directly into the negotiations as a de facto participant, effectively deciding an issue in advance of the direct talks between Israel and the Arabs that are otherwise supposed to resolve the matter. This approach would seem contrary to the President's and Secretary of State's own assertions that the path to just and lasting peace will come only as a result of direct negotiations.

The precedent set by the administration's policy in this regard has real implications for efforts to resolve other, equally contentious disputes that will inevitably arise in the future. It is unavoidable that some of these issues will in some way relate to United States assistance to Israel.

I believe one can legitimately ask, for example, what incentive an Arab participant would have to make the concessions necessary for agreement if it believes that the United States will secure the necessary Israeli concession at no cost to the Arab participant. The same concern applies if the Israeli and Arab perspectives are reversed. In my view, this would not represent an effective negotiating process that would likely yield real peace.

Mr. President, these considerations cut to the issue of trust between Israel and the United States and the relationship that trust has to the peace process.

In any kind of settlement that emerges from this process, Mr. President, Israel will no doubt have to take certain risks for peace. It has done so in the past, most prominently when Israel returned the Sinai in exchange for peace with Egypt.

Israel, in large measure, was willing to take that security risk because it trusted that the United States would stand by it, that in normal times and in crisis, Israel could count on us to be there if she needed us. This trust and confidence is all the more important given the undemocratic nature of the regimes with whom Israel is seeking to make peace.

As Henry Kissinger once wrote, Israel is being asked to exchange the tangible for the revocable. That won't be easy under any circumstances, but it will be all the more difficult, perhaps impossible, if Israel no longer believes it can trust the United States to be there if she needs us.

It seems to me, Mr. President, that if we permit our relations with Israel to degenerate into hostility, distance, and mistrust, we will be sowing the seeds of failure for the peace process and our own objectives of achieving real and lasting peace in the Middle East.

Relations with Israel have clearly been strained. I believe that our national interests are best served by stepping back from the high tensions and looking calmly and soberly at our relations with Israel. Let us step back from these controversies that seem to be spiralling out of control, with repercussions that would be damaging to each country's own national interests.

Let us renew our commitment to keeping the proper perspective on these matters, and to never forgetting that Israel is a close friend and important ally of the United States. Differences will always arise, even between the closest of friends, but let us not permit those differences to weaken or obscure the deeper, longer-term value that this close relationship brings both to our country and to Israel.

Let us not forget that Israel is a true democracy in a region otherwise characterized by dictators, monarchies, and puppet regimes. Let us not forget who our friends truly are. Israel has stood by us and we by them. And I submit to my colleagues that both countries have substantially benefited from this relationship.

Mr. President, I will vote for this resolution on the loan guarantees. I urge my colleagues to show their support for Israel's absorption efforts. Let us also send a message to the administration that there is very deep concern in the Senate about the policies it has pursued on this matter.

Thank you, Mr. President, I yield the floor.

Mr. KASTEN. I ask unanimous consent that the Senator from Utah [Mr. HATCH] be added as a cosponsor.

The Senator from Utah has been a strong supporter of this effort from the very beginning, and he, along with many other Members of this body—but he in particular—recognizes the humanitarian aspect of the issue before us. Because he has now asked to be made a cosponsor, I know he intends to support this resolution. He has been supporting this idea, this concept steadfastly. I thank him for his help and support.

The PRESIDING OFFICER. Without objection, the Senator from Utah will be added as a cosponsor.

Mr. KASTEN. I rise in support of the extension of $10 billion in loan guarantees to the State of Israel and in support of the resolution before us. I want to outline, if I can, the grave humanitarian threat that makes these loan guarantees absolutely necessary, and the warning signs of a dangerous rise in anti-Semitism in the former U.S.S.R. I want to discuss today the fact that our humanitarian loan guarantees would help confront the threat—at zero cost to American taxpayers.

This issue has received a great deal of attention over the last 6 months, but I think that the focus of the debate has largely been misplaced. The opponents of these loan guarantees, and even some of the supporters of the loan guarantees, have paid too much attention to the diplomatic issues at stake and far too little attention to the humanitarian issue.

The central issue, the real issue, the key issue, is the rescue of Soviet Jewry. The loan guarantees are just another step in the implementation of the longstanding policy favoring Jewish emigration from the Soviet Union.

For decades now, we have had a bipartisan consensus—bipartisan and bi-

cameral, I might say—in favor of freedom of emigration. With the collapse of the Soviet Union, and establishment of the Commonwealth of Independent States, this policy is finally bearing fruit. Jews are being allowed to emigrate. The problem now is to help them resettle in their ancient homeland.

Our debate on this issue has been sidetracked by the focus on the issue of settlements. For the last quarter century, United States administrations of both parties have opposed settlements in the territories occupied by the State of Israel since the way of 1967.

In my opinion, opposition to the settlements may be a praiseworthy policy. We need to keep the door open to a negotiated settlement about the disputed territories. But, that being said, I want to stress that American policy on settlements should not be allowed to dominate the current debate on loan guarantees.

I think the most important issue in this debate, the humanitarian issue, has gotten lost. I would like to help correct this by focusing on the real issues at stake in the loan guarantees to the State of Israel.

The former Soviet Union is undergoing a period of great turbulence. Some have compared this period of Russian history to the "Time of Troubles" at the beginning of the 17th century, a time when famine and political distrust toppled the regime of Boris Godunov and led to the establishment of the Romanov dynasty that ruled for three centuries until the Bolshevik revolution.

Others have compared today's Russia to Weimar Germany. We have references to that in previous speeches. I think this is an appropriate comparison and one that ought to be extremely chilling to anyone familiar with the brutal history of our own century.

After the First World War, Germany faced disgrace abroad and economic disaster at home. The new democratic leaders did not have the stature to cope with the crisis. The result of their failure was the rise of Hitler, a global war, and extermination of European Jewry. Can history repeat itself? Can an anti-Semitic regime take over the government from Russian President Boris Yeltsin, imperiling the lives of the estimated 1.5 to 2 million Jews remaining in the country?

Mr. President, to rule this out entirely would be to ignore some very serious storm warnings from the former Soviet Union. The Soviet Union is one of a number of European nations experiencing a resurgence of nativism and anti-Semitism. In France, the anti-immigrant National Front of Jean-Marie Le Pen is gaining strength. In Germany, 2,074 hate crimes were perpetrated against foreigners in 1991. That is over 2,000 hate crimes—up from only 246 the previous year.

And this trend appears to be taking an especially strong hold in Russia. Even before the economic hardship recently occasioned by the Yeltsin reforms, an openly anti-Semitic candidate received 6 million votes for President of Russia.

Vladimir Zhirinovsky is the founder of the misnamed "Liberal Democratic Party" in Russia. He was one of seven presidential candidates in the last election—and while he came in third behind Yeltsin and Communist Nikolai Ryzhkov, his 6 million votes represented 7 percent of the electorate.

Before the campaign, he was a complete unknown with no political experience. He had no experience either in the Communist Party or in the Russian democratic movement. He succeeded because his message resonated with a frightening number of people. And his message was a simple one: Jews are the chief danger to Russia's future.

In an unintentionally hilarious attempt to reassure Western opinion, Zhirinovsky compares himself to one of our own political candidates: David Duke. Zhirinovsky says about Duke—and I quote: "His views are closest to ours."

I hope I speak for all Wisconsinites when I say that we do not find this reassuring. I find it frankly terrifying that an unknown David Duke-style anti-Semitic demagog can come out of nowhere and attract 6 million votes—even before the current economic crisis.

Zhirinovsky is dismissed as a buffoon, much as Hitler was. He was even born, like Hitler, in a country other than the one he seeks to rule. Hitler was born in Austria. Zhirinovsky was born in newly independent Kazakhstan.

But Zhirinovsky represents a longstanding Russian tradition. The anti-Jewish pogroms of the Romanov years, the allegation that Jewish doctors plotted the murder of Stalin's Politburo, the simultaneous blaming of Jews for the excesses of Stalin himself—all these historic events point to the deep roots of anti-Semitism on Russian soil.

Today, Zhirinovsky is the tip of an anti-Semitic iceberg in Russia. Another nationalist leader, Valeri Yemelyanov, explains the Communist period of Russian history in the following way: "Since 1917 we have been living under the occupation of Jewish fascists."

In Russia, hardline Communists and rightwing nationalists are finding common ground on one issue—the belief that Jews are to blame for all the problems the country faces.

How deep is this anti-Semitic iceberg that lies underneath Zhirinovsky? I will be honest with you—I do not know and I do not think any of us know. But I do know what happened when America ignored this kind of warning signal in the past. And I want to make sure that never happens again.

As early as March 1933, Americans of Jewish background were protesting the excesses of the Hitler regime. Cordell Hull, Franklin D. Roosevelt's Secretary of State, reassured them that the anti-Jewish violence in Germany was over.

Throughout the 1930's, America turned away Jewish refugees from Germany. The permitted quota of immigrants from Germany was 25,957 per year. This quota never came close to being filled. In 1936, only 6,642 immigrants were admitted under the quota; in 1937, only 11,536 were admitted.

According to Deborah Lipstadt, author of the important book "Beyond Belief: The American Press and the Coming of the Holocaust," this shortage of immigrants was "due not to any lack of applicants, but to the many roadblocks placed in their path by State Department immigration officers."

Mr. President, to say that this was a failure of policy would be a tragic understatement. It was nothing short of a devastating blow to the future of European Jewry. And this policy persisted even after the dimensions of the Holocaust began to be known in the allied countries.

In June 1941, the State Department issued a ruling that Jewish refugees who had relatives in Nazi concentration camps could not be admitted to the United States—on the grounds that they might be spies for the Nazi enemy.

In June 1942, newspapers all over the world featured headlines about the exterminations taking place in Europe. From the London Times: "Massacre of Jews—Over 1,000,000 Dead Since the War Began." From the Atlanta Constitution: "1,000,000 Jews Killed by Nazi Treatment."

Six months later, the State Department's specialist on Jewish issues was still reassuring Congress that the reports were unconfirmed.

Thanks in large part to the pressure of Treasury Secretary Henry Morgenthau, Franklin Roosevelt in January 1944, established an agency called the War Refugee Board to help organize the rescue of European Jews. But officials in the State Department urged Cordell Hull to weaken the War Refugee Board—on the grounds that Hitler might embarrass and inconvenience the Allies by flooding them with unwanted Jewish immigrants.

Mr. President, are we not capable of learning from the past?

It is my contention that by concentrating on secondary issues like the housing starts on the West Bank, we are forsaking a truly historic opportunity for American foreign policy. From Jackson-Vanik to the Persian Gulf war, we have been promoting the resettlement of Soviet Jews. "Next year in Jerusalem" is now a reality. It would be unconscionable for us to abandon this policy now.

These loan guarantees are essential to the success of our humanitarian pol-

icy. They will make it possible for Israel to resettle the refugees—that is their only purpose.

The campaign of misinformation on this issue would lead you to believe that the loan guarantees are U.S. grants. That is a falsehood. Under the loan guarantee proposal, the United States taxpayer will not be spending a single dollar to subsidize Israeli housing.

And the loan guarantees are not U.S. loans either. The U.S. Treasury will not be lending a single dollar to the effort to resettle the refugees. It will merely guarantee that when private sector lenders lend money for that purpose, the U.S. Government will stand surety for the loan.

And there is practically no risk in that, because Israel has never defaulted on United States loan guarantees.

The only U.S. budget funds involved in the loan guarantee process are the origination fee, which we estimate will amount to $100 million. Israel itself will pay for this origination fee—making United States taxpayer funding completely unnecessary.

In short, America has an opportunity to render essential humanitarian aid to a loyal friend—to rescue hundreds of thousands of people—at no charge to taxpayers.

Mr. President, if we were to turn our backs on an opportunity like that, what would it say about us as a nation?

Throughout the four decades of its existence, Israel held the line for democracy in the Middle East region. It remained America's friend when friends were scarce. During the Persian Gulf war, the Israelis failed to retaliate for the terrorist acts of Saddam Hussein—for the simple reason that America asked them not to.

Israel kept faith with America. Now, they face an immigration crisis of monumental proportions and they need our help.

Much more may be at stake here than any of us know. That's why I will do everything in my power to ensure that we do the honorable thing—and approve these loan guarantees.

As a first step, Mr. President, I urge adoption of the resolution before us and I think I join with all who are going to vote in favor of this resolution and are cosponsoring this resolution. This effort does not end here. This effort, in fact, is accelerated here, is pushed harder here because now the danger is clearly before us. Now we must work together, convince the administration to abandon this wrong policy and to work with us for a compromise on loan guarantees for the humanitarian effort to help the Soviet Jews come to Israel.

Mr. GRASSLEY and Mr. LAUTENBERG addressed the Chair.

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

Mr. LAUTENBERG. Mr. President, we have been alternating for the benefit of the Senator from Iowa between across the aisle and I would at this juncture like to yield 3 minutes to the senior Senator from California [Mr. CRANSTON].

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. CRANSTON. Mr. President, I thank the Senator from New Jersey and I thank him for his leadership in offering this resolution on a vitally important matter.

Mr. President, we have worked for years and decades to persuade the powers that be in the Soviet Union to let the people go, to let Soviet Jews who wish to emigrate, emigrate. Due to the leadership of some remarkable men like President Gorbachev, President Yeltsin, Foreign Secretary Shevardnadze, and Alex Yakovlev, policies were changed and people were let go.

We should recognize that that creates problems in the lands where the people choose to move to, and plainly there is a major problem for housing in Israel. We should recognize our obligation to help deal with the problem of absorption and adjustment that are involved in this, and I strongly oppose the efforts of the Bush administration to relate this to the peacekeeping problems of the Middle East.

There is no link and to demonstrate that there plainly has been no progress among the Palestinians and the Arabs due to the opposition of the Bush administration to this loan guarantee. That demonstrates very clearly that there is no substantive talk.

We should approve these loan guarantees for humanitarian reasons. We have an obligation to do so, and I hope that eventually we will achieve this. It is plain that there is no great financial risk. Israel has never defaulted on a loan. Israel has always come through on schedule even in wartime and now in time of peace, and when many of these people who are now in Israel are adding to the economic strength and capacity and creativity of that country, we should be even more certain that Israel will meet her obligations in regard to any loan.

Let me say, parenthetically, that while I strongly oppose what the Bush administration has been doing on this front, I want to express very strong support for what President Bush has done on a related other front upon this very day. He has made a strong statement to the public and to the Congress of support for efforts to assist the people of the former Soviet Union and Russia, and elsewhere, to achieve the stability that is so important to the achievement of real democracy and freedom and a free enterprise system in those countries.

I applaud the President for disregarding those who said it is dangerous to support anything like that abroad. I for one will stand up to support the President against any criticism that comes to him from any quarter for his leadership on this front, and I will support the package totally that he has submitted to the Congress in regard to aid to the people of the governments of the former Soviet Union.

Again I applaud the leadership of Senator LAUTENBERG on the measure that is before us relating to the loan guarantees for Israel and I strongly support his resolution.

The PRESIDING OFFICER. Who yields time?

Mr. KASTEN. Mr. President, I yield 3 minutes to the Senator from Iowa [Mr. GRASSLEY].

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, I rise in support of this resolution. The main purpose we all ought to be supporting this resolution is because it is a humanitarian issue.

We have worked tirelessly, many of us in this body, for the freedom of Russian Jewry. Now the gates are open and the people are leaving. Some 400,000 have already arrived in Israel. It is estimated that 1 million or more may make their way to Israel in the next several years. This would be the equivalent of the United States absorbing England or France. We in the United States should do our part to help, because we were there at the beginning of this crusade.

Israel did not ask for a handout. Israel did not ask for a blank check. Israel asks for loan guarantees, and our Government could respond positively without one cent of cost to the taxpayers because Israel pays its bills and Israel has a good credit rating.

The issue has gotten caught up needlessly in political considerations. The administration has seized upon the peace process and linked it to this humanitarian assistance. But that linkage is misguided because it signals to Israel's negotiating partners that they do not have to talk to Israel. It signals that all they have to do is come to Washington and negotiate with America, and that somehow we will deliver Israel at the peace table. Well, Israel, like her negotiating partners, is an independent nation. That will not happen.

Israel is willing to make historic concessions to get these loan guarantees. Israel will take offsets for West Bank construction and deduct amounts spent there from the total loan guarantee amount. Israel recognizes that there is a policy difference with the United States and that in effect settlements have a cost. Israel is willing to pay that cost. And Israel will give the United States full rights to inspect and monitor how the money secured by the guarantees is spent. What more should we ask?

Mr. President, much has been said in recent weeks about the status of rela-

tions between the United States and Israel. Some are writing the obituary for this very important alliance. But, I would caution against that. Israel is the only democracy in a very hostile part of the world, a part of the world that has not fundamentally changed in the last year since the gulf war. We know we can count on Israel. What other ally would withstand 39 Scud attacks without response, because the United States asked it to?

Let us help Israel with this humanitarian request. I join with many of my colleagues to support loan guarantees for Israel. Let us send a signal to those fleeing persecution and anti-Semitism that we want them welcomed in Israel now and that they should not wait to leave Russia and the Commonwealth States.

The PRESIDING OFFICER. The Senator has used the 3 minutes yielded to him.

The PRESIDING OFFICER. Who yields time?

Mr. LAUTENBERG. I yield 5 minutes to the senior senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. Thank you very much, Mr. President.

Let me begin by commending our distinguished colleague from New Jersey, Senator LAUTENBERG, for bringing this resolution to the floor.

Mr. President, I also would be remiss if I did not recognize the efforts of the Senator from Vermont [Mr. LEAHY] and the Senator from Wisconsin [Mr. KASTEN] who have spent countless days and hours trying to come up with a formula that would have been acceptable to the administration.

In some sense, it is with a note of sadness that I rise to support this resolution, because, while the resolution certainly is deserving of support, it is nothing more than a sense-of-the-Senate resolution. And I suspect there will be 90-plus votes for it, a vote without any pain at all, according to some, because it really does not do anything but in a sense express what we would like to do, what we should be doing.

I think it is unfortunate that we have arrived at this point here because the administration refuses to accept the fact that an ally of ours is doing something which ought to be receiving overwhelming support and commendation. Here is a nation the size of my home State of Connecticut, 3.5 million people. As the Senator from Iowa just said, it is in the process of absolving what would be the equivalent of this country absorbing the entire population of France.

What they are asking for is not foreign aid but a guarantee on loans of private money in order to assist in housing and employment and other matters. The way the administration has cast this particular situation is as if to suggest somehow it is unique, that this is a unique occurrence, that the United States never before has ever been asked to step forward to provide loan guarantees to anyone else.

Well, Mr. President, I will ask unanimous consent to have printed in the RECORD a list of those nations which have received loan guarantees without any conditionality whatsoever. This list comes from the "Center for Foreign Policy Options," as part of a paper presented by Steven L. Spiegel and Mayer Alan Brenner.

There are 60 nations on this list, Mr. President, that have received loan guarantees without a single condition being placed on them. Only one country has ever had to face the prospect of conditionality, and that is the State of Israel. So when the American taxpayer is concerned about the wisdom of this program because of the potential impact on our budget, let them read the list of 60 other nations that have received loan guarantees.

And it is some list, Mr. President, when you go down some of the names on here, Algeria, for one. In the month of February, 2 months ago, reports from the opposition in that country indicated that there were some 30,000 people that have been detained, some 150 people have been brutally beaten, and some 700 other people have been tortured. This is a nation that receives loan guarantees from the United States.

You can go on down that list and look at some of the nations that have gotten them over the years. El Salvador, for example, is one on there that certainly has less than a positive human rights record.

And let's look at some of the other nations. Last year we gave unconditional guarantees to Algeria, Yemen, Tunisia, and Egypt. Now, Egypt is a good ally. But the Bush administration on its own forgave $7 billion of debt the country of Egypt owed the American taxpayer; not a loan guarantee but $7 billion in hard money that we said Egypt no longer had to pay back to the United States. Where was the outcry when that occurred about fiscal responsibility?

It is disingenuous—it is hypocritical, in my view—to be talking about those issues and applying a standard that is entirely different for some. It is tragic, in my view, that, as has been said earlier by others, that we cannot provide some assistance here. It does not cost the taxpayer a nickel to assist in humanitarian efforts.

And no other country has a better credit rating, Mr. President. It is common knowledge, for those who will look, that there is no better credit risk, when you look at all the nations who have owed us money and do not provide assistance or repay those loans. The State of Israel has repaid its debt every time we have asked them to accept a loan rather than a direct grant. Few other countries can make that same claim.

Mr. President, there are plenty others on this list—and I will submit this for the RECORD—that have received unconditional loan guarantee assistance. Saudi Arabia, for example: $22 billion dollars' worth of arms since 1989; $1.1 billion in unfulfilled pledges for the gulf war yet to be paid by that nation. That is far in excess what the potential exposure to the American taxpayer is for these loan guarantees.

Mr. President, I would just say in conclusion that I commend my colleague from New Jersey for his efforts here, but in a sense I rise with some regret that we are not doing what we ought to be doing. And that is not just a sense of the Senate but providing some assistance here that helps people, people who come from a country that is a strong ally, and I regret it deeply.

Mr. President, I ask unanimous consent that the list to which I referred be printed in the RECORD.

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

POLITICAL CONDITIONS ON LOAN GUARANTEES

Countries that have recently received loan guarantees:

Algeria, Argentina, Armenia, Azerbaijan, Bahrain, Barbados, Belarus, Brazil, Burkina Faso, Canada, Chile, China (Mainland), Colombia, Czechoslovakia, El Salvador, Georgia, Ghana, Greece, Guatemala, Hungary, India, Indonesia, Iraq, Israel, Jamaica, Jordan, Kazakhstan, Kenya, Kuwait, Kyrgyzstan, Lesotho, Malawi, Mauritius, Mexico, Moldova, Morocco, Nigeria, Oman, Pakistan, Panama, Paraguay, Philippines, Poland, Portugal, Russia, Rwanda, Senegal, South Korea, Tajikistan, Thailand, Trinidad/Tobago, Tunisia, Turkey, Turkmenistan, United Kingdom, Uzbekistan, Venezuela, Yemen, Yugoslavia, and Zimbabwe.

Countries that have had political conditions placed on the extension of loan guarantees:

Israel.

The PRESIDING OFFICER. Who yields time?

Mr. KASTEN. Mr. President, I yield 5 minutes to the Senator from Wyoming [Mr. SIMPSON].

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. SIMPSON. Mr. President, I thank my friend from Wisconsin. I commend Senator LAUTENBERG and Senator KASTEN for consistent and extraordinary work.

Let me say this. This vote will not be tough for anybody, but the issue will remain tough for all of us. That is what I want to comment on.

We do not like to say no to anyone. We do not like to say no to our veterans, to our aged, to our young, to agriculture, to anyone, or to our closest ally. Who likes to do that? But increasingly we are going to have to do just that and we will have to do an awful lot of it in years to come.

There is no need to review the facts that have been put forward by the Sen-

ators here. We all understand this is not a grant or a loan but rather a guarantee. But we are coresponsible for it.

We are $4 trillion in debt at the present time. Foreign aid, sadly enough, has become a whipping boy in the current political climate. I frequently do the very unpopular. I defend foreign aid, and aid to Israel and aid to Egypt and the other countries of the world—$15 billion out of a budget of $1.5 trillion. Go have a town meeting and you will find out how the citizens feel about foreign aid in America today.

Our interests and Israel's often coincide, and sometimes they do not. Our President, and we heard a bit of it a moment ago, has been roundly criticized for doing something unpopular that serves the American interests—ensuring that our foreign assistance serves U.S. interests and U.S. policy. That is his job.

It is shocking to hear—no one here has said it, but others have said this, about this President—especially a candidate for President of the opposing faith, who prattles on about the divisions in America and the need for healing. So much for healing with the remarks that he just made—incendiary remarks about subtle anti-Semitism of the President of the United States and this administration. So much for healing from that source.

So, it is shocking to hear, and others have said it that this administration is anti-Israel or worse, anti-Semitic, merely because it seeks to ensure that our aid serves our own national interests, our Untied States interests, our national interest. Not another country's goals.

No President has done so much to guarantee Israeli security as this one. Americans fought and Americans died to destroy their greatest military threat. And Iraq threatened Israel more than many other nations in the region. And in doing so, we defended American interests as well as Israeli interests.

We were the ones who struck the death blow to the Zionist resolution in the United Nations. It was this Reagan-Bush administration, with its representative to the United Nations and Vice President George Bush who personally arranged the transport and emigration of the Ethiopian Jews. George Bush did that. He brought them forward into the light.

We are the ones that give an annual allocation of $3 to $5 billion to Israel in aid and guarantees and grants. And I vote for those things and am ready to do that again. No other administration has done so much.

When the war was over, Secretary baker sought the use of all our newly available leverage to bring the Arab world into peace talks with Israel. It is this administration's work that may mean a peaceful future for all of the citizens of Israel.

Finally, let it not be said that we are being coldhearted or uncaring in our position on the loan guarantees. Surely, our first humanitarian obligation is to help refugees coming to our own country. We have increased by $37 million the funding assistance to Israel while decreasing our own spending on refugees in this country.

The bill that we passed—today, in fact—contained $80 million for the resettlement in Israel of Soviet refugees. It is in there at a time we are cutting back drastically on our own country's refugee resettlements from $416 to $227 million—by $189 million we are cutting our own.

Let us not place ourselves in opposition to the administration position. Somehow we have tragically reached a point where it is now anti-Israel, or anti-Semitic to disagree with those who believe the only proper United States policy toward Israel is the policy approved by the Israeli Government. No matter how thoughtful your opposition, if you do not support the policy advocated by the State of Israel and its well-committed and able and organized supporters in this country, you are suspect—suspect of being as ugly as anti-Semitic. That is enough of that.

That gets tiring to us all. I am pro-Israel. My parents lived there for a time. I care about Israel's security. I think they are the pioneers of the world and I also agree with our Government's position on the loan guarantees and I do not believe there is any contradiction there at all.

One final thought. Israelis would be offended if their own government followed blindly and without question the policies of the United States or any other government. I believe just as validly that the American people can have that same feeling when we allow our national policies and interests to be dictated by the Israeli Government or any other government.

So in the long run the administration policy, which only strives to make long-term peace possible in this region, is the correct and honest humanitarian policy. It is a good policy for the United States and it is a good policy for Israel.

I thank my colleagues.

The PRESIDING OFFICER (Mr. DASCHLE). Who yields time?

Mr. LAUTENBERG. I yield 10 minutes to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 10 minutes.

Mr. METZENBAUM. I thank my colleague from New Jersey.

I just heard the Senator from Wyoming say that we do not like to say no to anyone, particularly with respect to foreign aid. But it should be pointed out that there is no foreign aid at issue here. We are talking about a guarantee of a loan to a country that has always paid its debts and has never failed to make those obligations.

My colleague from Wyoming talked about serving our own national interests. He then went on to say that Americans fought to defend Israel's interests in our most recent war. Let us not overlook the fact that Israel had to restrain itself from going to war against Iraq. It wanted to retaliate against Saddam's unprovoked attack. Israel wanted to destroy the Iraqi missiles that were being fired. And it took all that Israel could do to restrain itself. Let me remind my colleagues that Israel is a vibrant democracy. The public pressure to strike back at Iraq was intense. To suggest that Americans went to war to defend Israel is just absurd. It is just illogical, and I resent it. It is just not true.

Every American knows that the Israelis wanted to strike back and that the Israelis have always struck back when they have been attacked. But they were importuned by this Government not to do so.

Now to suggest that American boys went to war to defend Israel is just not correct. And I resent it being said on the floor of the Senate.

I also heard on the floor of the Senate today about how American aid to Israel has increased over the years.

Let me point out to my colleagues that there has indeed been American aid to Israel. But let me also point out that we have not had to spend any money in the Middle East on our own forces to defend the interests and the concerns of the State of Israel.

But the situation is different elsewhere in the world. We spend $150 billion a year, about one half of our annual defense budget to defend Europe. We spend about $19 billion a year to defend Japan and the sea lanes in the part of the world. We spent about $15 billion a year to defend South Korea.

We never have had to spend anything on United States forces for the defense of the State of Israel.

The figures that I have just mentioned do not include the priceless value of the many American lives that have been on the line in Europe, and in Korea, and in Japan in order to defend those countries. Israel has never asked this country for any direct assistance for self-defense. Israel never asked any individual to risk his or her life in its defense. We provide Israel with military aid in order that Israelis, not Americans, may defend their land.

I remember very well many years ago when Alexander Haig was up for confirmation as Secretary of State.

And I said to Mr. Haig at that time: You have been a strong supporter of the State of Israel, very strong. Explain it to me. How do you account for your position on Israel?

I will never forget him saying to me in reply that Israel's 700,000 troops, on the ready alert, within 48 hours have

been an assurance that the United States will never have to place our military in the Middle East in order to protect our concerns in that part of the world. Haig was correct. We hear about American troops in Europe; we hear about them being in the northern Pacific; we hear about them being in other places in the world to protect our varied allies, but until the gulf crisis, there had never been a need to send our young men and women to the Middle East. This was due to Israel's strength and steadfastness.

So when we talk about the dollars that were spent to help Israel, which has opened its arms to refugees throughout the world, including many who had to leave Arab lands, had to leave the former Soviet Union, let us not forget that Israel has been our only self-sufficient ally with regard to national defense. It is only a shame there was no strong Jewish State 50 years ago so that those who suffered in the Holocaust could have left Germany and Poland and would have been able to go to a safe and secure haven and there would not have been 6 million lives lost. Israel has had an open-door policy.

Our aid to Israel has been peanuts compared to the kind of money that this country has spent to defend our former enemies in Europe and in Asia.

Even today as we meet here, Israel's deterrent force, which used to be a major factor as far as the Soviet threat to the Middle East, no longer is as important because there is not that Soviet threat. But now a strong Israel keeps Syria in check. And who knows how much earlier Saddam Hussein might have lashed out had Israel not been there as a deterrent force? And what would have been the situation during the recent war had Israel not destroyed Iraq's nuclear facilities 10 years ago?

I say to my colleagues in this body, for this country to provide a guarantee of Israeli loans would have been right. It is right. It will be right when we pass it. We will come back to the subject at a future date. The President's threat to veto any loan guarantee measure caused many of us who were prepared to move forward not to do so, knowing full well we could have obtained more than a majority of the Members of this body to vote in support, but recognizing that the President's veto would really achieve very little and only be a divisive factor.

The issue is alive. It is an issue to which we will be turning to in the not-too-distant future. I think the vote this evening, which as I understand it will be pretty close to unanimous, is an indication that the United States Senate does, indeed, believe that the loan guarantees are justified and we say to all of this country and to the world and to Israel, that we will return to this subject. Israel's request is justified. It will not cost the American people one single dollar. It is not an aid request; it is a request for a loan guarantee. It is an appropriate and right request, and we should be acting on it in substance tonight. Instead, we will have a sense-of-the-Senate resolution indicating the views of the Members of this body.

I regret that a sense-of-the-Senate measure is all we are able to do tonight, but President Bush's position leaves us no other option.

Mr. President, I yield the floor.

Mr. COATS. Mr. President, I support the sense-of-Senate resolution before us calling for the United States Government to support loan guarantees to Israel. I commend my colleagues who have offered it. I am dismayed that no agreement was reached to provide the $10 billion in loan guarantees prior to the deadline on the foreign operations continuing resolution.

Israel, a longtime ally of the United States is being denied fundamental humanitarian assistance necessary to help settle 400,000 Jews who have arrived from the former Soviet Union and from Ethiopia. A staggering 600,000 more are expected over the next few years to emigrate to Israel. This would be the equivalent to close to 100 million people arriving in the United States. This $10 billion, only a small part of what Israel intends to raise, is absolutely essential in order to provide the infrastructure, jobs, housing, and education to these immigrants. I am disappointed that we have allowed this very clear humanitarian need to become clouded over in a discussion about the distinct issue of the Middle East peace process.

The assistance Israel seeks is not $10 billion in direct aid from the United States but a loan guarantee. They ask only that the United States cosign loans from private banks thereby ensuring a lower interest rate. Israel has had a perfect record on previous loans—they have never defaulted. The United States has provided humanitarian assistance to nations all over the world and yet when a key American ally requests only loan guarantees, we reject him. We have called for the free immigration of Jews from the Soviet Union for many, many years. What a contradiction that while we celebrate the demise of the Communist Soviet state and all it represented, we are now unwilling to provide the necessary support to allow hundreds of thousands of Jews to resettle in a new land.

We have an unprecedented opportunity and responsibility and yet we seem unwilling to recognize our obligation to these people and this nation. The monetary cost to Americans is nil. In fact, Israel has even offered to pay the 2- to 3-percent set-aside costs associated with the loan. I believe that the issue is not whether the United States can afford to assure these loans but rather can we afford not to?

A vast majority of the $10 billion Israel receives from banks will be spent in the United States—thereby boosting U.S. economy and adding jobs. It is estimated that Israeli spending in the United States will increase United States exports $10 billion to $15 billion. The Commerce Department estimates that for every $1 billion in U.S. exports, an additional 20,000 jobs are created in the United States. Exports to Israel amounting to $2 billion a year could create an additional 40,000 jobs in the United States. In 1990 Israel received a $400 million loan. Of this amount, 70 percent came back to the United States through the housing industry which sold thousands of prefabricated homes to Israel.

I've monitored the news accounts very closely over the last several months, and I've been disheartened at the turn of events regarding our support of the loan guarantees and the perception that there has been a change in our relationship with Israel. Our ties with Israel are deep and strong. Israel, the only democracy in the region, has defended United States interests in that area of the world, while surrounded by nations hostile to her very existence. Israel is not just a strategic ally, but one to which we are historically and morally bound. Just a year ago, we congratulated Israel for her self-restraint in the midst of Scud attacks from Saddam Hussein. Now our current policy seeks to excoriate her and penalize her for efforts to resettle Jews.

I commend the efforts of my colleagues who worked diligently to resolve satisfactorily the issue of loan guarantees. I know they are disappointed, as am I, that it has become captive to the Middle East peace process. Mr. President, I support the dialog between Israel and its Arab neighbors and genuine efforts to achieve peace in the region. But it is outrageous that Israeli settlements are being called an obstacle to peace and that we have so far refused the loan guarantees because of them.

Denying these loans will hurt Israel's economy, lead to higher unemployment, and lower growth. The innocent victims will be those we have sought for two decades to help—Jews at last free to leave the former Soviet Union.

I support this resolution which I believe sends a clear signal to the administration that this body supports unconditional loan guarantees to Israel.

Mr. HATCH. Mr. President, I rise in support of this sense-of-the-Senate resolution that endorses loan guarantees for Israel. During the last year, I have consistently endorsed the need for the United States to offer unconditional loan guarantees for three basic reasons.

First, I am extremely concerned about the plight of Jews in the former Soviet Union. The CIS is in a state of

flux, and it seems quite plausible that during a period of internal instability a wave of anti-Semitism could rise in that country. It is important that we address this problem immediately.

Second, the free standing emigration of Jews from the Soviet Union has long been an objective of every administration since the end of WW II. It would be a tragic error—after securing the legal right of Soviet Jews to emigrate—to reject policies that would enable them to exercise that right.

Third, I believe that loan guarantees are essential to help Israel shoulder the burden of assimilation for 400,000 Soviet emigres that have arrived in the last 2 years, and the 1 million who might soon file application forms. The loan guarantees are strictly for humanitarian purposes and I believe that we should help Israel in this important endeavor.

During my tenure in the Senate, I have spent years working to help free one individual or family in the former Soviet Union. Today, we risk losing the chance to help get 1 million out. In my opinion, this resolution is symbolically important because it reaffirms the Senate's support for helping Israel complete this historic and humanitarian mission. Consequently, it is imperative that the full $10 billion in loan guarantees be issued to Israel as soon as possible.

Mr. President, I also would like to take this opportunity to enter into the RECORD an article that I drafted recently on loan guarantees. The article was published in the Washington Times last Friday and outlines my concerns on this important matter.

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

[From the Washington Times, Mar. 27, 1992]

LOAN GUARANTEES AND HUMAN RIGHTS

(By Orrin Hatch)

In May 1939, the liner St. Louis left Germany with 937 Jewish emigres fleeing Nazi anti-Semitic violence and almost all of them held visas for Cuba. While they were in route, a new government took power in Havana and refused to honor the emigres' visas. After an indifferent American administration refused to admit the refugees, the ship was forced to return to Europe where historians believe that most of the passengers were later sent to Hitler's concentration camps.

Today, we face an equally compelling humanitarian issue—whether to help Soviet Jews emigrate to Israel and escape the danger of a rising wave of anti-Semitism in Russia and some other republics of the former Soviet Union. Already, extremist Russian nationalists, such as the neo-fascist Vladimir Zhirinovsky, have been organizing to take power should President Boris Yeltsin's reforms falter, and have made the worst kinds of anti-Semitic remarks.

We have a momentary window of opportunity. The United States should provide $10 billion in loan guarantees over five years to help Israel shoulder the burden of assimilating the 400,000 Soviet emigres who arrived in the last two years and the 1 million who might soon file immigration applications. But by haggling about fine print, we are about to fritter that opportunity away.

The Bush administration's recent rejection of the loan guarantee request was a tragic error. Americans suffering in the current recession would sympathize with the people of Israel, where the unemployment rate is at a 25-year peak and where about 50 percent of new emigres cannot find jobs. The flood of immigrants—which is the equivalent of the United States absorbing the population of France—has strained Israel's economy, schools, health services, housing and infrastructure to the breaking point.

Opposition to the loan guarantees is based on two myths. The first is that this assistance would cost the American taxpayer a bundle. But guarantees—which are not grants—simply involve U.S. co-signature on loans that cost us virtually nothing but allow Israel to obtain much lower interest rates. Moreover, since Israel has never defaulted, we would face no financial risk.

The second myth is that the aid would undercut the peace process. In fact, the opposite is true. Israel, besieged by hostile forces for almost five decades, wants peace and hardly needs to be bludgeoned to come to a fair agreement. In reality, holding the loans hostage reduces the incentive of the Arab states and the Palestinians to negotiate seriously, and undermines the confidence in U.S. security guarantees that Israel must have in order to make concessions.

Every postwar American administration has supported the cause of the Soviet Jews. It would be tragic if the United States—after achieving its fundamental objective of securing the legal right of Soviet Jews to emigrate—rejected the policies that would enable them to exercise that right.

First, both sides need to rein in their rhetoric. Our agendas are complementary, not contradictory. The present confrontation, fed by irresponsible and inaccurate leaks from some in the administration, ignores Israel's vital role as the only democracy in the Middle East and as our only reliable strategic partner.

Second, the United States should stop meddling in Israel's internal debate about its security requirements. Since the United States—isolated by two oceans—still chose to deploy troops in Europe and Asia to counteract the Soviet threat during the Cold War, it is hypocritical for the United States to try to force Israel to accept a mere 12 miles of strategic depth, which would be the result of a total withdrawal from the West Bank.

Third, while the United States should ultimately back the full $10 billion in loans, Congress should provide a one-year, $2 billion package to address acute needs, overriding the president's veto if necessary. It should also establish a small, bipartisan group of House and Senate members that would confer with the administration and the Israeli government in order to craft a compromise for the remaining $8 billion in loans. While the Bush administration's demand for a settlement freeze represents an unacceptable interference in Israel's domestic affairs this panel would prescribe the kinds of data Israel must provide to verify its pledge that no monies from these loans would be used to build new settlements in the West Bank or Gaza Strip.

I spent 10 years working diligently to help free two Jewish families denied the right to leave the Soviet Union, the Khassin and Uspensky families. I remember when it was a great triumph to get one refusenik out of the Soviet Union. Today, we risk losing the chance to get 1 million out. No one wants to repeat the tragic failure of America to respond to the pleas of the passengers of the St. Louis. But if we hold back our help, we will be gambling with the lives of Soviet Jews.

Mr. CRAIG. Mr. President, after many months of delay charged with political posturing, we have before us a sense of the Senate resolution on Israeli absorption loan guarantees. It is only one small step toward resolving this issue, but it is one that I support. This is a worthy resolution, Mr. President, because it clearly lays out the issue of the loan guarantees and resolves concerns about the issue of cost to the American taxpayer. I would not support this issue if it would lay an additional burden on the American taxpayer.

Israel is a very small country, and the absorption of the wave of immigrants from the former Soviet Union and Ethiopia has taken its toll on their economy. That will continue into this decade as the flood continues.

Our Nation led the fight to free the Soviet Jews and open the doors for the flow of immigration. Now, Mr. President, when we have succeeded in opening the doors of freedom for millions of Jewish people fleeing persecution in the Soviet Union, let us work wisely to prevent those doors from being shut. This resolution is the first step toward that goal.

It is important to remember the credit guarantee request has been made in response to the need for assistance in handling the increase in the influx of Soviet and Ethiopian Jews into Israel. It is a humanitarian issue. The country is facing a serious financial crisis. In order to provide jobs for these immigrants the Israeli economy needs to expand its growth. Israeli officials have been working on attracting direct investment, quickening the pace of privatization and cutting back on bureaucratic redtape that has restricted economic growth. But more needs to be done in order to absorb the more than 1 million Soviet Jews who are expected to arrive.

Again, Mr. President, loan guarantees referred to in the legislation are not cash. The guarantees are not even loans from the U.S. Government. They simply assist Israel in borrowing from private banks by providing those institutions a United States Government guarantee to cover the loan repayment if Israel defaults.

The resolution before us speaks for itself, Mr. President. Let me highlight a couple of important points:

The General Accounting Office found that if the Congress authorizes the $10,000,000,000 in loan guarantees requested by the Israeli Government, the Israeli Government will likely be able to fully service its external debt to continue its past record of payment; and

The Government of Israel has agreed to pay origination fees for loan guarantees so

that the guarantees will not result in any cost to the United States taxpayer.

Mr. President, this issue needs to be resolved, and in a manner that will not affect the American taxpayer. Let me be very clear that I will not support legislation that would contribute to this Nation's debt burden. The financial condition of Israel and the commitment of the Israeli Government to repay their loans are our guarantee that these loans will not be left for the American taxpayer to cover.

Mr. BRADLEY. Mr. President, today I rise to cosponsor the sense of the Senate resolution before us and to express my deep disappointment that loan guarantees for Israel were not included in the foreign aid bill. I am deeply concerned about the continued opposition by the Bush administration to these guarantees. Despite the commendable efforts of my colleagues Senators LEAHY, KASTEN, and others to find a compromise acceptable to all parties, agreement could not be reached. I was, and remain disturbed that the administration's desire to alter Israel's policies superseded its wish to help Israel accommodate the influx of Soviet and other immigrants.

But though I am disturbed by the administration's handling of this issue, I am not surprised.

From the beginning of the discussion on loan guarantees, Secretary of State Baker made clear that the guarantees were to be used as a lever, a tool, to push Israel to conform to the administration's own policy agenda. He determined this would be the mechanism to stop Israeli settlements in the occupied territories.

Mr. President, this has been a seriously flawed position. Its end result has been to hold the loan guarantees hostage to politics. With the demise of the Soviet Union, many Jews are for the first time able to consider the option of leaving. Israel, having been established as a haven for all Jews, is turning none away. Over 1 million immigrants are expected to arrive between 1990 and 1996, the largest wave of immigrants since the state's creation. No one can deny that Israel's need for access to capital is great.

But while Israel is making good on its commitment to accept the emigres, the United States has not made good on its own commitment to Israel. This despite our long-standing policy of pushing the Soviet Union to allow free emigration of all its citizens, and despite our long-standing policy of supporting successive Israeli Government attempts to bring Jews home.

Mr. President, I remain convinced that the settlement issue has no place in a discussion on humanitarian aid. Certainly, settlements need to be addressed, but by Israel and her neighbors in the context of regional peace talks, not by the United States Government; by doing so, now we would in effect be predetermining the outcome of the peace talks.

And what's been the result of the administration's linkage attempt, Mr. President? We have ended up helping no one. Worse, this approach plants the seed for failure in the peace negotiations, the very talks Secretary Baker simultaneously tries to keep afloat. Now that President Bush has denied their request, Israelis feel more vulnerable, and less inclined to make any concessions in negotiations.

The ramifications of this could be devastating. For peace talks to work, both sides have to believe that they can reach a solution that is in their long-term interest. Yet, in the wake of President Bush's denial of their loan guarantees, Israelis probably are reassessing their ability to take risks, including any over the negotiating table.

Mr. President, some have argued that we should not provide loan guarantees because we already spend too much on foreign aid. The loan guarantees are not foreign aid; they are guarantees for loans made by private banks—in other words, they are private loans backed by the U.S. Government. I believe that backing Israel makes good sense. Israel has an outstanding credit record. Since 1949, Israel has never defaulted on a loan nor received debt forgiveness from the United States. So the actual dollar cost of these guarantees would be virtually zero.

Mr. President, I hope that we can still work out something this year for Israel. Their need is legitimate. Providing loan guarantees is not only proper and just. It's also the moral thing to do.

ON ISRAELI HOUSING LOAN GUARANTEES

Mr. MOYNIHAN. Mr. President, last year Israeli officials indicated their interest in securing loan guarantees from the United States Government that would allow them to borrow $10 billion over 5 years at competitive rates from commercial banks. This money was, and is, needed to help provide housing and jobs for the hundreds of thousands of immigrants who wish to leave the former Soviet Union and settle in Israel. The administration asked the Israeli Government to postpone this request until September and it did so even though the dramatic rescue of Ethiopian Jews added to its already enormous immigrant absorption costs.

Then the administration asked the Israeli Government to again postpone requesting—and Congress was asked to postpone considering—these loan guarantees until after the Mid-East Peace Conference planned for October. We were told that this further postponement would avoid a clash with Israel over the administration's demand that Israel stop building settlements in the occupied territories as a condition for securing loan guarantees.

The future of the territories that Israel occupied in 1967 is, no doubt, one of the major issues to be discussed in any peace conference. It seems to me most unhelpful, therefore, to demand that Israel make a major—and absolutely unilateral—concession prior to a peace agreement with its belligerent neighbors. What comparable concession does the administration demand of the other conference participants, the nations who have repeatedly waged war against Israel?

As a sponsor of the talks, the United States should not set preconditions which appear to take a position on the future of the disputed territories. Imagine if the United States had demanded that Israel raze Israeli settlements in the Sinai prior to the convening of the Camp David peace conference. The Members of the Senate will recall that Prime Minister Sadat came to Jerusalem without preconditions and was subsequently rewarded with the return of every square centimeter of Egyptian territory that Israel had occupied in 1967. Israel has not demanded that Jordan and Syria accept the loss of territory as a precondition to direct negotiations; the United States should not implicitly place such a precondition on Israel.

Freedom for Soviet and Ethiopian Jewry has long been a foreign policy objective of the United States. Helping Israel provide these people with homes and jobs is a logical extension of this policy. How ironic it would be for the freedoms we have helped to achieve to wither on the vine due to a lack of funds. I know that Scoop Jackson—long my closest friend in the Senate—would support Israel's request for loan guarantees in order to secure in reality the freedom which we have helped to bring about in theory and I most certainly do. And I believe that the request should be granted without preconditions which are more appropriately hammered out between Israel and its neighbors at the negotiating table.

The size of the request may at first appear large, but it is important to remember that loan guarantees do not require the expenditure of a single American tax dollar. Moreover, these guarantees will amount to less than 1 percent of all Government backed loans issued during this period. It should also be noted that Israel has never defaulted on a loan or note.

Mr. President, the administration received the delay it requested. And we sought a reasonable compromise during that period. But the emigres—seeking freedom from fear—should be made to wait no longer for the United States to grant the reasonable request that it guarantee loans to this credit-worthy friend and sister democracy. In short, I believe that our guarantee is an appropriate and humanitarian step and that it should be granted without further delay.

Mr. HARKIN. Mr. President, I rise in support of the resolution offered by the

distinguished Senator from New Jersey [Mr. LAUTENBERG]. As an original cosponsor of the Kasten-Inouye amendment which would have provided Israel with loan guarantees, I'm also proud to be a cosponsor of this resolution (S. Res. 277). Although I would have preferred that we have the opportunity to vote on the loan guarantee legislation, I view this vote as an important demonstration of our commitment to help resettle Soviet and Ethiopian Jewish refugees.

Mr. President, let me make a few points clear regarding humanitarian assistance to Soviet and Ethiopian Jewish refugees. First, I believe the United States has a moral and historic obligation to help Israel resettle these refugees. Moral because we have made Soviet emigration our cause for decades. Historic because we must not forget what happened when the world shut their doors the last time Jews tried to escape oppression. The United States should honor its historic commitment to freeing and helping settle Soviet Jews. Second, Israel has not asked for either grants or loans from the United States but is only asking us for loan guarantees—for our Government simply to cosign loans so that Israel could secure funding from the United States private sector.

Third, the loan guarantees would not cost American taxpayers. A recent GAO report stated:

> We believe that if Congress authorizes the $10 billion in loan guarantees requested by the Israeli Government, the Israeli Government will likely be able to fully service its external debt and continue its past record of payment.

In its 43 years of existence, Israel has never failed or been late with a loan payment. The loan guarantees would not only have benefited Israel. It is estimated that the loan guarantees would have stimulated an additional $10–$15 billion in United States exports to Israel for the period of 1992–96; $1 billion in exports creates an additional 20,000 jobs in the United States according to our United States Trade Representative. In sum, our private sector would have provided loans, the United States would be paid back with interest, and in the process export an additional $10–$15 billion, creating approximately 200,000 jobs in the United States. That's a good deal.

Mr. President, I would also like to address the question of the loan guarantees, settlements, and the Middle East peace process. I believe the settlement issue is best dealt in Arab-Israeli negotiations. It should also be viewed in light of the Arab League's embargo against Israel and refusal to recognize Israel's right to exist. In fact, if preconditions are going to be set—as the Bush administration is doing with these loan guarantees—why not require the Arab League to recognize Israel and lift its economic embargo?

Mr. President, the Bush administration's sincerity in its dealings with Congress over the loan guarantee issue, recent news leaks by the administration concerning unsubstantiated reports of Israeli proliferation and a host of other incidents have led to a deterioration in our relations with Israel. I do not believe that the administration's current treatment of our most reliable and important ally in the Middle East is in the best interest of our Nation. I do not believe that having Israel question its security and fundamental relationship with the United States will give Israel the confidence to move forward in the peace process. I also do not believe that by associating itself with Arab demands, the Bush administration will advance the bilateral negotiations between Israel and its Arab neighbors.

I support the current Middle East peace process. In fact, I believe we should go even further in bringing lasting peace to the region. The United States needs to promote democracy throughout the region and democracy should be on the agenda at the Middle East peace conference. Peace and stability in the Middle East can be lasting only if all countries in the region take care of the needs of their people and allow greater freedom of expression and greater participation in their governance.

The United States should also take the lead in advancing a temporary multilateral moratorium on the sale or transfer of arms to the Middle East. Stopping the flow of conventional, chemical, and nonconventional weapons to the region would help defuse an explosive situation. And, while President Bush has called for restraining destabilizing arms transfers and taken some steps in that direction, the administration has sold $18.223 billion in weapons to Arab States from August 1990 to January of this year. Next year, the administration plans on selling 72 advanced model F–15 fighter-bombers, worth $5 billion to Saudi Arabia. Such sales will not help the peace process. I wonder how the administration can expect Russia, North Korea, China, as well as Western and Eastern Europe to limit their arms sales to these countries, if the administration continues to sell vast amounts of technologically advanced weapons to the Arab League. I also wonder whether the administration intends to condition its sale of weapons to an Arab countries formal recognition of Israel's right to exist?

Mr. President, I question the administration's overall policy in the Middle East as well as President Bush's "even handed" approach. Where he is so quick to condemn Israel and quick to accommodate Arab leaders and the PLO. How is it evenhanded for George Bush to join with the United Nations in strongly condemning Israel while it remained silent on the killing of the four Jewish settlers earlier this year? How is it evenhanded for George Bush to strongly condemn Israel when he excuses the Emir of Kuwait when he ejected 200,000 Palestinians from his country? Requiring Israel, our democratic ally, to take unilateral action without requiring anything of the Arab League is not evenhanded.

Mr. President, I ask President Bush to reconsider his take-it-or-leave-it position on the loan guarantees. And, I ask my colleagues to join me in voting for the Lautenberg resolution. The United States should assure our ally that we remain committed to helping Israel absorb the 400,000 Soviet Jewish immigrants now in Israel and the 600,000 Soviet immigrants expected to arrive in the current wave of immigration.

Mr. BINGAMAN. Mr. President, I support the United States provision of loan guarantees to Israel to assist in the settlement of Soviet Jews. The United States made the free emigration of Soviets, and Soviet Jews in particular, a high priority in its dealings with the Soviet Union over the last 45 years. Though the dissolution of the Soviet Union has led to a much more open emigration policy, our commitment to the freedom of Jews in the former Soviet Union has not ended. I believe that we have a moral and historical obligation to do what we can to assist Israel in absorbing the 750,000 to 1 million Soviet Jews expected to arrive there over the next few years.

Last fall, it seemed that the debate over providing loan guarantees was focused on when the guarantees would be provided rather than whether they would be provided at all. At that time I supported delaying the loan guarantees until after the peace process had begun and been given a chance to show progress. The process is underway, and it appears at this time that negotiations may drag on for years. I do not believe we can afford to wait for the outcome before providing guarantees. Unfortunately, that no longer appears to be the administration's position. The debate today has changed from one of when it would be appropriate to provide loan guarantees to the question of offering guarantees at all.

As we all know, the central issue in the debate revolves around Israeli settlements in the occupied territories of the West Bank and Gaza Strip. Over the years, the United States has not supported Israel's policy of continuing with settlements in the occupied territories. Economic aid given to Israel in previous years, whether in the form of loans or loan guarantees, has included language that limited the use of those funds to activities within Israel's pre-1967 border. I support this policy, and I believe that we must be sure that guarantees do not have the effect of encouraging increased settlement in the occupied territories. We must also be sure

that granting loan guarantees does not create the appearance that we condone such settlements.

Like many of my colleagues, I support providing the guarantees, yet oppose their use in the settlements. I do not believe that these are mutually exclusive positions. This issue is important enough that we should find a way to address both concerns. In fact, various options for providing guarantees while addressing concerns over Israeli settlements have been put forth by the chairman of the Foreign Operations Subcommittee, Senator LEAHY, and by Senators INOUYE and KASTEN. Each of the proposals deserved careful consideration. Unfortunately, this administration has refused to consider alternatives other than its own.

Mr. President, I believe that we should seek a way to assist Israel in absorbing immigrants from the former Soviet Union in the form of loan guarantees. I will support the resolution pending before the Senate, because no language in the resolution gives me a reason to vote "no." However, in doing so, I feel compelled to point out the resolution's serious shortcomings. By its language, it purports to endorse loan guarantees to Israel without regard to how these funds are used. There is no indication that we stand by the historic position of our Government against expansion of settlements in the occupied territories. It does not state in a balanced way the policy the United States has consistently adhered to during all administrations since the time Lyndon Johnson was President.

In addition, Mr. President, the resolution is offered at an extremely delicate time in the efforts of our own Government to bring the parties in the Middle East into substantive negotiations.

I sincerely hope that a proper way to assist Israel with the absorption of immigrants can be agreed to along the lines most recently suggested by Senator LEAHY. The resolution does not help us find that way. It sidesteps the real issues and gives the false impression that we are dealing seriously with the needs of our longstanding and valued ally.

Mr. LEVIN. Mr. President, I support the Lautenberg resolution. I have been disappointed that Israel's request for $10 billion in loan guarantees was not incorporated in the President's request. I also believe that the loan guarantees should not be linked to the Middle East peace process.

There would be no cost to the American taxpayer because of these guarantees. Israel has never defaulted on its international obligations.

The President was strong in his support for emigration of Soviet and Ethiopian Jews and their absorption in Israel.

But the President then turned his back on a critical humanitarian need. This is not about land—this is not about the peace process. This is about tens of thousands of immigrants who sought Israel as a safe haven and home. And this is about our strongest democratic ally providing for its own citizens without any cost to the United States.

Mr. JEFFORDS. Mr. President, I regret that this matter of providing loan guarantees to Israel has become such a contentious issue.

The real issue here is how we can best help Israel absorb the influx of almost a million Jewish refugees, most coming from Russia after the United States long campaign for free emigration finally bore fruit. We cannot afford to absorb all these emigres ourselves, and we cannot afford to give Israel the necessary funds to provide for these people. So the American and Israeli Governments agreed that the best course of action was for the United States to provide guarantees for loans that Israel would assume from the international financial community. This agreement would allow Israel to borrow money quicker and at a lower rate without much cost to the United States. Israel has since agreed to pay the origination fees so that there would be no direct cost to the American taxpayer.

Unfortunately, the general agreement to provide the guarantees began to unravel almost a year ago over the issue of settlements in the occupied territories. The Bush administration became concerned by the increase in settlement activity in the occupied territories, an activity that U.S. policy has always opposed. All United States funding for Israel comes with the stipulation that no moneys be used to support settlement activity. When it came to enabling a loan guarantee of such magnitude, $10 billion, the administration felt that it could not support a program within the pre-1967 boundaries of Israel if an aggressive program of settlements was underway simultaneously in the occupied territories. And Prime Minister Yitzhak Shamir remained firm in his conviction that the settlements must go forward. Months of discussion between the administration, Congress and the Israeli Government have failed so far to produce an acceptable compromise.

But I don't believe the issue is dead. The resolution before us indicates that the United States Senate supports the concept of assistance for Israel in its difficult task of absorbing an influx of refugees numbering almost a quarter of its current population. And this resolution stresses that these loan guarantees be appropriate. To me, this means that they must be in accordance with long-standing U.S. policy and not in direct conflict with the process of negotiating a solution to the Middle East conflict. For if there is to be any long-term peace in the region, which I believe Israelis and Palestinians truly desire, than it must come through a negotiated solution to the issues and tensions that plague the region now.

I must commend the senior Senator from Vermont [Mr. LEAHY] for his tireless efforts to find an acceptable solution to this impasse, and I hope he will not give up the fight. It is unfortunate that this issue has come to be interpreted as a rift in United States-Israeli relations. I don't believe that a fundamental rift has occurred in what is at its core, a strong and vibrant alliance. I am confident that an acceptable way can be found to get beyond this impasse and once again get back on track, both in supporting Soviet Jewish emigres and in a cooperative United States-Israeli relationship.

Mr. WARNER. Mr. President, I rise today as a cosponsor of the pending resolution regarding loan guarantees for refugee resettlement in Israel. This sense of the Senate resolution reaffirms the Senate's strong support for aiding Israel in its quest to absorb the influx of Jewish immigrants arriving daily from the former Soviet Union and Ethiopia. Prior to the dissolution of the Soviet Union, one of the highest priorities of the United States policy on human rights was to work to allow Soviet Jews to emigrate. Now that they are virtually free to leave, there is a continuing obligation for the United States to assist. Provided, of course, that the potential emigres have had full opportunity to evaluate their opportunities in a new land compared with their improving opportunities by remaining in the states of their choice to foster democracy and free markets.

The arguments for granting the loan guarantees are well known and need not be restated. What must be said, however, is that it is extremely unfortunate that disagreements over the terms of the guarantees have prevented their approval. It stands to reason that the United States and Israel, two nations with such a long and mutually beneficial relationship, must find a common ground of agreement in the future.

The importance of the relationship between our nations goes without saying, and to create a long-term problem over this issue would be a serious mistake in view of our mutual security interests. The continuation of a positive and constructive relationship between the United States and Israel is crucial to peace and stability in the Middle East. I therefore call on the American Jewish community to join in a constructive, equitable resolution of the differences.

Since the beginning of the debate over the loan guarantees, I have received many letters and phone calls on the issue from constituents throughout the Commonwealth of Virginia. Their views and opinions, each of which I value highly, are both knowledgeable

and informative. Mr. President, I would like to insert into the record an excerpt of one such letter which represents the feelings of many Virginians. Mr. David Rosenbaum, a northern Virginia resident, wrote the letter and I ask that the excerpt be inserted into the RECORD at the conclusion of my remarks.

In closing, I reiterate my support for the pending sense of the Senate resolution and look forward to working with my colleagues here in Congress, the Bush administration and the Government of Israel to insure that our two nations work together to maintain a mutually beneficial relationship. Without such an alliance, there is no realistic chance of achieving the goal we all strive for: a Middle East peace agreement.

DEAR SENATOR WARNER: I am deeply grateful that you have signed on as a co-sponsor of the Kasten bill on the guarantee of loans to Israel for the absorption of immigrants. I think the President's news conference on the subject was unreasonably harsh and uncalled for. The right to peacefully petition the government was put in the Bill of Rights by the founders of this country for very good reasons. It is unseemly for the President to criticize citizens for exercising their rights. I'm not too happy about many of the insensitive and insulting comments coming out of the Government of Israel either, but that's not my country or my government. I have a higher standard for us than for other countries, even other democracies. I hope and expect that the issue will eventually be resolved to everyone's satisfaction.

Sincerely,

DAVID ROSENBAUM.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Mr. President, I am pleased to join in cosponsoring this resolution, which expresses the Senate's support for loan guarantees to support the absorption of immigrants in Israel.

I have long argued that Israel's successful absorption of immigrants is an issue of humanitarian concern. It is unfortunate that the administration has insisted on conditioning the provision of such humanitarian assistance.

I agree with longstanding United States opposition to Israeli settlements in the occupied territories. But I do not believe that we should link these issues, for this has the effect of penalizing immigrants for the settlements policy of the Israeli Government.

It is equally unfortunate that the Bush administration has chosen to view the emigration of Soviet Jews as a problem.

I believe this emigration vindicates American policy of the last 40 years. It should be viewed as an unqualified success of American foreign policy. And the United States should be doing what we can to help fully realize this success.

Soviet Jewish immigration should be viewed as a shared Israeli and American triumph, and a cause for celebration.

Instead, the Bush administration has transformed it into a major source of tension between our two governments. This is deeply regrettable. I believe it is unnecessary, unwarranted, and wrong.

That is why I am pleased to cosponsor this resolution. In this resolution, the Senate clearly expresses its alternative view of the recent immigration to Israel.

The resolution conveys the Senate's belief that America now has an opportunity to support our longstanding policy by providing loan guarantees to support the resettlement of Soviet Jews in Israel.

I regret the Bush administration's drastically different approach, and I urge the President to reconsider his unwise policy.

Mr. President, I ask that the time that I have used be taken from my leader time and not charged against the time of the supporters of the resolution.

The PRESIDING OFFICER. Who yields time? The Senator from Wisconsin.

Mr. KASTEN. Mr. President, first of all, I ask unanimous consent that the Senator from South Dakota [Mr. DASCHLE] be named as an original cosponsor of this legislation.

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

Mr. KASTEN. Mr. President, I yield 5 minutes to the Senator from Colorado [Mr. BROWN].

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

Mr. BROWN. I thank the distinguished Senator from Wisconsin.

Mr. President, for 11 years in this Congress, both in the House and now in the Senate, I have worked for the day when the citizens of the Soviet Union would have the right to emigrate. Over the years, we have sent hundreds of letters, sometimes that many every year, to Soviet officials urging the release of those who wanted to leave that country and find a better way of life. My guess is that over the years, there have been millions of prayers by Americans of all faiths that the freedom to emigrate, the freedom to find a better way of life, would come to the Soviet Union. Thankfully, that has transpired.

Mr. President, I support the resolution and am pleased to join as a cosponsor. As I have studied the issue, I see the following facts. First of all, there are over a million people in the former Soviet Union who wish to emigrate to Israel. That is a fact. They want to leave and they want to go to Israel.

Second, this is the fulfillment of a goal that Americans have worked to achieve for more than 50 years. It is not just a goal of Russia's. It is not just a goal of those in Israel. This is a goal that Americans have shared in for over half a century.

Mr. President, I also believe that if they do not have the right to leave, they face great danger, great personal danger. How many of us, with the knowledge we have today, would not cringe at the failure of countries to act to allow those who later faced the Holocaust to leave Germany in the thirties while they still could? We all pray that this is not an eventuality or even a possibility in the former Soviet Union. But we have no guarantee. Mr. President, I must tell you I believe many who would emigrate to Israel face real danger, and they face it now.

Fourth, I believe allowing them to emigrate would be of enormous help in protecting their safety. Fifth, these guarantees provided by American people can be the instrument that will achieve this. Let me be clear. These guarantees are not going to cost the American taxpayers any money. They are going to be paid back. Any administrative costs associated with them will be paid back as well.

What is the argument then? The argument is that America may need leverage, leverage over Israel to achieve a peace settlement. I guess Members of this body might disagree with whether that is wise policy or not, but, Mr. President, let me share my view.

This is not the tool, this is not the weapon, this is not the instrument that America ought to use to put leverage on Israel for the peace process. Gambling with the lives of a million people is not the right tool.

The United States Congress appropriates billions of dollars every year in foreign assistance to Israel. We can put enormous leverage on this tiny country. Some, like me, question the wisdom of running a foreign policy based on telling others what to do. But if the United States wants to do so, it does not lack weapons or leverage. We have all the leverage anyone could ever want. These loan guarantees are not the instrument we ought to use to put pressure on the State of Israel.

Helping people emigrate from the Soviet Union fulfills American goals, American dreams, and American prayers.

I just make this observation in closing. We have heard some bitter remarks on this floor tonight; some have attributed blame to the executive for the failure to provide loan guarantees to Israel. But, Mr. President, I am a Member of the Senate, and there are other Members of the Senate, and together with the House we can pass these loan guarantees by ourselves. It is not the President who has stopped loan guarantees from coming to the floor. It is the Members of this body. Let us get on with the work. Let us get on with our job. Let us pass the loan guarantees.

The PRESIDING OFFICER. Who yields time?

Mr. LAUTENBERG. Mr. President, I note with respect and admiration the

comments of the Senator from Colorado. I wish we had been able to drum up the enthusiasm at a time earlier than this so that we would not have to resort to what I think is a qualified fallback position. I wish we could have dealt with the issue head on. But the President put up obstacles. He threatened to veto our efforts.

I thank the distinguished Senator from Colorado and so many other colleagues who have expressed their support and given me and Senator KASTEN credit for bringing this issue before the Senate. It is not without great significance, in my view, that this resolution will have overwhelming support. It will be part of the legislative history that is going to be referred to in the future on loan guarantees, especially as we deal with foreign aid and Israel and our responsibilities in the Middle East.

Mr. President, one of the things talked about earlier was the word "appropriate," which, if you look at the text of the resolution, was inserted after the printing was done. It apparently gives some solace or comfort to those who would oppose the previous version of this resolution.

I see it differently. I approved of the word "appropriate" in the negotiations. To me "appropriate" means unlinked; it means separating loan guarantees from the settlements issue. We are talking about absorption loan guarantees; we are not talking about the peace negotiations. "Appropriate" further means a $10 billion proposal. That is what was on the table. So that is the way I interpret "appropriate."

Mr. President, there has been discussion back and forth. I think it has been reasonable. I am glad to hear the pledges of support that come from one after another. I want to commend the Senator from Wisconsin for his steadfast work on behalf of the loan guarantees and in support of our critical ally, Israel. I commend him also for the retracing history a few minutes ago. It is important to remember how all of this began.

When we talk about Israel, we are not talking about some emirate or monarchy or kingdom in the Middle East. We are talking about a democratic nation that arose from the ashes. It arose from a people whose lives and families were destroyed systematically in a process this world never before witnessed. Six million Jews were killed and maybe we'll learn of more from the records we get from the Soviet Union.

Israel was the last refuge for this proud and durable people. Israel was a nation that was started with a very small number of pioneers who fought the desert, who fought malaria, who fought intolerable conditions to start a country. It was begun with about 600,000 citizens.

By the way, I think it is important to remember that when the partition was created and a new country established, I remind those who are listening or will be viewing the RECORD, that the city of Jerusalem, a holy city, was originally presented as an international city with access to all people.

What happened? In 1948 this group of pioneers—not a group of soldiers, not an army, not with equipment—people who felt that they had to fight to preserve their heritage and the future with the few people that remained after World War II, fought. They fought valiantly against the Arab legion, the military force from Jordan. And they lost in the contest for Jerusalem, and the city was divided.

But do you know what happened? From 1948 to 1967 no Jew was permitted access to the holy places, and the Jordanians, to add insult to injury, made urinals out of ancient headstones so that they could describe their hatred.

This is the Israeli history that we forget so quickly. Israel is a country so young—44 years in being—with five medical schools, colleges, universities, scientists, aircraft builders. Israel, a tiny little country in a hostile place, has been allied with this country because it is a democratic state and because we share values and because it is in America's interest. That is what we are looking at in the Middle East. The democracy of Israel is a tiny country surrounded by more than 100 million hostile Arabs, many of whose lives are controlled by monarchs, many of whom are kept in a state of deprivation and poverty. Their undemocratic governments do not want their people to understand what is going on in the world, to be permitted to vote, to be permitted to participate in government.

We went to war to save Kuwait and Saudi Arabia from total occupation by Saddam Hussein. What happened to those people who by birth claim they are Palestinians in Kuwait? They are not even welcome back in the country they lived in and worked in and raised their families in because they are Palestinians. I think it's 600,000. But, we do not hear cries at the United Nations or pressure to let those people return to their normal lives. No. The cries are saved for Israel.

Mr. President, I will close because I see that my colleague from Wisconsin wants some time. He deserves it, and I am going to give it to him. I think it's important to remember that the territories, the West Bank as it is defined, were taken in a defensive war when Arab armies amassed to finally complete the task that they had in front of them.

That task is the destruction of the Jewish people and the Jewish nation that existed there.

Settlements are a result of that war, and they must be discussed directly by the parties. There ought not to be any leverage tilting against Israel. There should not be preconditions.

It is an unfortunate development, Mr. President, that we have seen here, that the administration connected loan guarantees with settlements and the peace negotiations. The administration inhibited rather than promoted peace. I yield the floor.

Mr. KASTEN. Mr. President, how much time is remaining on either side?

The PRESIDING OFFICER. The Senator has 3 minutes 16 seconds.

Mr. LAUTENBERG. I yield time.

Mr. KASTEN. I thank the Chair. I thank the Senator from New Jersey. I congratulate the Senator from New Jersey on his leadership on this issue.

Just in a few closing minutes, we are about to vote, I want to emphasize that this vote is not a vote without consequence. This is not, as someone referred to earlier, I am not sure exactly, some kind of a meaningless, throwaway vote.

Mr. President, this is the first vote that either the House of Representatives or the Senate of the United States has cast on the issue of absorption loan guarantees in the history of the U.S. Congress. This is it. Vote No. 1. We now have 74 cosponsors of Kasten-Inouye.

We delayed a vote on this subject at the request of the administration for a period of months.

Yes, this is a sense-of-the-Senate resolution but I believe we are going to have over 90, it could be over 95, U.S. Senators that will stand here today and vote in favor of this resolution, in effect voting in favor of absorption loan guarantees totaling $10 billion over 5 years to the State of Israel.

Some are worrying about how we are going to define "appropriate." Well, Webster's Dictionary defines "appropriate" and picks some appropriate synonyms, such as: proper, fit, suitable, fitting, et cetera. Stick with the Webster dictionary definition of appropriate.

The Senator from Colorado [Mr. BROWN] reflected the mood of the Senate at this moment when he said that the Senate can act and will act on this issue. This is the beginning. This is the first vote, the first vote in history on this issue. The next votes may come on a supplemental appropriations bill. The next vote may come as an amendment on a Soviet aid supplemental bill.

We are going to need one based on the speech this morning by the President. The next vote may come on the 1993 foreign operations bill, the regular bill that must be passed this September. The next vote on this issue will come. This vote is a key vote because this vote demonstrates the support or lack of support which the concept of loan guarantees has from the Senate.

I am confident of the support that this concept has in the House of Representatives, and I know now that in addition to the 74 cosponsors of Kasten-Inouye we will see an even stronger vote today on this issue.

This vote is a critical vote. This vote is a historic vote. This vote is an indicating vote. This vote is a vote that shows where the United States Senate stands on the issue of loan guarantees to Israel; notwithstanding the position of this administration, and the State Department today.

The majority leader said the Senate has an alternate view. The majority leader was correct. The Senate does have an alternate view, a different view, a very different view. And the vote that we are about to cast indicates how strong that alternate view is, and our view I believe will prevail in this overall debate as we continue to work for and seek some kind of effort, some kind of compromise, some kind of middle ground here. The fact that the Senate feels very strongly about this issue is important, is historic, and I think should not in any way be diminished by any of the discussions we have had here this evening.

Mr. KASTEN. Mr. President, I yield to the Republican leader, either on leader's time or what time that we may have available to us.

Mr. President, excuse me, I would like to add the Senator from Mississippi [Mr. COCHRAN] as an original cosponsor.

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

Mr. KASTEN. I yield the remainder of the time to the Republican leader.

The PRESIDING OFFICER. There are 6 minutes remaining to debate on the resolution.

Mr. DOLE. Who has the 6 minutes?

The PRESIDING OFFICER. The Senator from New Jersey has 6 minutes remaining.

Mr. LAUTENBERG. I yield 5 minutes to the majority leader.

Mr. DOLE. I will use 5 minutes of my leader time.

Mr. LAUTENBERG. Is there a unanimous consent for a vote to kick off at 7:40?

Mr. DOLE. Except I have the right to use my leader time.

The PRESIDING OFFICER. There is an order for a 7:40 vote.

Mr. DOLE. I ask that I be permitted to use 5 minutes. It may not take 10 minutes.

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

Mr. DOLE. Mr. President, I am pleased the Senate has agreed on a responsible way to deal with this resolution. We had a meeting with Secretary Baker on the loan guarantees issue the other day. In fact, it was yesterday, and the Senators there represented a wide spectrum of views on the issue. But there was a unanimity that showdowns on this issue—"showdowns" between the United States and Israel; showdowns here on the Senate floor—are definitely a lose-lose proposition. Everybody involved loses in the long run no matter how the showdown comes out in the shortrun.

So in avoiding this particular showdown, we have achieved a win-win.

I want to say a few words about why I will vote for this resolution.

First, I support the principle of loan guarantees to help Israel to absorb Soviet and other Jews. I always have, and always will, accept that in principle. Second, among the changes we succeeded in making to this resolution, two are particularly important.

We have made it clear that the Senate supports these guarantees only on the condition that Israel agrees to pay for the actual costs involved so that the cost to the American taxpayer will be zero. I happen to note, by the way, there is no agreement yet on what those costs will actually be. But the point is my support for the resolution is conditioned on my understanding that what we have passed requires Israel to pay that cost.

The other important change was the notation that the Senate was supporting "appropriate" loan guarantees. I think anybody can interpret it in any way they wish, Webster, whatever. We can each interpret it as we see fit. It seems to me, though, that at a bare minimum the "appropriate" program of guarantees issued by the United States of America would be one that serves the national interest and of the United States of America, which is something we ought to think about in this debate.

As I read the Constitution, the President has the primary responsibility to make the determination about an America's national interests in the field of foreign policy.

I might say as an aside. I was a little surprised to read about Governor Clinton who, in effect, was suggesting that President Bush might be anti-Semitic. He also said it a little earlier—that settlements were an obstacle to peace. And he also is quoted in one publication saying there ought to be a Palestinian State. This is the Governor Clinton who wants to be the Democratic nominee, trying to have it three different ways in a matter of 3 or 4 days.

Maybe he will finally focus on whatever position he has. But I think it certainly is not becoming to him and certainly not accurate to suggest that about President Bush.

I believe the President has laid out the right policy: Loan guarantees ought to advance an America's national interests; they ought to be affordable; they ought not interfere with the peace process; they ought not to pay directly or indirectly for programs that we have declared an obstacle to peace such as the settlements in the occupied territory. That is how I look at "appropriate," when I interpret the word "appropriate." Those are the kind that I am willing to support by voting for this resolution.

Third, and finally, I would like to make note of some of the very important things that are not in this resolution.

There is no mention of the fact that the United States over the years has given Israel tens of billions of dollars in aid.

There is no mention of the fact that the United States this year will give Israel $2.3 billion in direct dollar aid, and several billion more in indirect aid; subsidies and support. That means a thousand dollars for every man, woman, and child in Israel—more than 15 times greater than the per capita aid we give to any other nation on Earth.

There is no mention of the fact that the Bush administration is ready to sign on to a loan guarantee program today, today—and has indeed proposed one in great detail—provided only that the deal does not compromise longstanding American policy since 1967 on settlements and the peace process.

There is no mention of the fact that this President has been the best friend that Israel has ever had, when measured by the most important standard of all: results.

It is this President, President Bush, who has led our Nation brilliantly in turning back Saddam Hussein's naked aggression, committing 500,000 American soldiers and tens of billions of American dollars to that effort.

It is this President, President Bush, who led that war that destroyed the most powerful Arab military machine in the Middle East, and one of the most threatening to Israel.

It is this President, President Bush, who led us to our final victory in the cold war, leading to the collapse of the Communist Soviet State and the virtual elimination overnight of the rear base of the radical Arab forces aligned against Israel.

It is this President, President Bush, who brought the Arab States to the peace table for direct talks with Israel, the fundamental goal of Israel's policy for four decades.

It is this President, President Bush, who led the effort in the United Nations to overturn the hideous Zionism-racism resolution.

It is this President, President Bush, who has year after year supported and won approval of multibillion-dollar aid programs.

It is this President, President Bush, who launched new strategic and tactical cooperation programs with Israel.

And the list goes on and on and on and on. But for some, it is not enough. For them, the question is not: What have you done for me? The question is: What have you done for me lately? And have you done every last little thing I demanded, even a sacrifice of your own independent judgment as to what is best for your own country? That is the litmus test that some apply.

It is unfair, and sad, and self-defeating, because that is not the litmus test that Americans apply to George Bush's

leadership. The American people by and large want the President to support Israel. We want President Bush to support Israel and to stand by her as our best friend in the Middle East. And the American people by and large believe the President has done just that and gone, not one, but many extra miles to do just that.

We have avoided a showdown here, but if we ever get to one, the American people are going to support George Bush for one very good reason: They understand what he is doing is right, right for America, right for Israel, and right for the cause of peace.

So I regret that these sentiments were not reflected in the resolution, but I wanted to make certain they were reflected in our debate, so there would be no misunderstanding of the views of this Senator on this very important issue.

This is, as my friend pointed out, a very important issue. The resolution does not mention settlements. We skirt that particular question. But it is an important vote, an important issue. I think those of us who have long supported Israel will vote yes on the resolution with the reservations that I have stated in my remarks.

I yield back any time I may have.

The PRESIDING OFFICER. The Senator from New Jersey has 1 minute.

Mr. LAUTENBERG. Mr. President, I just say in response to the distinguished Republican leader, first, that the administration never indicated, in any way, that it would accept a compromise or a move toward providing those loan guarantees. The proof is that there was a veto message already written on loan guarantees. We all heard about it. The administration was well prepared with a veto message. The President was ready to go, ready to challenge anything that we offered by way of loan guarantees.

Second, I must say to the Senator from Kansas, the distinguished legislator, that it is in our interest to support Israel. And if you think about how much more it might have cost us during the war by way of lives, resources, and equipment, and what we saved for America by supporting a strong and independent Israel, I think we can all view this objectively as good for the United States.

I hope we will have the kind of vote that appears to be developing.

The PRESIDING OFFICER (Mr. AKAKA). All time has expired. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 99, nays 1, as follows:

[Rollcall Vote No. 63 Leg.]

YEAS—99

Adams	Fowler	Mikulski
Akaka	Garn	Mitchell
Baucus	Glenn	Moynihan
Bentsen	Gore	Murkowski
Biden	Gorton	Nickles
Bingaman	Graham	Nunn
Bond	Gramm	Packwood
Boren	Grassley	Pell
Bradley	Harkin	Pressler
Breaux	Hatch	Pryor
Brown	Hatfield	Reid
Bryan	Heflin	Riegle
Bumpers	Helms	Robb
Burdick	Hollings	Rockefeller
Burns	Inouye	Roth
Chafee	Jeffords	Rudman
Coats	Johnston	Sanford
Cochran	Kassebaum	Sarbanes
Cohen	Kasten	Sasser
Conrad	Kennedy	Seymour
Craig	Kerrey	Shelby
Cranston	Kerry	Simon
D'Amato	Kohl	Simpson
Danforth	Lautenberg	Smith
Daschle	Leahy	Specter
DeConcini	Levin	Stevens
Dixon	Lieberman	Symms
Dodd	Lott	Thurmond
Dole	Lugar	Wallop
Domenici	Mack	Warner
Durenberger	McCain	Wellstone
Exon	McConnell	Wirth
Ford	Metzenbaum	Wofford

NAYS—1

Byrd

So the resolution (S. Res. 277) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 277

Whereas the United States has a longstanding policy of supporting free emigration for people living in the former Soviet Union;

Whereas since 1974 the United States has linked nondiscriminatory trade treatment (most favored nation status) for the former Soviet Union to free emigration through the Jackson-Vanik amendment;

Whereas anti-Semitism continues to be a threat to Jews in the former Soviet Union;

Whereas Israel faces an untenable burden in absorbing unprecedented numbers of Soviet refugees;

Whereas the success of United States policy on human rights regarding the former Soviet Union and Ethiopia has resulted in approximately 400,000 refugees to Israel since 1989;

Whereas the General Accounting Office found that "Israel appears to have a reasonable basis for estimating that about one million Soviet immigrants will arrive during the current immigration wave, which began in late 1989";

Whereas the General Accounting Office found that "if the Congress authorizes the $10,000,000,000 in loan guarantees requested by the Israeli Government, the Israeli Government will likely be able to fully service its external debt and to continue its past record of payment"; and

Whereas the Government of Israel has agreed to pay origination fees for loan guarantees so that the guarantees will not result in any cost to the United States taxpayer: Now, therefore, be it

Resolved, That it is the sense of the Senate that the United States Government should support appropriate loan guarantees to Israel for refugee absorption.

Mr. KASTEN. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

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

The motion to lay on the table was agreed to.

MORNING BUSINESS

Mr. FORD. Mr. President, I ask unanimous consent that there be a period for morning business, with Senators permitted to speak therein.

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

AID TO THE CIS

Mr. DOLE. Mr. President, at a meeting this morning with the bipartisan leadership, President Bush outlined a new package of measures to aid the Republics of the former Soviet Union, the Commonwealth of Independent States. The administration's package builds on the solid foundation of previous U.S. humanitarian and technical assistance to the CIS, and represents a major and timely initiative in our evolving relations with these new States.

Mr. President, the President's initiative reflects the fact that this is a historic moment in world history. If we act wisely and boldly now, we can help create a more peaceful, stable, and prosperous future for the people of the former Soviet Union—and even more to the point, for the people of the United States of America.

If we make the investment now, that investment can pay enormous dividends for ourselves, and for our children. That is the opportunity before us now.

The administration's proposals are intended to be part of an international effort in which other prosperous nations with a stake in the future of the CIS would pay their fair share. But the proposals also underscore the President's conviction—which I share—that America, as the leader of the free world, must act like the leader. We must be not only a player, but a leading player. That means we must come to the table with some chips.

The President's proposals will work—will change from proposals into policy—only with bipartisan support from the Congress. I think the meeting today represents an excellent start in forging that kind of cooperative effort. I have already spoken to a number of Senators on both sides of the aisle, and I am optimistic that we have a strong core group ready to roll up our sleeves and get to work.

We have the President's proposals, which I believe are sound, and responsible, and forward-looking. Some parts of the President's package can be implemented through executive action. Those elements require no new resources, or legislation

Other parts of the package will require congressional approval. Certainly, we in Congress also have many

ideas—some of them overlapping the President's proposals, some of them complementing what the President announced today. Without doubt, the legislation we finally pass will include important input from the Members of the Senate and the House. The President has indicated both publicly and in private discussions with me that he welcomes that kind of active congressional role, and indeed believes it is essential because of the importance of this issue, and the urgency of responding to the problems and the opportunities which confront us in the CIS.

It is a tall order especially for an election year. Congress must rise above posturing and partisanship, and work responsibly and expeditiously to craft a final package. It will not be easy, but it is imperative that we succeed.

I might note that, within a few minutes after the President announced his package, Governor Clinton made a speech generally welcoming the President's initiative, and outlining some of his own ideas in this area. So, hopefully, this is one subject, at least, that will not be dragged into the partisan-potshooting of a Presidential campaign.

This is far too important for the Nation. As President Bush stated this morning, this is a defining moment in history, both for these new States and for American security interests. The Democratic leaders of the new States of the former Soviet Union—people like Yeltsin, Kravchuk, and Ter Petrossian—are providing courageous and determined leadership. It is up to us to match their boldness, and seize this moment, for ourselves and for our children.

Mr. President, I yield the floor.

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

Mr. DOMENICI. Might I say to the acting majority leader, I want to be accommodating. I want maybe 10 or 15 minutes.

Mr. FORD. Mr. President, will the Senator yield to me for just one second? I want to thank him for his courtesy. He is very nice to try to expedite it. We want him to go ahead, and we will close up after his remarks.

SAVING OUR CHILDREN FROM POVERTY

Mr. DOMENICI. Mr. President, I want to speak on a theme I believe I will be speaking on so long as I am a Senator and unless and until we get the deficit of the United States under control. My theme is, and I truly believe this is an accurate statement: Saving our children from poverty.

We have heard a lot of people talk about saving our children from various things, saving them from the scourge of crime, from drugs. We have heard some talk about we ought to provide more health care so we can save their health. I want to talk about the basic idea of prosperity in America. And so I choose to discuss that in terms of saving our children from poverty which I believe is going to be the fate, if not of the next generation, then the one after it unless we are able to bring the deficit of the U.S. Government under control.

Why are so many Americans down on the economy? There are signs that the economy is recovering. Retail sales, industrial production are up; housing starts have climbed 20 percent in the last 3 months alone, which is rather significant growth; consumers are starting to come back. But the sentiment in the surveys shows that people continue to be concerned.

The economic recovery has been rather slow, some might even say anemic. One economist has suggested that what the American people have been witnessing since last year has been a very slow liftoff of this economy. Perhaps it is this slow growth characteristic of the current recovery that is translating into Americans' attitudes about the long-term economic landscape. Perhaps Americans are more worried about their children's future than the short-term outlook. And maybe this is because they have come to understand that our children are going to pay for our persistent Federal budget deficits with lower standards of living, fewer Government resources, and higher taxes.

I would like to speak for just a moment about budget deficits, investment, productivity, and living standards and see if I can tie them together.

How do deficits affect our children? When the Government runs deficits, we take a bite, in some instances a small one, in some a huge bite, and what we have been doing regularly now is taking a huge bite out of our available national savings. It is only through savings that we can invest, which in turn leads to productivity growth, expanding markets, job creation, and rising living standards for everyone.

The links between national savings and investments, productivity growth, and rising standards are very clear. In the sixties, net national savings was 10 percent of our gross national product; productivity rose at almost 3 percent each year, and the economy grew at just about 4 percent a year.

Today, we have a national savings which is less than 3.5 percent largely because we are running huge budget deficits. And productivity and economic growth are less than half of the 1960's levels. Worker productivity has declined steadily since the fifties. This is not a Republican or a Democratic phenomenon.

It is all our problem. The key to economic growth is increased productivity. The key to increased productivity is increased national savings. The key to increased national savings, at least in America, is reducing the Federal deficit.

Why did not the budget agreement solve the whole problem? After the 1990 budget agreement, there was a sigh of relief at both ends of Pennsylvania Avenue because many thought we might have finally brought budget peace. Looking back at the events of that particular fall, I still believe we made some very important inroads into the Federal deficit. We set caps on national defense and domestic spending. And while defense spending is declining and will continue to decline, domestic discretionary spending makes up only about 15 percent of all Federal spending.

So here we are today, and even though the Congressional Budget Office is projecting the deficit will come down over the next few years in part because of the 1990 budget agreement, CBO and others expect to resume an upward course in their deficit predictions which will exceed $400 billion by the year 2002. So for those who think if we leave everything alone and let defense come down, as it is most probably doing, we ought to be getting things under control, maybe it will be a shock for them to know that the experts say even with sustained economic growth, which we are not too sure we will have, the deficits will exceed $400 billion a year in 2002 and be going up from there.

I have heard it said many times the reason we have budget deficits is because we cut taxes in 1981. Frankly, I think that is overly simplistic. And many ways of looking at that would indicate that the explanation ignores the more fundamental long-term trend in the budget of the United States, the unrelenting growth of entitlement spending over the last 30 years. It is growth, the mandatory spending, that is pushing these deficits back up again.

As a percentage of our total gross domestic product, revenues, that is, the total receipts taken in by our various tax programs, have remained relatively stable over the past 30 years. Believe it or not, for all the talk, revenues hover at about 19 percent of our gross national product, up a little, down a little, but right around there. The Congressional Budget Office expects revenues will remain close to that level over the next 10 years.

Not so, Mr. President, for mandatory spending which is, believe it or not, catching up with revenues and doing so quickly. In 1990, revenues totaled just over $1 trillion while mandatory spending including interest was $750 billion. That means that 75 percent of the entire revenue take of our country was eaten up by just the mandatory programs of our Federal Government, those that are on automatic pilot, so as to speak, those that run their course without us doing anything in Congress, those to which if the American people really understood we have put that

much of our budget on automatic pilot, they would clearly respond asking us what we are here for. Since we claim they are on automatic pilot and we can do nothing about it, they have a right to ask us why are you here?

The Congressional Budget Office projects that revenues will grow about 6 percent a year over the next decade and be $2 trillion by 2002. Frankly, Mr. President, with revenues growing at 6 percent a year, we ought to be able to live within our means. Six percent a year is substantial growth in the revenue pattern, and that means we do not change anything and revenues go up because the economy is growing. But mandatory spending will grow even faster so that by 2002 it will total $1.8 trillion. Ninety-two percent of the entire revenue package of America on current policy will be eaten up in that year by the mandatory expenditures built into the budget of the United States because of the programs we already have that we have committed to and that we do not have the courage to change.

The 1990 budget agreement largely left entitlement spending untouched.

As part of that agreement, there was originally a plan to reduce non-Social Security entitlements by $120 billion. Much of that vanished in the political firestorm which swept the Congress during the early consideration of the agreement. We were left with $75 billion and much of that was illusory. We extended three expiring provisions of the Medicare law including mandatory maintaining of the 25-percent floor for Medicare part B on those premiums that we have committed to and said that we have saved $17 billion. We also added a new Medicaid benefit that was supposed to cost only $1.1 billion over 5 years but it will cost much more than that because it was phased in and the full brunt of its expense did not occur within the five but will occur thereafter.

We did, however, institute a very important discipline, the pay-as-you-go for mandatory spending and taxes. That new discipline says that if Congress wants to enact a new entitlement, we have to pay for it with new taxes or cut some other programs. But the emphasis there is a new program. I am not talking about new programs tonight. I am talking about old ones that we will not change that continue to grow, so at least Congress cannot make the situation any worse.

But the budget agreement did nothing to slow the mandatory programs already written into law. Unless we do something to slow them down, the Congressional Budget Office projects that mandatory spending will exceed inflation by nearly $1.6 trillion over the next 10 years. That means if we took the programs we have in existence, let them grow by whatever inflation is every year, made that current policy, as we do in other programs, the mandatory programs will nonetheless in addition grow $1.6 trillion over the next 10 years. They are in essence about $1.6 billion more than they ought to be for reasonable fiscal policy and deficit control.

The missing piece from that budget control is a cap on non-Social Security mandatory spending. What is missing from that budget agreement is exactly what I have just described, the missing link. We have a cap on defense. We have a cap on domestic spending, foreign aid, all of which we appropriate every year within our control.

If we want to ratchet it back, we can. If we want to increase it, we vote on it. If we spend over those caps, an automatic cut occurs, one of the best enforcement programs we have had.

We can place a similar cap on mandatory spending. We can exclude Social Security. It is only growing by inflation plus new entitlees, so it has no reason to be capped, as I see it, because if the other mandatory programs were only growing at the rate of whatever new entrants plus inflation, we would not have any problems.

So I read with interest suggestions that say we cannot control these, we ought not do anything about it. Frankly, I believe if that is the case, we are destined to leave an America where our children will be in poverty.

We will leave an America where the standard of living of our children and grandchildren will not go up but down; where the expectation of every American will be the status quo, and not success and not opportunity.

So I believe that a mandatory spending cap which allows all of the new beneficiaries to be taken care of—and adds inflation on top of that; then has an allowance of about 2 percent on top of that, as the extra; and that we begin to phase that down over a period of time—is a solution that clearly has a chance of working, and we ought to try it.

The intent would be to force Congress and the President to examine ways to control this spending; not necessarily to cut programs, but to do them differently, to pay differently. If we are talking about medical programs, delivery system have to be changed.

As soon as I can put legislation together, I will introduce legislation that will replace the missing link, the missing piece from the 1980 budget agreement. I hope it will start a badly needed discussion on this 50 percent of the budget that is growing at nearly 7 percent a year, automatic, by itself—just as the days occur, the checks are written, people receive the benefits. And as Senator DANFORTH so eloquently said on the floor of the Senate, everyone grows to expect it. They believe it is automatic, and no one even knows that we are not paying for an awful lot of it. But we are borrowing it from the wealth of our children and from their standard of living.

The simple proposal to restrain the growth in these programs, through caseload growth, inflation alone as our ultimate objective, would turn the red ink of deficits into the green light of budget surpluses.

I know no one really believes that that day will occur when we have budget surpluses. But I submit that if we continue to have the deficits that are currently expected, someday we are going to have budget surpluses because that debt will be so big that there will be no way out—either we will be at the hands of those who loaned us the money, foreigners in foreign countries, or indeed America will be bankrupt.

This clock is ticking. It is not going to strike high noon next week or next year, or even the year after. But clearly the increases in mandatory spending are alarming. They are nothing compared now to what we are going to face when the baby-boom generation reaches old age.

I will not bore the Senate tonight with the statistics about how the entitlements will turn upward and grow well beyond that $400 billion deficit that I just described a while ago. I will not do that tonight. There is time to discuss this issue not once, but many times—many times until Congress begins to listen and take seriously a proposal to fill in the missing link, the missing piece in budget control, that which is most important: some way to control the growth of entitlements.

HEALTH CARE COSTS

I would not feel that I had adequately discussed the notion that I bring before the Senate tonight unless I talk for a moment about health care because some are saying why do not we reform the health care programs instead of imposing caps? Some who have praised my efforts and others to try to control the deficit, and speak out have said just reform the health care programs, do not bother with the caps.

Well, I submit that health care in the United States must be reformed, but in reforming it, we must set a target as to how much we can afford and how much we can spend. As a matter of fact, if I were the committee chairman and the ranking member of the committee that was going to write health care reform, I would sign on the Senator DOMENICI'S cap because it seems to me that unless we know in advance what we can afford, we will never control the cost because health care is almost without limits in terms of cost.

Tonight, I will not take time to explain how much more we are paying for health care costs in America than any country on Earth. It is safe to say that it is twice the amount, at least twice the amount, of the closest industrial competitor in the world. In fact, Japan does it for less than half. Most of the

European countries are half; Canada for about two-thirds. They are the closest in terms of cost per capita or percentage of GNP or cost per care coming out of the assembly line, whichever you choose to talk about.

So I will not do that in detail. But I submit that unless we have a dollar figure that is built into the reform costs to the Federal Government—that ought to be a figure that is arrived at based upon the knowledge we all have now of what the budget looks like and what the tax revenue looks like, and we cannot get rid of all the other programs in the Federal Government to pay for health care. So we have to arrive at a ceiling or cap.

I believe we ought to set it in advance—maybe even 2 years out so that it is not next year. Maybe it ought to be out there long enough to put the reform in place and measure it against that cap.

But sooner or later medical costs must be measured against limitations on American resources. If that means changes in the way we deliver the system, or way the system delivers, changes in the way new procedures and new technologies filter into health care, and all different aspects of what costs versus what we need, so be it. We will have to do that.

So tonight I close by saying that I do not intend to serve in the Senate and leave this Senate saying that I left a legacy of debt, a legacy of predictable poverty, a legacy of predictable standards of living that are less for our children than for us. I do not believe that is a legacy that I want to be part of. And I think before we are through there will be an army ready to march against this problem because it is truly the American problem that we have left at the doorstep of our children and grandchildren. They do not deserve it, and the country ought not to stand for it. I believe they will not. I believe we will do something about it.

Mr. President, I yield the floor. I thank the Senate for the time.

REPUBLICAN BUDGET RESOLUTION

Mr. SYMMS. Mr. President, as a cosponsor of this legislation I rise in support of the Republican budget resolution. I believe this budget resolution is a step in the right direction in achieving fiscal constraint. I am particularly pleased that included in this proposal is a 25-percent reduction in funding for the Senate and House budget over the next 2 years. If we are going to be talking about fiscal restraint and budget cuts, I believe we should begin right here.

For too long Congress has exempted itself from budgetary scrutiny and has labeled too many areas of the budget as untouchable. For years I have been hearing we can't touch mandatory spending. Well now that policy has caught up to us. Mandatory spending will consume about 65 percent of the entire budget this year and about 75 percent of all revenue taken in by the Government will go toward funding mandatory programs. The time has come to leave no stone unturned in search of savings. Nothing can be labeled off limits.

Today we have begun the mandatory spending debate by calling for a spending cap on mandatory programs excluding Social Security. Under this proposal the mandatory spending cap would be calculated to permit caseload growth, inflation growth, and an additional 2-percent growth, that would be phased out to zero by 1997.

Opponents of this spending cap will argue that this is too much of a cut—it will hurt too much. Or that these proposals must be funded at the current level or in some cases calling for increased funding. Although this proposal will require some adjustments in these mandatory programs, spending will still increase. In fact, under this proposed cap the total spending for mandatory programs continues to grow as a percentage of the total budget from 50 percent in 1992 to 56 percent in 1997.

This proposal uses the President's defense numbers to ensure an orderly reduction in the military. Any decreases below the President's figures would be in haste. The freeze on domestic and international spending is necessary. We cannot allow spending to increase while we have a deficit approaching $400 billion.

I believe anything less than a freeze would be imprudent and mark fiscal and budgetary irresponsibility.

Under this proposal the fiscal year 1993 deficit would be reduced by $22 billion. Over the next 5 years the deficit would be reduced by $381 billion. Assuming growth of 3.3 percent a year this budget resolution would balance the budget by the year 1997.

I hope my colleagues will examine this budget resolution. I believe it ensures fiscal responsibility. For too long the Congress has not faced up to the difficult budgetary decisions that we must make in order to get the deficit under control. I believe the Republican budget resolution is a good start to achieving this goal.

Until we here in the Congress critically evaluate every line of the budget for excesses and waste we will not solve the deficit problem. I have said time and time again the only way to get the budget and the deficit under control is to cut spending. I hope all of my colleagues realize that the time has come to make a balanced budget a reality.

IN DEFENSE OF SEAWOLF

Mr. PELL. Mr. President, in the protracted debate over how and where to cut the defense budget, one of the biggest bones of contention is the Seawolf submarine. While there has been general acceptance of the administration's proposal to discontinue the long-range Seawolf program, which at one point contemplated a fleet of 30 vessels, the debate is now focused on whether the second and third Seawolf subs, already authorized and funded by Congress, should still be built. The first Seawolf is under construction by the Electric Boat division of General Dynamics, which operates facilities in Rhode Island and Connecticut.

Among the many views expressed on this issue was a New York Times editorial on March 24, 1992, which took Gov. Bill Clinton to task for supporting construction of the two additional Seawolfs and suggested that both the submarines and Electric Boat may no longer be needed. The Times is entitled to its views, of course, but there are a number of other factors that need to be considered, including the fact that it may be prohibitively costly to cancel a procurement on which millions of dollars in advance funding have already been spent.

Moreover, there is widespread concern that in our haste to trim defense expenditures to levels justified by current circumstances, we could jeopardize future national security if we jettison important elements of the military industrial base such as Electric Boat, which would take years to recreate. And in the immediate future, the most important factor is the drastic effect of an abrupt cancellation on the lives of the thousands of people who work for Electric Boat and its suppliers.

For all these reasons, I was very pleased to note in the New York Times of April 1, a letter of rebuttal to the March 24 editorial from my House colleague, Congressman JACK REED who represents Rhode Island's Second Congressional District. The district includes Electric Boat's Quonset Point facility, employing some 4,000 people, and also is home to many of the 3,000 Rhode Islanders who commute to Connecticut to work at EB's main facility at Groton.

Congressman REED makes a good point, I believe, in calling the Times' viewpoint simplistic and lacking in compassion for the human cost of hasty action. I ask unanimous consent that Congressman REED's letter be printed in the RECORD at this point.

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

[From the New York Times, Apr. 1, 1992]

RECIPE FOR VICTORY

To the Editor:

Your March 24 lead editorial summarily dismisses the importance of the Electric Boat division of General Dynamics and of submarines to our nation's defense.

Rather than your simplistic suggestion to create a supermarket for ships in one, all-purpose production facility, the better approach is to maintain the country's pre-eminent submarine builder and concentrate sur-

face ship work at other shipyards, including Newport News.

We were victorious in Operation Desert Storm because we had advanced technology combined with the heroism of our fighting forces. That's the real key to our long-term security, and the Seawolf submarine moves this technology forward.

Finally, it may be easy for you to regard the issue of workers as being of no consequence, but as a member of Congress representing thousands of Electric Boat employees and others dependent on that revenue, I think it is abhorrent that the President would give them their notice of the end of the cold war in the form of a pink slip with no plan for the future. But then what would you expect from a President whose economic advice is to do nothing?

JACK REED,
Member of Congress, 2d Dist., RI.

WASHINGTON, *March 24, 1992.*

U.N. CONFERENCE ON ENVIRONMENT AND DEVELOPMENT

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 418 (S. Con. Res. 89) regarding the U.N. Conference on the Environment.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

MOTION TO PROCEED

CLOTURE MOTION

Mr. FORD. Mr. President, on behalf of the majority leader, I now move to proceed to Senate Concurrent Resolution 89, and I send to the desk a cloture motion on the motion to proceed.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the motion to proceed to Senate Concurrent Resolution 89, a concurrent resolution regarding the United Nations Conference on Environment and Development:

AL GORE, HARRY REID, CLAIBORNE PELL, WENDELL FORD, BROCK ADAMS, PATRICK LEAHY, J. LIEBERMAN, TOM DASCHLE, ALAN CRANSTON, PAUL SIMON, JAY ROCKEFELLER, FRANK LAUTENBERG, JEFF BINGAMAN, HOWARD METZENBAUM, BOB GRAHAM, CARL LEVIN, JOHN F. KERRY.

Mr. FORD. Mr. President, on behalf of the majority leader, I ask unanimous consent that the live quorum as required under rule XXII be waived.

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

Mr. FORD. Mr. President, I now withdraw the motion to proceed.

The PRESIDING OFFICER. The motion to proceed is withdrawn.

AMENDMENT TO UNANIMOUS CONSENT AGREEMENT ON H.R. 2507

Mr. FORD. Mr. President, I ask unanimous consent that the consent agreement on H.R. 2507 be modified to provide for an amendment by Senator GLENN striking the following sections of the committee substitute: Section 499(p) of section 931 on page 103; section 902 on page 95; section 911 on page 95; and section 912 on page 98.

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

The text of the amended unanimous consent agreement is as follows:

Ordered, That during the further consideration of H.R. 2507, an act to amend the Public Health Service Act to revise and extend the programs of the National Institutes of Health and for other purposes, the only amendments in order, in addition to the committee substitute, be the following:

Hatfield: Regarding ethics of genetic engineering;

DeConcini: Regarding penalties for dealing in human fetal tissue;

Leahy: Regarding cancer research registry;

Bradley: Regarding children's vaccine initiative;

Jeffords: Regarding Workers Family Protection Act;

Helms: regarding and relevant to Section 1010 of Title 10 of the committee substitute;

Helms: Regarding and relevant to Title 2 of the committee substitute;

Hatch: Relevant to the bill;

Dole: Regarding prostate cancer;

Nickles: Regarding a report on the 20 diseases that cause the most deaths;

Kennedy: Relevant to the bill; and

Glenn: Amendment striking the folowing sections of the committee substitute: section 499(p) on page 103; sections 902, 911, 912

Ordered further, That the listed amendments all be first degree amendments and subject to relevant second degree amendment.

Ordered further, That no motions to recommit be in order.

REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENT NO. 102–26

Mr. FORD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Treaty with Nigeria on Mutual Legal Assistance in Criminal Matters, Treaty Document 102–26, transmitted to the Senate today by the President, and ask that the treaty be considered having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations in order to be printed; and that the President's message be printed in the RECORD.

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

The message of the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty between the Government of the United States of America and the Federal Republic of Nigeria on Mutual Legal Assistance in Criminal Matters, signed at Washington on September 13, 1989. I transmit also, for the information of the Senate, the report of the Department of State with respect to the treaty.

The treaty is one of a series of modern mutual legal assistance treaties being negotiated by the United States in order to counter criminal activities more effectively. The treaty should be an effective tool to assist in the prosecution of a wide variety of modern criminals, including members of drug cartels, "white collar criminals," and terrorists. The treaty is self-executing.

The treaty provides for a broad range of cooperation in criminal matters. Mutual assistance available under the treaty includes: (1) the taking of testimony or statements of witnesses; (2) the provision of documents, records, and evidence; (3) the execution of requests for searches and seizures; (4) the serving of documents; and (5) the provision of assistance in proceedings relating to the forfeiture of the proceeds of crime, restitution to the victions of crime, and the collection of fines imposed as a sentence in a criminal prosecution.

I recommend that the Senate give early and favorable consideration to the treaty and give its advice and consent to ratification.

GEORGE BUSH.

THE WHITE HOUSE, *April 1, 1992.*

RELIEF OF TIMOTHY BOSTOCK

RELIEF OF CARMEN VICTORIA PARINI, FELIX JUAN PARINI, AND SERGIO MANUEL PARINI

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed, en bloc, to the immediate consideration of Calendar Nos. 412 and 413; that the bills be deemed read the third time, passed, the motion to reconsider the passage of these items be laid upon the table en bloc; that the consideration of these items appear individually in the RECORD, and any statements appear at the appropriate place.

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

So the bill (S. 120) was deemed read a third time and passed, as follows:

S. 120

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TEMPORARY RESIDENT STATUS FOR BENEFICIARY

(a) TEMPORARY RESIDENCE.—Notwithstanding section 212(a)(23) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(23)) or any other provision of that Act, Timothy Bostock shall be issued a visa and admitted to the United States to the status of an alien lawfully admitted to the United States for temporary residence if—

(1) he is found to be otherwise admissible as an immigrant under the provisions of that Act; and

(2) a petition for immediate relative status is filed on his behalf with the Attorney General by a United States citizen spouse of the alien within 60 days after the date of enactment of this Act.

(b) PREVIOUSLY KNOWN GROUND FOR EXCLUSION.—The exemption under subsection (a) shall apply only to grounds for exclusion of which the Department of State or the Department of Justice had knowledge before the date of enactment of this Act.

(c) ADJUSTMENT TO PERMANENT STATUS.—The Attorney General shall, at the end of the 3-year period beginning on the date on which the beneficiary was granted lawful temporary residence status under subsection (a), adjust the status of the beneficiary to that of an alien lawfully admitted for permanent residence if—

(1) the Attorney General finds that the beneficiary has exhibited conduct during such period which demonstrates good moral character (including community ties and the performance of community service, prescribed by the Attorney General at the time of adjustment of status under subsection (a), directed toward publicizing the dangers of using controlled substances);

(2) the beneficiary establishes that he has resided continuously in the United States since the date he was granted such temporary status; and

(3) the beneficiary establishes that he—

(A) is admissible to the United States as an immigrant, and

(B) has not been convicted of any felony or three or more misdemeanors committed in the United States.

(d) TREATMENT OF BRIEF, CASUAL, AND INNOCENT ABSENCES.—During the period the beneficiary is in temporary status under subsection (a), the beneficiary shall not be considered to have failed to maintain continuous residence in the United States for the purposes of subsection (c) by virtue of brief, casual, and innocent absences from the United States.

(e) AFFIDAVITS.—The Attorney General may require the beneficiary to submit affidavits for the purposes of the determinations made under subsection (c).

So the bill (S. 800) was deemed read a third time and passed, as follows:

S. 800

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding section 301(g) of the Immigration and Nationality Act (8 U.S.C. 1401(g)), as in effect on the dates of their births, Carmen Victoria Parini, Felix Juan Parini, and Sergio Manuel Parini shall each become a citizen of the United States upon taking the oath of allegiance to the United States prescribed by section 337(a) of that Act (8 U.S.C. 1448). Each such oath of allegiance shall be entered in the records of the appropriate naturalization court, and a certified copy of the same under the seal of the naturalization court shall each be delivered to Carmen Victoria Parini, Felix Juan Parini, and Sergio Manuel Parini, which certified copy shall be evidence of his or her admission to United States citizenship before any court of record or administrative agency.

EDUCATION AND SHARING DAY U.S.A.

Mr. FORD. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of House Joint Resolution 410, designating "Education and Sharing Day U.S.A."; and that the Senate then proceed to its immediate consideration; that the joint resolution be deemed read the third time, passed, and the motion to reconsider be laid upon the table, that the preamble be agreed to, and any statements regarding the joint resolution be placed in the RECORD at the appropriate place.

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

So the joint resolution (H.J. Res. 410) was deemed read a third time and passed.

The preamble was agreed to.

MEASURE INDEFINITELY POSTPONED—SENATE JOINT RESOLUTION 279

Mr. FORD. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of Senate Joint Resolution 279, the Senate companion, and that the measure then be indefinitely postponed.

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

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 and a treaty which were referred to the appropriate committees.

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

REPORT ON EMIGRATION LAWS AND POLICIES OF THE REPUBLIC OF HUNGARY AND THE CZECH AND SLOVAK FEDERAL REPUBLIC—MESSAGE FROM THE PRESIDENT—PM 192

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Finance:

To the Congress of the United States:

In June 1991 I determined and reported to the Congress that Hungary continues to meet the emigration criteria of the Jackson-Vanik amendment to, and section 409 of, the Trade Act of 1974 (19 U.S.C. 2432 and 2439). In October 1991 I determined and reported to the Congress that Czechoslovakia also meets the emigration criteria contained in title IV of the Trade Act of 1974. These determinations allowed for the continuation of most favored nation (MFN) status for Hungary and Czechoslovakia without the requirement of an annual waiver.

As required by law, I am submitting an updated formal report to the Congress concerning emigration laws and policies of the Republic of Hungary and the Czech and Slovak Federal Republic. You will find that the report indicates continued Hungarian and Czechoslovak compliance with U.S. and international standards in the areas of emigration and human rights policy.

The Administration is taking steps to exercise the authority provided me in section 2 of Public Law 102-182 to terminate the application of title IV of the Trade Act of 1974 to Czechoslovakia and Hungary.

GEORGE BUSH.

THE WHITE HOUSE, *March 31, 1992.*

MESSAGES FROM THE HOUSE

At 7:13 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agrees to the amendments of the Senate to the joint resolution (H.J. Res. 456) making further continuing appropriations for the fiscal year 1992, and for other purposes.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 456. Joint resolution making further continuing appropriations for the fiscal year 1992, and for other purposes.

The enrolled joint resolution was subsequently signed by the President pro tempore [Mr. BYRD].

MEASURES PLACED ON THE CALENDAR

Pursuant to section 300 of the Congressional Budget Act of 1974, as amended, the Committee on the Budget was discharged from the further consideration of the following concurrent resolutions, which were placed on the calendar:

S. Con. Res. 104. A concurrent resolution setting forth the congressional budget for the United States Government for fiscal years 1993, 1994, 1995, 1996, and 1997.

H. Con. Res. 287. A concurrent resolution setting forth the congressional budget for the United States Government for the fiscal years 1993, 1994, 1995, 1996, and 1997.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PELL, from the Committee on Foreign Relations, with an amendment and with a preamble:

S. Res. 258. A resolution expressing the sense of the Senate regarding needed action to address the continuing state of war and

chaos and the emergency humanitarian situation in Somalia.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PELL, from the Committee on Foreign Relations:

Thomas R. Pickering, of New Jersey, a Career Member of the Senior Foreign Service, with the personal rank of Career Ambassador, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to India.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Thomas R. Pickering.

Post: U.S. Ambassador to India.

Contributions, amount, date, and donee:

1. Self.
2. Spouse.
3. Children and spouses names, Timothy R. Pickering, Margaret S. Pickering Schmidt.
4. Parents names, Hamilton R. Pickering (deceased, August, 1987), Sarah C. Pickering.
5. Grandparents names, deceased.
6. Brothers and spouses names, none.
7. Sisters and spouses names, Marcia S. Hunt, Bruce Hunt, $50, September 1988, Robt Mrazk, MC; $50, October 1988, DNC; $50, October 1990, Robt Mrazk, MC.

Edward Joseph Perkins, of Oregon, a Career Member of the Senior Foreign Service, Class of Career Minister, to be the Representative of the United States of America to the United Nations with rank and status of Ambassador Extraordinary and Plenipotentiary, and the Representative of the United States of America in the Security Council of the United Nations.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Edward Joseph Perkins.

Post: U.S. Representative, USUN.

Contributions, amount, date, and donee:

1. Self, none.
2. Spouse (Lucy Liu), none.
3. Children and spouses names, Katherine, Sarah, none.
4. Parents names, Ms. Tiny Holmes, father deceased, none.
5. Grandparents names, deceased, none.

Mr. PELL. Mr. President, for the Committee on Foreign Relations, I also report favorably a nomination list in the Foreign Service which was printed in full in the CONGRESSIONAL RECORD of March 18, 1992, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. BOREN, from the Select Committee on Intelligence:

Vice Admiral William O. Studeman, U.S. Navy, to be Deputy Director of Central Intelligence, and to have the rank of Admiral while so serving.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. WALLOP (for himself, Mr. DOLE, Mr. HATFIELD, Mr. MACK, Mr. LUGAR, Mr. BAUCUS, and Mrs. KASSEBAUM):

S. 2505. A bill to amend the Land and Water Conservation Fund Act of 1965 to provide for the establishment of the America the Beautiful Passport to facilitate access to certain federally-administered lands and waters, and enhance recreation and visitor facilities thereon, to authorize the Secretary of the Interior and the Secretary of Agriculture to enter into challenge cost-share agreements, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. WIRTH (for himself, Mr. GLENN, Mr. GORTON, and Mr. GORE):

S. 2506. A bill to ensure fair treatment of Department of Energy employees during the restructuring of the Department of Energy defense nuclear facilities workforce, to provide medical examinations to certain current and former such employees, to provide medical reinsurance for certain former such employees, and for other purposes; to the Committee on Armed Services.

By Mr. MCCAIN (for himself and Mr. DECONCINI):

S. 2507. A bill to amend the Act of October 19, 1984 (Public Law 98-580; 98 Stat. 2698), to authorize certain uses of water by the Ak-Chin Indian Community, Arizona; to the Select Committee on Indian Affairs.

By Mr. SPECTER:

S. 2508. A bill to amend the Unfair Competition Act to provide for private enforcement of the Unfair Competition Act in the event of unfair foreign competition, and to amend title 28, United States Code, to provide for private enforcement of the customs fraud provisions; to the Committee on the Judiciary.

By Mr. NICKLES (for himself, Mrs. KASSEBAUM, Mr. GORTON, and Mr. SHELBY):

S. 2509. A bill to provide grants to establish an integrated approach to prevent child abuse, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. D'AMATO:

S. 2510. A bill to freeze domestic discretionary spending for fiscal years 1993 and 1994 at fiscal year 1992 levels; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other Committee have thirty days to report or be discharged.

By Mrs. KASSEBAUM:

S. 2511. A bill to exempt certain financial institutions from the examination requirements of the Community Reinvestment Act of 1977; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. CRANSTON (for himself, Mr. DECONCINI, Mr. ROCKEFELLER, Mr. GRAHAM, Mr. AKAKA, and Mr. DASCHLE):

S. 2512. A bill to amend title 38, United States Code, to establish a program to provide certain housing assistance to homeless veterans, to improve certain other programs that provide such assistance, and for other purposes; to the Committee on Veterans Affairs.

By Mr. SIMON (for himself, Mr. ADAMS, Mr. AKAKA, Mr. BIDEN, Mr. BRYAN, Mr. BURNS, Mr. CHAFEE, Mr. COHEN, Mr. CONRAD, Mr. CRANSTON, Mr. DIXON, Mr. DODD, Mr. DOMENICI, Mr. HEFLIN, Mr. JEFFORDS, Mr. LIEBERMAN, Mr. MACK, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. PELL, Mr. SEYMOUR, Mr. WARNER, and Mr. WELLSTONE):

S.J. Res. 287. A joint resolution to designate the week of October 4, 1992, through October 10, 1992, as "Mental Illness Awareness Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. LAUTENBERG (for himself, Mr. KASTEN, Mr. DECONCINI, Mr. INOUYE, Mr. METZENBAUM, Mr. D'AMATO, Mr. LEAHY, Mr. DODD, Mr. CRANSTON, Mr. GRAHAM, Mr. WOFFORD, Mr. DURENBERGER, Mr. MACK, Ms. MIKULSKI, Mr. SIMON, Mr. GORTON, Mr. BRADLEY, Mr. ADAMS, Mr. HARKIN, Mr. WARNER, Mr. KENNEDY, Mr. AKAKA, Mr. KERREY, Mr. HATCH, Mr. WIRTH, Mr. ROBB, Mr. MOYNIHAN, Mr. SPECTER, Mr. LEVIN, Mr. PRESSLER, Mr. MURKOWSKI, Mr. NICKLES, Mr. BROWN, Mr. MITCHELL, Mr. MCCONNELL, Mr. PACKWOOD, Mr. COATS, Mr. GRAMM, Mr. PELL, Mr. GORE, Mr. DASCHLE, and Mr. COCHRAN):

S. Res. 277. A resolution expressing the sense of the Senate regarding loan guarantees for refugee resettlement in Israel; considered and agreed to.

By Ms. MIKULSKI (for herself, Mr. WOFFORD, and Mr. ROCKEFELLER):

S. Res. 278. A resolution expressing the sense of the Senate that the President should continue the bilateral arrangements limiting the export of steel to the United States until the President concludes a multilateral steel agreement; to the Committee on Finance.

By Mr. DASCHLE (for himself, Mr. BINGAMAN, Mr. CONRAD, Mr. DODD, Mr. LIEBERMAN, Mr. METZENBAUM, Ms. MIKULSKI, Mr. SIMON, Mr. WIRTH, and Mr. WOFFORD):

S. Res. 279. A resolution to prohibit the provision to members and employees of the Senate, at Government expense, of unnecessary or inappropriate services and other benefits; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WALLOP (for himself, Mr. DOLE, Mr. HATFIELD, Mr. MACK, Mr. LUGAR, Mr. BAUCUS, and Mrs. KASSEBAUM):

S. 2505. A bill to amend the Land and Water Conservation Fund Act of 1965 to provide for the establishment of the America the Beautiful Passport to facilitate access to certain federally administered lands and waters, and enhance recreation and visitor facilities thereon, to authorize the Secretary of the Interior and the Secretary of Agriculture to enter into challenge cost-share agreements, and for other purposes; to the Committee on Energy and Natural Resources.

AMERICA THE BEAUTIFUL PASSPORT ACT

Mr. WALLOP. Mr. President, today I am introducing the America the Beautiful Passport Act of 1992. I am pleased that Senators HATFIELD, DOLE, MACK, LUGAR, BAUCUS, and KASSEBAUM are original cosponsors of this measure.

Mr. President, America is blessed with outstanding recreational opportunities on Federal lands all across the country. Yet isn't it ironic that the very citizens who pay for these facilities are so often not fully aware of the wide variety of opportunities available to them. One of the major purposes of the America the Beautiful Passport is to provide a convenient means of informing people of the full range of opportunities available to them on Federal lands.

The intent of my bill is to create and sell a passport-sized booklet which not only contains a window decal and a wallet-sized card for admission to all fee areas; but also has information about the recreational facilities and services available from the full spectrum of Federal land managing agencies. Most people know about America's wonder-filled national parks—such as Yellowstone and Grand Teton. Many people know about Big Horn National Forest and various Army Corps of Engineer sites. Nonetheless it is sad to me is that more people across the country don't use areas reasonably close to them simply because they do not know they exist.

National wildlife refuges are much more than a place for ducks to live. The Bureau of Land Management has many extraordinary areas that are virtually unknown to people outside their immediate vicinity. By making this information widely available, perhaps we can reduce some of the pressures on our overused sites, while simultaneously providing higher quality recreational experiences for our citizens.

One important way to accomplish this is to make the America the Beautiful Passport widely available. The present Golden Eagle Passport—which the new passport would effectively replace—is only available from the agencies themselves through limited sales outlets. My bill would use those same outlets, also allowing for the sale of the America the Beautiful Passport by State and local governments and private enterprise. For a maximum 10-percent commission to cover costs, private industry can help market the passport, much the way hunting and fishing licenses are sold now.

L.L. Bean and the Coleman Co., among others, are very interested in cooperating in these sales. It is a win-win situation. The American people get the convenience of easily available passports and information. The agencies get broader recognition of their work and the benefit of cost share projects. The Government gets more revenue and more efficient use of that money.

By employing this wider distribution network, the recreation roundtable estimates that an additional $56 million would be generated. This money would be used, under the challenge cost share title of the bill, for cost sharing projects to develop or improve outdoor recreation lands, resources, or facilities. I have long been concerned about the deteriorating condition of facilities in many of our Federal areas. This is a source of new money which is effectively doubled by the challenge cost share program. We keep getting farther behind in facility maintenance. This is a great opportunity to reverse the trend.

The America the Beautiful Passport Act also creates a Federal Recreation Fee Advisory Commission. One of the primary responsibilities of this Commission is to analyze the entire recreation fee program on our Federal lands and make recommendations to the Secretary of the Interior and Secretary of Agriculture. This is an important function. There should be a reasonable consistency in fees charged among all the agencies. This Commission would not only make recommendations about the price of admission to fee areas, but help to assure that use fees are equitable across the board for similar facilities and services. In addition, this Commission would help the Secretaries set priorities for funding projects through the Challenge Cost-Share Program.

While the Challenge Cost-Share Act is a significant component of the America the Beautiful Passport Program, the bill also authorizes the use of other appropriated funds in cost sharing projects to carry out any function or responsibility of the Agency. In this way, cooperators can directly assist the agencies in accomplishing projects of mutual interest or concern.

Mr. President, I have every confidence that this bill will be embraced by outdoor enthusiasts. It's good for the future of our Federal lands. The recreation infrastructure of this country is, in some areas, sadly neglected. With the current budgetary situation, there is a minuscule chance that these problems will be corrected if we rely totally on Federal outlays to do it. This measure will help to correct these problems as rapidly as possible and in a fiscally responsible manner.

Mr. President, I urge prompt consideration and passage of this bill, and I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2505

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be referred to as the "America the Beautiful Passport Act of 1992".

TITLE I—RECREATION ADMISSION FEES AND USE FEES

SEC. 101. AMERICA THE BEAUTIFUL PASSPORT.

(a) Section 4(a) of the Land and Water Conservation Fund Act of 1965, (16 U.S.C. 4601–6a) is amended by:

(1) striking the first sentence and inserting in lieu thereof the following:

"The Secretary of the Interior and the Secretary of Agriculture are authorized to charge admission fees at any land and water area which they administer and which they designate for such charges: *Provided*, That the Secretary of Agriculture is authorized to charge admission fees only at National Recreation Areas, National Monuments, National Volcanic Monuments, National Scenic Areas, and developed recreation complexes within the National Forest System. All fees shall be established in accordance with subsection (d) of this section.";

(2) striking subparagraphs (1)(A) and inserting in lieu thereof the following:

"(1)(A) For admission into any such designated area, an admission permit, known as the 'America the Beautiful Passport', valid for 12 months beginning in the month of sale, shall be available for a fee set by the Secretary of the Interior, with the advice and consent of the Secretary of Agriculture: *Provided*, That such fee shall be set at $30: *Provided further*, That the Secretary of the Interior, with the advice and consent of the Secretary of Agriculture, may change such fee upon the recommendation of the Federal Recreation Fee Advisory Commission established pursuant to subparagraph (D) of this paragraph. The permittee and all persons accompanying the permittee in a single, private, noncommercial vehicle, or alternatively, the permittee and the permittee's spouse, children, and parents accompanying the permittee where entry to the area is by any means other than private, noncommercial vehicle, shall be entitled to general admission into any area designated pursuant to this subsection and subsections (b), and (c) of this section: *Provided*, That the permit shall not waive fees for overnight camping or the use of group facilities. The permit shall be nontransferable, and the unlawful use thereof shall be punishable in accordance with regulations established pursuant to subsection (e) of this section. The permit shall be available for purchase at any such designated area.";

(3) striking subparagraph (1)(B) and inserting in lieu thereof the following:

"(1)(B) The Secretary of the Interior and the Secretary of Agriculture are further authorized to make available an admission permit, valid for 12 months beginning in the month of sale, for one or more designated areas in a particular geographic area. Such a permit shall convey the privileges of, and shall be subject to the same terms and conditions as, the American the Beautiful Passport, except that it shall be valid only for ad-

mission into the specific unit or units indicated at the time of purchase. The fee for such a permit shall be $15: *Provided*, That neither Secretary may change such fees for areas they administer upon the recommendation of the Federal Recreation Fee Advisory Commission established pursuant to subparagraph (D) of this paragraph.";

(4) adding the following new subparagraphs following subparagraph (a)(B):

"(C) The Secretary of the Interior, with the advice and consent of the Secretary of Agriculture may authorize units of State or local government, individuals, organizations, businesses, or nonprofit entities to sell and collect fees for the America the Beautiful Passport, subject to such conditions as the Secretaries may jointly prescribe. The Secretaries may authorize the seller or sellers to maintain an inventory of America the Beautiful Passports for periods not to exceed 12 months and to withhold reasonable amounts up to, but not exceeding, 10 percent of the gross fees collected from America the Beautiful Passport sales as reimbursement for necessary expenses of the sales. The sellers shall provide information to America the Beautiful Passport purchasers about recreation activities on Federal lands. Notwithstanding any other provision of law, all net receipts from the sales of permits pursuant to this subparagraph shall be deposited into a special account in the Treasury. Amounts deposited into the special account during each fiscal year shall, after the end of such fiscal year, be available for appropriation to any agency collecting fees under this section to fund the agency's share of challenge cost-share agreements negotiated and implemented pursuant to the provisions of title II of this Act. Allocations from the special account established under this subparagraph shall be at least ten per centum of the available account each to: (1) United States Forest Service; (2) National Park Service; (3) United States Fish and Wildlife Service, and (4) Bureau of Land Management and five per centum each to: (1) Bureau of Reclamation; and (2) Tennessee Valley Authority. The remaining fifty per centum shall be allocated by the Secretary of the Interior in consultation with the Secretary of Agriculture based on recommendations of the Federal Recreation Fee Advisory Commission established in subparagraph (D) of this paragraph. Projects to be funded under this subparagraph shall repair, maintain, construct, or rehabilitate outdoor recreation lands, resources, or facilities at Federal sites in cooperation with non-Federal entities that provide not less than 50 percent of the total cost of the project, in cash or in-kind services. Funds appropriated from the special account shall remain available until expended.

"(D) Subject to the requirements of the Federal Advisory Committee Act (5 U.S.C. App. 2), there is hereby established the Federal Recreation Fee Advisory Commission (hereinafter, "the Commission") which shall consist of five persons appointed by the President of the United States. Members of the Commission shall be appointed within 90 days of the date of enactment of this Act, serve 3-year terms, and shall not receive compensation: *Provided*, That members of the Commission may be reimbursed for reasonable travel and other expenses associated with the performance of their duties pursuant to this subparagraph. Vacancies on the commission shall be filled in the same manner in which they were originally appointed. Within one year of the date of enactment of this Act, and biannually thereafter, the Commission shall prepare an advisory report for the Secretary of the Interior and the Secretary of Agriculture regarding the admission fee system established by this Act, including, but not limited to, the fee charged for the America the Beautiful Passport, the designation of sites where admission fees are collected, the amount of fees at designated and proposed sites, whether or not the America the Beautiful Passport should waive other existing recreation fees, and recommendations on projects to fund under the provisions of title II of this Act. The Commission shall terminate upon the transmittal of its fourth report to the Secretary of the Interior and the Secretary of Agriculture. The Secretary of the Interior and the Secretary of Agriculture are authorized to provide support staff and services to the Commission, at the request of the Commission.

"(E)(i) For the purposes of this subsection, 'developed recreation complexes' are areas administered by the Secretary of Agriculture and include:

"(A) Seely Lake, Montana;

"(B) Brainard Lake, Rampart Motorcycle Complex, Cottonwood Lake, and O'Haver Lake, Colorado;

"(C) Hopewell Lake, New Mexico;

"(D) Sabino Canyon, Bear Canyon, and Lower Salt River, Arizona;

"(E) Current Creek, Soldier Creek and Strawberry Bay, Utah;

"(F) Big Tujunga Canyon, Corral Canyon, and Jenks Lake, California;

"(G) Sand Lake All-Terrain Vehicle Complex, Horsfall All-Terrain Vehicle Complex, and Applegate Reservoir, Oregon;

'(H) Lake Kachess, Washington;

"(I) Chadwick Motorcycle Complex, Missouri; and

"(J) Tuckerman Ravine, New Hampshire.

"(ii) By using the criteria in subsection (d) of this section, the Secretary of Agriculture may, 60 days after notifying the Committee on Interior and Insular Affairs and the Committee on Agriculture of the United States House of Representatives and the Committee on Energy and Natural Resources and the Committee on Agriculture, Nutrition, and Forestry of the United States Senate, charge an admission fee at additional developed recreation complexes within the National Forest System: *Provided*, That such complexes (1) are managed primarily for outdoor recreation purposes; (2) provide facilities and services necessary to accommodate heavy public use; (3) contain at least one major recreation attraction including, but not limited to, a lake, river, historical site, or geologic feature; and (4) provide public access such that admission fees can be efficiently collected at one or more centralized locations rather than at individual sites."; and

(5) amending paragraph (2) by striking out the fourth, sixth and seventh sentences and inserting at the end of the following: "*Provided*, That the Secretary of the Interior, with the advice and consent of the Secretary of Agriculture, may change such fee upon the recommendation of the Federal Recreation Fee Advisory Commission established pursuant to subparagraph (D) of paragraph (1) of subsection (a) of this section. *Provided further*, That no single visit admission fee increase shall become effective prior to 60 days from the date notification of such proposed increase is received by the Committee on Interior and Insular Affairs and the Committee on Agriculture of the United States House of Representatives and the Committee on Energy and Natural Resources and the Committee on Agriculture, Nutrition, and Forestry of the United States Senate."

(6) amending paragraph (7) to read:

"(7) No admission fee may be charged pursuant to this subsection of any person less than 16 years of age."

(7) striking out paragraph (11) and redesignating paragraph (12) as paragraph (11).

SEC. 102. RECREATION USE FEES.

(a) Section 4 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-6a) is amended by:

(1) striking the last sentence of paragraph (i)(1);

(2) adding the following new subsection at the end thereof:

"(n) NATIONAL FOREST SYSTEM RECREATION USE RECEIPTS.—Notwithstanding any other provision of law, receipts collected by the Secretary of Agriculture pursuant to subparagraphs (a)(1)(A) and (a)(1)(B) and subsection (b) of this section shall—

"(1) be collected at the place of use or other location reasonably convenient to the user and the authorized collector;

"(2) be available for the purpose of distribution to States and counties pursuant to the Act of May 23, 1908 (16 U.S.C. 500) and section 33 of the Act of July 22, 1937 (7 U.S.C. 1012); and

"(3) not be subject to the provisions of section 1 of the Act of March 4, 1913 (16 U.S.C. 501)."

TITLE II—CHALLENGE COST-SHARE AGREEMENTS

SEC. 201. DEFINITIONS.

For the purposes of this Act—

(1) "challenge cost-share agreement" means any agreement entered into between the Secretary of the Interior or the Secretary of Agriculture and any cooperator for the purpose of sharing costs or services in carrying out any function or responsibility of the land management agencies administered by the respective Secretary; and

(2) "cooperator" means any State or local government, public or private agency, organization, institution, corporation, individual, or other legal entity.

SEC. 202. CHALLENGE COST-SHARE AGREEMENTS.

The Secretary of the Interior and the Secretary of Agriculture are authorized to negotiate and enter into challenge cost-share agreements with cooperators.

SEC. 203. FEDERAL FUNDS FOR CHALLENGE COST-SHARE AGREEMENTS.

In carrying out challenge cost-share agreements, the Secretary of the Interior and the Secretary of Agriculture are authorized, subject to appropriation, to provide the Federal funding share from any funds available to the land management agencies administered by the respective Secretary.

By Mr. WIRTH (for himself, Mr. GLENN, Mr. GORTON, and Mr. GORE):

S. 2506. A bill to ensure fair treatment of Department of Energy employees during the restructuring of the Department of Energy defense nuclear facilities work force, to provide assistance to communities affected by such restructuring, to provide medical examinations to certain current and former such employees, to provide medical reinsurance for certain former such employees, and for other purposes; to the Committee on Armed Services.

DEPARTMENT OF ENERGY NUCLEAR WORKERS ACT

Mr. WIRTH. Mr. President, today I am introducing legislation to assure

that this country's defense nuclear workers are fairly treated in the transition from weapons production to cleanup in the Department of Energy [DOE] complex. I am joined in this important effort by Senator JOHN GLENN, who has broad experience on defense nuclear issues in his State of Ohio, on the Armed Services Committee and as chairman of the Government Affairs Committee. Senator GORE and Senator GORTON join us in offering the defense nuclear workers' bill of rights today.

The United States has built and deployed over 60,000 nuclear weapons since the dawn of the atomic age in the New Mexico desert in 1945. Over 4 decades of cold war, we built up a vast establishment—now often referred to as the nuclear weapons complex—to research, develop, manufacture, test and store these weapons. Seventeen major DOE defense facilities employ nearly 100,000 people in an area greater than the States of Delaware and Rhode Island combined.

Today, this vast nuclear complex is undergoing a dramatic transition. The end of the cold war has resulted in the cancellation of all of the various nuclear warhead systems in the DOE pipeline—from SRAM to W-88. Today, the United States is not building any new nuclear weapons—nor do we have plans to do so.

Mr. President, we now face the challenge of dealing with these changes responsibly—for the people who have worked in the DOE weapons industry and for their communities.

Last December, Energy Secretary Watkins outlined the scope of the restructuring that will be required in the nuclear weapons complex in the 1990's. Today, DOE employs roughly 27,000 people in weapons production; that number will decline to 15,000 in 12 years. At the same time, DOE workers engaged in environmental work will increase from 15,000 in 1990 to over 27,000 by 1995. The cleanup effort alone is expected to last for decades and cost over $150 billion.

This enormous redirection of the DOE complex will cause great turbulence in the lives of workers and their communities—unless we plan well for this change. The need to plan for change applies also to the men and women in uniform, in defense industry and in defense communities as we make the transition to the post-cold war world—a need I hope we will address in a comprehensive way in this year's Defense authorization bill.

The focus of this bill is a special and, in many ways, unique group within the Defense Establishment—defense nuclear workers—to whom we have a twofold obligation: to help with the immediate transition for workers and communities and to take care of the special medical needs of the nuclear work force.

Many defense nuclear workers have been exposed to very dangerous medical risks. They have committed their lives to the defense of this country. They have been exposed to plutonium, berrylium, and other toxic heavy metal exposures. It is going to be extremely difficult for them to become reemployed elsewhere in the private sector, when they carry with them those medical liabilities, which make it increasingly difficult for them to get health insurance elsewhere. We have an obligation to those workers just as we have an obligation to the areas surrounding communities to clean up the facilities and surrounding them. We owe it to them to learn what the medical consequences of such exposure may be and to see that they are cared for.

No DOE site will be more affected in this transition than Rocky Flats in Golden, CO. Since 1953, Rocky Flats has produced plutonium components for the Nation's nuclear weapons. The future of Rocky Flats changed when the Berlin Wall came down in 1989 and was changed utterly with the collapse of the Soviet Union last year.

The handwriting has been on the wall for all to see, and some of my colleagues and I have long been urging the DOE to face this reality by shifting resources from weapons production into clean-up and long-term worker security programs. Even after the fall of the Berlin Wall, the DOE was pressing ahead with plans to build a new plutonium facility at Rocky Flats—the so-called plutonium recovery and modification [PRMP] project—rather than getting on with the challenge of planning realistically for the post-cold war world.

Since 1988, many of us in the Colorado delegation have been pressing DOE to prepare a long-range plan for the work force at Rocky Flats. In 1990, I authored legislation making Pentagon economic adjustment assistance—community grants, job training programs—available to nuclear defense workers and plants. Today, it is clear we need to go significantly beyond that effort.

The DOE's failure to heed these warnings—to plan for the human transition in the nuclear weapons complex—has been further aggravated in Colorado by an enormous build-up of the work force at Rocky Flats. Incredibly, over the last 3 years—and despite clear evidence that closure was on the horizon—the DOE and its prime contractor, EG&G, have actually increased the work force from its 1980's-level of roughly 4,500 to nearly 9,000. Most—if not all—of these new hires may have to be let go as the work force shrinks to meet the new mission of cleanup and decommissioning at Rocky Flats.

Congress and the Bush administration have an obligation to provide a smooth transition for the workers and the community surrounding Rocky Flats. Coloradans have played a key role in forging our cold war victory. The men and women who have worked at Rocky Flats have taken significant health risks from exposure to berrylium, plutonium, and other hazardous substances. If we could meet the awesome technological challenge of nuclear defense against the Soviets, we ought to be able to meet the human needs of the work force that brought us our cold war victory. The Federal Government owes this work force more than just a thank you and a pink slip.

The bill Senator GLENN and I are introducing today addresses four key issues facing this work force in transition:

First, restructuring: Section 1 of our bill requires the Secretary of Energy—in consultation with labor unions, State and local governments, and the Secretary of Labor—to develop and issue a work force restructuring plan for the DOE weapons complex within 60 days of enactment. The intent of this requirement is to minimize the economic impact of the transition in the nuclear weapons complex through:

Early notice of plant closures;

Job preference for existing workers based on seniority;

Timely retraining for environmental cleanup work;

Relocation assistance for workers transferred;

DOE aid for education and retraining for non-DOE work; and

Assistance to impacted communities.

DOE workers are true veterans of the cold war and deserve to be treated fairly and with respect. The purpose of this section is to formalize the DOE's commitment to its workers to retrain and retain as many hourly workers as possible, and to provide adequate assistance to those who cannot be employed on-site. In addition, the DOE has an obligation to work with local governments and communities to assist with the local impact of restructuring.

We have already made an important start in this direction with the Defense Economic Adjustment Act of 1990. Senator RIEGLE, Representative MAVROULES, and I helped put together this legislation in the fiscal year 1991 Defense authorization bill, providing $200 million for job training and community assistance for DOD and DOE workers and communities. After nearly 2 years of refusal to implement and fund this initiative, the Bush administration recently and reluctantly acquiesced in this crucial program. We need to do more

Second, environmental restoration contracts: Section 2 of our bill requires the DOE, upon entering into a contract for environmental restoration and waste management activities at DOE sites, to:

Recognize the existing bargaining units;

Employ bargaining unit employees;

Honor and assume the existing agreements with the bargaining units that

include pension benefits, wage levels, health insurance, and sick leave; and

Credit employees with all benefits due.

This section is modeled after DOE's own requirements for the new environmental restoration contractor at the Fernald facility in Ohio. Our intent is to make certain that the transition from production to clean-up is not used by DOE or its contractors as an opportunity to undercut organized labor. At Rocky Flats, EG&G has been hiring salaried workers at a rapid rate, even as they reduce the union work force onsite—giving rise to significant concerns about the future of the union work force. This section is not intended to be exclusionary or to favor any one union over another, but seeks to protect the rights of the many men and women now working at DOE facilities whose lives will be affected by this transition.

Third, medical monitoring: This section requires the Secretary of Energy to work with the Department of Health and Human Services in establishing and carrying out an ongoing medical evaluation of current and former employees who have been exposed to more than the acceptable dosages of radiation or hazardous substances while employed by DOE.

Many DOE workers have been exposed to dangerous levels of radiation and hazardous materials on the job. A comprehensive medical program of surveillance of current and former employees is needed to better understand the medical consequences of such exposures. Our bill does not presume to dictate guidelines for this program, but stipulates that the DOE Secretary shall consult with the American College of Physicians, the National Academy of Sciences.

Since 1985, I have been proposing that we transfer the authority and funding for radiological medical research from the DOE to HHS. Some progress on this front has been made and should help pave the way for the more comprehensive program outlined in this bill. Basic fairness requires that we learn what is to be learned about the health consequences of DOE worker exposure and provide adequate coverage for treatment of those work-related illnesses.

Fourth, health insurance: Section 4 of this bill would do just that by requiring the DOE to pay all reasonable health care costs for specified radiation- and toxic-related illnesses of former DOE workers who are deemed to have been exposed to dangerous levels of radiation or toxic substances while employed by the DOE and who are not otherwise covered.

The purpose of this section is straightforward: If a worker becomes ill with a disease caused by his DOE weapons work, the DOE should pay for treatment. Again, we do not presume to dictate the standards that should apply in implementing this section, but direct the DOE, HHS, American College of Physicians, and National Academy of Sciences to cooperate in identifying reasonable guidelines.

Mr. President, this legislation is enormously important not only for Rocky Flats but for communities all across the country that have been impacted by their commitment to the nuclear weapons program. The people who have worked over the last 40 years in nuclear weapons programs ought to be treated no differently than other people in the military who have committed their lives and their careers to the military. We have an obligation to these individuals working in these nuclear plants for their retraining, for their continuing employment, for their own pensions and medical benefits. We have the same commitment to them as we do to other people who have worked within the defense establishment.

Finally, Mr. President, this is just the first step in a number that we must be taking in this country in terms of the transition of our defense industries. The transition, the change, the domestic impact of closing down many defense plants, slowly building down our armed services, the changes in our defense industries, the changes in the people who have worked in these, this represents a long-term commitment of billions of dollars, hundreds of thousands of very, very well-trained individuals and an obligation of the Federal Government to think this through.

We are doing our best to do this in the Congress because we have gotten preciously little support for this effort and almost no leadership at all in the administration. And while we introduce this legislation, we hope that the administration will focus not only on this bill but will focus on the overall package of the transition that our economy is going through. It is going to be extremely difficult in many, many communities, but it is a problem that we cannot duck. We cannot deny this problem. We have to take it on and take it on in a frontal fashion.

Mr. President, we simply cannot turn our backs on the workers at Rocky Flats and other DOE sites. Their health and economic future must be a top priority for the Nation they have worked so hard to defend. This bill is a starting point in that effort. I look forward to working with Senator GLENN and other Senators in shaping legislation this year to address this critical need.

Mr. President, I ask unanimous consent that the text of the bill, as well as a brief summary of the bill be printed in the RECORD.

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

S. 2506

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DEPARTMENT OF ENERGY DEFENSE NUCLEAR FACILITIES WORK FORCE RESTRUCTURING PLAN.

(a) IN GENERAL.—Subject to subsections (b) through (e) and not later than 60 days after the date of the enactment of this Act, the Secretary shall develop, issue, and commence implementation of a plan for the restructuring of the employee work force of the Department of Energy defense nuclear facilities.

(b) PLAN REQUIREMENTS.—In developing and implementing the plan referred to in subsection (a), the Secretary shall provide—

(1) that any changes in the function or mission of the Department of Energy defense nuclear facilities be carried out by means that minimize the economic impacts of such changes on Department of Energy employees at such facilities, including the provision of notice of such changes not later than 120 days before the commencement of such changes to such employees and the communities in which such facilities are located and the use of retraining, early retirement, attrition, and other similar means to minimize the number of layoffs of such employees that result from such changes;

(2) that such employees whose employment in positions at such facilities will be terminated as a result of the restructuring plan receive first preference in any hiring of the Department of Energy (consistent with applicable employment seniority plans or practices of the Department of Energy and with section 3152 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1682)) that occurs after the issuance of the plan;

(3) that such employees be retrained in a timely fashion and as necessary for work in environmental restoration and waste management activities at such facilities or other facilities of the Department of Energy;

(4) that the Department of Energy provide relocation assistance to such employees who are transferred to other Department of Energy facilities as a result of the plan;

(5) that the Department of Energy provide appropriate employment retraining, education, and reemployment assistance (including employment placement assistance) to such employees who express an intent in writing to seek employment outside of the Department of Energy before such employees complete employment with the Department of Energy; and

(6) that the Department of Energy provide local impact assistance to communities that are affected by the restructuring plan and coordinate the provision of such assistance with—

(A) programs carried out by the Department of Labor pursuant to the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

(B) programs carried out pursuant to the Defense Economic Adjustment, Diversification, Conversion, and Stabilization Act of 1990 (10 U.S.C. 2391 note); and

(C) programs carried out by the Department of Commerce pursuant to title IX of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3241 et seq.).

(c) PLAN UPDATES.—Not later than one year after issuing the plan referred to in subsection (a) and on an annual basis thereafter, the Secretary shall issue an update of the plan. Each updated plan under this subsection shall—

(1) provide for the requirements referred to in subsection (b), taking into account any

changes in the function or mission of the Department of Energy defense nuclear facilities and any other changes in circumstances that the Secretary determines to be relevant;

(2) contain an evaluation by the Secretary of the implementation of the plan during the year preceding the report; and

(3) contain such other information and provide for such other matters as the Secretary determines to be relevant.

(d) CONSULTATION.—(1) In developing the plan referred to in subsection (a) and any updates of the plan under subsection (c), the Secretary shall consult with the Secretary of Labor, appropriate representatives of local and national collective-bargaining units of Department of Energy employees, appropriate representatives of departments and agencies of State and local governments, appropriate representatives of State and local institutions of higher education, and appropriate representatives of community groups in communities affected by the restructuring plan.

(2) The Secretary shall determine appropriate representatives of the units, governments, institutions, and groups referred to in paragraph (1).

(e) SUBMITTAL TO CONGRESS.—The Secretary shall submit the plan referred to in subsection (a) and any updates of the plan under subsection (c) to the following:

(1) The Governmental Affairs Committee of the Senate.

(2) The Armed Services Committee of the Senate.

(3) The Energy Committee of the Senate.

(4) The Appropriations Committee of the Senate.

(5) The Government Operations Committee of the House of Representatives.

(6) The Armed Services Committee of the House of Representatives.

(7) The Energy and Commerce Committee of the House of Representatives.

(8) The Appropriations Committee of the House of Representatives.

SEC. 2. REQUIREMENTS RELATING TO CONTRACTS FOR ENVIRONMENTAL RESTORATION AT DEPARTMENT OF ENERGY DEFENSE NUCLEAR FACILITIES.

(a) CONTRACT REQUIREMENTS.—Except as provided in subsection (b), in entering into a contract (including a contract entered into as a result of renegotiation) for the procurement of environmental restoration and waste management activities at a Department of Energy nuclear defense facility, the Secretary shall require that the contractor and any subcontractor of the contractor—

(1) recognize (A) any collective-bargaining agreements in force at the facility on the date of the contract, and (B) any labor organizations (as defined in section 2(5) of the Labor Management Relations Act, 1947 (29 U.S.C. 152(5)) or other bargaining agents authorized to act on behalf of the employees of the facility on that date;

(2) employ under that contract any employees in the collective-bargaining units at the facility on that date;

(3) assume the liability and obligations of the pension programs of the preceding employer at the facility, if any, for the employees of that preceding employer (including employees covered by collective-bargaining agreements and employees not so covered) that the contractor retains under the contract;

(4) continue the pension programs in force for such employees; and

(5) credit any period of employment of such employees with the preceding employer toward the requirements of the contract relating to vacations, sick leave, and other employment related benefits (including health insurance benefits).

(b) LIMITATION.—The requirement referred to in subsection (a)(5) shall not apply to any severance payment, benefit, bonus, or entitlement of a salaried employee of a preceding employer under that subsection.

SEC. 3. PROGRAM TO MONITOR DEPARTMENT OF ENERGY WORKERS EXPOSED TO HAZARDOUS AND RADIOACTIVE SUBSTANCES.

(a) IN GENERAL.—The Secretary shall establish and carry out a program for the identification and on-going medical evaluation of current and former Department of Energy employees who are subject to significant health risks as a result of the exposure of such employees to hazardous or radioactive substances during such employment.

(b) IMPLEMENTATION OF PROGRAM.—(1) In establishing and carrying out the program referred to in this section, the Secretary shall—

(A) identify the hazardous substances and radioactive substances to which current and former Department of Energy employees may have been exposed as a result of such employment;

(B) prescribe guidelines for determining the levels of exposure to such substances that present such employees with significant health risks;

(C) prescribe guidelines for determining the appropriate number, scope, and frequency of medical evaluations and laboratory tests to be provided to such employees to permit the Secretary to evaluate fully the extent, nature, and medical consequences of such exposure;

(D) identify (pursuant to the guidelines referred to in subparagraph (B)) each employee referred to in subparagraph (A) who received a level of exposure referred to in subparagraph (B); and

(E) provide (pursuant to the guidelines referred to in subparagraph (C)) the evaluations and tests referred to in subparagraph (C) to the employees referred to in subparagraph (D).

(2)(A) The Secretary carry out his responsibilities under subparagraphs (A) through (C) of paragraph (1) with the concurrence of the Secretary of Health and Human Services.

(B) In prescribing guidelines under paragraph (1)(C), the Secretary shall permit the participation of appropriate representatives of the following entities:

(i) The American College of Physicians.

(ii) The National Academy of Sciences.

(iii) Any labor organization or other bargaining unit authorized to act on the behalf of employees of a Department of Energy defense nuclear facility.

(C) The Secretary of Health and Human Services shall carry out his responsibilities under this paragraph with the assistance of the Director of the Centers for Disease Control and the Director of the National Institute for Occupational Safety and Health.

(3) The Secretary shall notify each employee identified under paragraph (1)(D) and provided with any medical examination or test under paragraph (1)(E) of the identification and the results of any such examination or test. Each notification under this paragraph shall be provided in a form that is readily understandable by the employee.

(4) The Secretary shall collect and assemble information relating to the examinations and tests carried out under paragraph (1)(E).

(5) The Secretary shall commence carrying out the program described in this subsection not later than one year after the date of the enactment of this Act.

(c) AGREEMENT WITH SECRETARY OF HEALTH AND HUMAN SERVICES.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall enter into an agreement with the Secretary of Health and Human Services pursuant to which the Secretary and the Secretary of Health and Human Service shall carry out the respective activities of the Secretary and the Secretary of Health and Human Services under this section.

SEC. 4. HEALTH INSURANCE PROGRAM FOR FORMER DEPARTMENT OF ENERGY EMPLOYEES.

(a) PROGRAM.—The Secretary of Energy shall carry out a program to provide for the insurance of the Department of Energy employees referred to in subsection (b) to cover all reasonable expenses for the health care services referred to in subsection (c) incurred (whether through insurance or out-of-pocket) by such employees.

(b) EMPLOYEES COVERED.—(1) Subject to subsection (d), employees described in this section are any individuals who—

(A) were (but are no longer) Department of Energy employees employed at defense nuclear facilities;

(B) as a result of such employment, have received a level of exposure to hazardous substances or radioactive substances that poses a significant risk to the health of such employees;

(C) as a result of that level of exposure, have developed a significant illness, disease, or clinical sensitivity; and

(D) are not entitled to benefits relating to the illness, disease, or clinical sensitivity under the medicare program or any other health insurance plan or program.

(2) In this subsection, the term "medicare program" means the program described under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).

(c) REASONABLE EXPENSES FOR CERTAIN HEALTH CARE SERVICES COVERED.—Subject to subsection (d), reasonable expenses for health care services described in this subsection are expenses in a reasonable amount for health care services which are medically reasonable and necessary for the treatment of any employee referred to in subsection (b) for any illness, disease, or clinical sensitivity developed by that employee (as determined by the Secretary pursuant to subsection (b)(1)(C)).

(d) STANDARDS FOR DETERMINATIONS.—(1) The Secretary (with the concurrence of the Secretary of Health and Human Services) shall prescribe any standards that are necessary to facilitate any determinations relating to the eligibility of employees for insurance under subsection (b)(1) and the reasonableness and necessity of services and expenses under subsection (c).

(2) The Secretary of Health and Human Services shall carry out his responsibilities under this subsection with the assistance of the Director of the Centers for Disease Control and the Director of the National Institute for Occupational Safety and Health.

(3) In establishing standards under this subsection, the Secretary shall permit the participation of appropriate representatives of the following entities:

(A) The American College of Physicians.

(B) The National Academy of Sciences.

(C) Any labor organization or other bargaining unit authorized to act on the behalf of employees of a Department of Energy defense nuclear facility.

(e) ADMINISTRATION.—The Secretary of Energy may carry out this section directly, through a memorandum of understanding

with an appropriate Federal department or agency, or through a contract with an appropriate health insurance carrier or administrator.

(f) EFFECTIVE DATE.—The Secretary of Energy shall establish the reinsurance program under this section not later than 6 months after the date of the enactment of this Act. The program shall apply to expenses incurred for services furnished on or after the date the program first becomes effective.

SEC. 5. DEFINITIONS.

In this Act:

(1) The term "Secretary" means the Secretary of Energy.

(2) The term "Department of Energy defense nuclear facility" means—

(A) a production facility or utilization facility (as that term is defined in section 11 of the Atomic Energy Act of 1954 (42 U.S.C. 2014)) that is under the control or jurisdiction of the Secretary and that is operated for national security purposes (including the tritium loading facility at Savannah River, South Carolina, the 236 H facility at Savannah River, South Carolina; and the Mound Laboratory, Ohio), but the term does not include any facility that does not conduct atomic energy defense activities;

(B) a nuclear waste storage or disposal facility that is under the control or jurisdiction of the Secretary;

(C) a testing and assembly facility that is under the control or jurisdiction of the Secretary and that is operated for national security purposes (including the test site facility in Nevada; the Pinnellas Plant, Florida; and the Pantex facility, Texas);

(D) a nuclear weapons research facility that is under the control or jurisdiction of the Secretary (including the Lawrence Livermore, Los Alamos, and Sandia National Laboratories); or

(E) any facility described in paragraphs (1) through (4) that—

(i) is no longer in operation;

(ii) was under the control or jurisdiction of the Department of Defense, the Atomic Energy Commission, or the Energy Research and Development Administration; and

(iii) was operated for national security purposes.

(3) The term "Department of Energy employee" means any employee of the Department of Energy employed at a Department of Energy defense nuclear facility, including any employee of a contractor or subcontractor of the Department of Energy employed as such a facility.

DOE NUCLEAR WORKERS' BILL

SUMMARY

Section 1. Department of Energy Defense nuclear facilities work force restructuring plan.

DOE Workforce Restructuring Plan.—No later than 60 days after enactment, the Secretary shall develop and issue a workforce restructuring plan for the DOE weapons complex.

Plan Requirements.—In developing the plan the Secretary shall—

(1) minimize the economic impacts associated with changes in the mission of DOE weapons facilities through early notice of such changes and the use of retraining, early retirement, attrition and other options to minimize layoffs;

(2) provide first hiring preference based on seniority to workers whose employment would be terminated by restructuring;

(3) provide retraining for environmental clean up work;

(4) provide relocation assistance to workers who are transferred to other DOE sites; and

(5) provide appropriate reemployment retraining, education and reemployment assistance to workers who seek employment outside of the DOE.

(6) provide economic assistance to impacted communities.

Consultation.—In developing the plan the Secretary shall consult with the Secretary of Labor, representatives of labor at DOE sites, and appropriate representatives from state and local governments, educational institutions and community groups.

Section 2. Requirements relating to contracts for environmental restoration at Department of Energy defense nuclear facilities.

Contract Requirements.—Upon entering into a contract for environmental restoration and waste management activities at DOE sites, the Secretary shall require the contractor and subcontractors to—

(1) recognize the existing collective bargaining agreements in force at the facility and the labor organizations at the sites;

(2) employ bargaining unit employees at the facility on that date;

(3) assume all liabilities and obligations of the pension programs of the preceding employer;

(4) continue the pension program in force;

(5) credit employees of the preceding employer with employment-related benefit, including health insurance, sick leave.

Section 3. Program to monitor Department of Energy workers exposed to hazardous and radioactive substances.

Identification and Medical Evaluation of Employees.—Not later than one year after the date of enactment, the Secretary shall identify employees exposed to hazardous and radioactive substances and provide such employees with comprehensive medical examinations to evaluate the medical consequences of their exposures.

Medical Surveillance Guidelines.—The Secretary of DOE and the Secretary of Health and Human Services shall establish guidelines for the provision of medical examinations and laboratory tests. The Secretary of HHS shall be assisted by the Centers for Disease Control and the National Institute for Occupational Safety and Health.

In establishing these guidelines the DOE and HHS shall consult with the: The American College of Physicians and Surgeons, the National Academy of Sciences, labor organizations.

Worker Notification.—The DOE shall notify each employee who is given a medical examination, the results of the examination and shall collect and assemble information from these medical examinations for research purposes.

Covered Employees.—The DOE Secretary in the implementing section is given responsibility to determine the criteria for medical surveillance with the concurrence of the Secretary of Health and Human Services, with the same above-mentioned groups serving in an advisory capacity.

Section 4. Health insurance program for former Department of Energy employees.

Establishment of Program.—The Secretary of Energy shall within 6 months of enactment provide for the health insurance for certain work-related illnesses of former DOE employees who are not otherwise covered.

Employees and Illnesses Covered.—The DOE Secretary is responsible for determining eligibility with the concurrence of the Secretary of HHS and with the advice of the groups mentioned in Section 3.

Reasonable expenses for Health Care Services Covered.—Reasonable expenses for health care services cover treatment of illnesses resulting from exposures to radioactive and non-radioactive hazardous substances.

Health care expenses shall be based on a typical payment methodology used under FEHBP plans; and treatment of an illness shall be considered to be medically reasonable and necessary if meets the criteria under either an FEHBP or Medicare program.

Mr. GLENN. Mr. President, I appreciate very much the kind remarks of my distinguished colleague from Colorado who has been at the forefront of trying to work on this particular problem for so many years. It is a pleasure to work together with him in this regard.

Mr. President, let me take us back about 6 or 6½ years. I received complaints from the people at Fernald in Ohio that they were having problems at the plant there. Workers were being exposed to materials that they thought were unsafe. The filter system in the plant there that had uranium dust in it was not working right. On occasion, they would turn the "bag house," it was called, the filter system, and the bag house when it would not operate or got a split in the bags that were doing the filtering, they would just turn the flow off or turn the filter system off there and it meant uranium dust out of that plant was going out in the general community, coming down in the plant, and that is just one example of how things were going.

I could not believe some of the things they were telling me at that time. I could not believe that people operating the plant were callous enough with regard to the safety and health of the workers in the plant that they would be doing some of the things that they were doing.

So I went out there and visited the plant, saw some of these things for myself, which resulted in a series of hearings here and has resulted, in the years since then, in something like I think we now have 32 or 35 reports by the General Accounting Office of the situation. And starting with that Fernald situation that we moved to correct, we then wondered whether we had the same situation in other parts of the nuclear weapons complex in other parts of the country.

So we started asking the GAO to look into some of these places and there were studies at Rocky Flats, and Hanford, Savannah River and the 17 different States. As I say, we now have some 32, 34, 35, something like that, GAO reports detailing what had happened through all those years.

Now what had happened? The Russians are coming, the Russians are coming. That used to be it. We have to produce fissile material, produce nuclear material. And I supported that as did other people here. But, watch out,

we have to have a fissile material. "Here is the radioactive waste product, here is the toxic waste. What are we going to do with them?" "Put them out behind the plant. Do not worry about that. We will worry about it later."

Now is later. As a result of the efforts of the last 6 years by a lot of people, including myself, we now have estimates that it is going to cost, we do not know for sure, $120, $150, $160 billion to clean up all this mess that we delayed into some 40 years of the nuclear weapons complex operations when we did not clean things up.

Put it out behind the plant. We will worry about it later. Some of those areas had contaminated aquifer levels when this material sank down into the soil and got into the water tables down below the surface.

How do you clean that up? Nobody really know how you clean that. So we need a lot of research in that area. But how about the people involved? How about the people that received some of the unfair treatment, also? Certainly that is important. These are people who dedicated their lives to working in these complexes.

I would say we know an awful lot more about some of these areas today than we did back even 6 years ago, knowing about what happened, what releases were made, what workers were exposed to toxic materials or to radioactive materials, unknowingly, sometimes; or certainly inadvertently at others.

That is what has led us to this situation we are in today, to try to deal faily—deal fairly—with people who devoted there lives for the protection of this country. They were not over in Desert Storm. They were working in a nuclear plant someplace. But they have sacrificed, in many cases, their health and their families, living in some of these communities, to this whole process. Fairness calls for dealing with this situation. That is what my distinguished colleague from Colorado talked about just a moment ago.

Everyone knows the Russians are not coming now. They have gone into eclipse over there. So we do not see the requirement for the same size nuclear system we had. So we are downsizing now and we are consolidating. We are doing a lot of things. We are downsizing America's nuclear arsenal.

Of course, we welcome this end of the nuclear arms race that loomed for so many years. But along with that downsizing comes a number of social, of economic, of health-related impacts that are starting to emerge in almost every one of those communities I mentioned that hosts a Department of Energy nuclear weapons facility.

The rapid reduction in the U.S. nuclear arsenal is already leading to the closure of several DOE facilities, and a dramatic shift in the entire mission of the U.S. nuclear program from production to waste management, and now cleanup.

The people who now stand to bear the brunt of these impacts are the DOE workers who have provided for this Nation's security. The loss of thousands of jobs over the next few years has already been announced by DOE Secretary Watkins in December of last year. But even while we downsize and even while we cut down the work force that is required, at the same there time are very troubling questions emerging about the health impacts of DOE operations, particularly those that may affect the thousands of workers who handled radioactive and other hazardous material.

Let me give a couple of examples. A large number of workers throughout the DOE complex have been exposed to plutonium, one of the most toxic materials known to man. At DOE's Savannah River site, DOE estimated at least 739 workers—739 workers—show evidence that plutonium is lodged in their bodies. A recent study in the respected scientific journal, Nature, indicates that the long-term damage from plutonium may be far more serious than now assumed. This fact alone is quite disturbing in its implications for many DOE workers.

Let me pause. Imagine yourself working in one of those plants all these years. You took precautions. Through no fault of your own, you now find you have plutonium contamination. You go home, you look at your kids at night, and you wonder how long you are going to last. How does that make you feel?

Thousands of workers, particularly at the Rocky Flats facility in Colorado and the Oak Ridge Y-12 facility in Tennessee, have been exposed to beryllium, a substance well known to cause health damage. In a recent study, DOE workers exposed to this substance at Rocky Flats showed greater blood cell sensitivity, and it has caused DOE to launch a beryllium surveillance program.

In your mind's eye, once again think of going home, think: I have been exposed to beryllium. You sit down, look around at your kids, and you wonder how long you are going to be around. And you do not really know, because we do not know too much about what is going to happen. But you know it is not good; that is for sure.

Many workers throughout the DOE complex have been exposed to levels of radiation which a current study sponsored by DOE itself suggests may create a much higher risk of contracting cancer than current protection standards assume. At the Fernald facility in Ohio, it was common for workers to be subjected to high concentrations of radioactive dust that frequently exceeded the standards.

During the late 1940's and early 1950's, excessive exposures to thousands of nuclear weapons workers became a matter of high concern. Official recommendations by the Government's scientific advisers to launch cancer studies of these workers were ignored.

In your mind's eye, you are now a worker at one of these plants. You have been exposed to radiation through the years. Recommendations were made by these advisers to launch cancer studies to see what your odds are, to see what kind of protection you might ask for, what kinds of cancer you might get, what kinds of difficulties you might have as a result of this exposure. Those studies were not made. And you sit down once again and look at your kids, and you wonder what is going to happen to you. And you do not really know. It is beyond your control, and you do not know what to do about it.

Unfortunately, we do not know with any degree of certainty what kinds of health risks these worker exposures portend.

It is not at all clear if the Department of Energy knows with reasonable certainty how many workers have been exposed to which dangerous substances. These uncertainties are not lost on prospective employers and their health insurance carriers, who decide whether or not to hire a former DOE weapons worker.

Once again, you are changing jobs, but you have been a nuclear worker. And the new person you are going to work for, if they have health insurance, says: "But this carrier will not cover you in case you have a problem because you worked out at the nuclear plant."

You sit and look at your kids, and you do not have health insurance because of that. Is that fair to people who devoted their lives to helping protect everybody, and who helped to maintain and work in the nuclear weapons complex? That is not fair. That absolutely is not fair. And that is what has led Senator WIRTH and I to put this legislation together. It is a situation no more apparent, as I said, than in Ohio.

But at issue are two basic problems. First, those of a large institution like the Department of Energy, which has operated for decades in secrecy and isolation. Once again, the Russians are coming; it is secret. What goes on in there, nobody knows; it is secret. We cannot let production figures out.

We understand that. I agreed with all that stuff. At the same time, we now know we should certainly not have been so blind as to ignore the safety and health aspects of this thing as we went along. So you know we are having to pay catchup. So all this secrecy and isolation that went on through the years, we have to adapt now to a rapid sea change in U.S. policies, and it is proving to be extremely slow and very disjointed.

Second, the magnitude of the environmental safety and health legacy of

the nuclear and arms race continues to grow, with everything we know about it, in severity and importance, and has put the issue of DOE plant closures into a very special category of seriousness all of its own.

The legislation we are sponsoring is designed to face these two problems head on. It has four sections. Senator WIRTH already went through them, but I will just repeat them very briefly.

One, requires DOE to prepare a work force restructuring plan within 60 days which provides for early notice of plant closures, rehiring preference for existing workers, provides for retraining, education, and relocation assistance for workers who may be shifted to other DOE sites.

Two, requires DOE, when site contracts change from production to cleanup, to assure existing bargaining units are at least offered employment if feasible—in some places, it may not be feasible—and to honor existing bargaining agreements.

Three, establishes a comprehensive medical surveillance program for current and former DOE workers who have been exposed to radiation and other hazardous substances.

And, four, it provides, through the DOE, health insurance coverage for former DOE workers who cannot obtain insurance, and who fit a risk profile for eligibility.

We are trying to make certain we correct some of these inequities that have developed through the years.

This is a difficult process of transition. I believe it is prudent to develop a comprehensive program to assure we can mitigate the social, the economic, the health impacts that are arising from this unprecedented circumstance that we now face.

We must address the new emerging questions at DOE sites that must be answered if he were going to safely clean them up, safely, safely, clean them up.

It is of vital importance we maintain as much stability and continuity with the existing work force as possible. These are people, as I have said, who dedicated their lives to this. They knew there were some dangers of radiation, but they went ahead and took that risk and worked there. The existing DOE workers possess the knowledge of how these plants operate. That is a valuable asset as the DOE now begins the process of decontamination and decommissioning.

As DOE begins to change its contracting system to accommodate this cleanup task—it is now estimated it may be as much as $160 billion over a 20-year period—the first step toward a successful transition is to prevent major work force disruptions. Our legislation is meant to give existing workers the opportunity to maintain employment and to maintain the benefits for which they have worked hard.

At the same time, this bill represents a significant departure from the way we have been trying to address the health risks associated with the nuclear weapons program by integrating medical surveillance with health insurance coverage. And by doing this, we are developing the necessary scientific information to determine what kinds of health risks there are at DOE sites that can be used to develop the standards to clean them up.

We are recognizing the need to face up to the potential health legacies that are implied by DOE's disturbing history of environment, safety, and health problems. What we are proposing in this legislation is not inconsistent with what DOE has started to do on its own, and we must give credit. For instance, at the Fernald facility in Ohio, the department has made it mandatory for the new cleanup contractor, who is yet to be selected, to offer the existing bargaining unit employment and to honor the existing labor agreements, and that is to their credit.

DOE is beginning to establish a beryllium surveillance and notification program involving thousands of current and former workers, and that is to their credit.

Unless we begin to address these and the other programs associated with the restructuring of our nuclear weapons program in a fashion that assures labor stability and addresses the extraordinary risks that come with making nuclear weapons, then we stand to pay far more down the road and face ever-growing obstacles in cleaning up these contaminated sites.

Finally, we must recognize the important contribution of the men and women who have borne the risks of providing for our nuclear deterrence. If we are willing to spend billions of dollars to deal with contaminated dirt, we must be willing to spend some of this money to address the real human dimensions of this problem, and that is the least we can do.

When it comes right down to it, once again, as I said, imagine you are a worker at one of these plants, and you have been there for a long time. You are now finding the whole process downsized through no fault of your own. You have dedicated your life to this. Are you going to be dealt with fairly by our Government? That is what this bill is all about. We think this brings fairness to this downsizing process and is the least that we can do to keep faith with these workers who are out there right now.

• Mr. GORE. Mr. President, I am pleased to join Senator WIRTH and Senator GLENN in introducing S. 2506, legislation to protect the well-being of Department of Energy workers during the upcoming restructuring of our nuclear weapons complex. For decades, the men and women who have worked for the Department of Energy's nuclear weapons programs made a real contribution to our Nation's defense. Now that the cold war is over, it is time for us to come to their defense.

America has an obligation to protect those workers who have made a commitment to our country. The DOE worker protection bill we are introducing today includes provisions to help DOE employees in a number of areas. This legislation will provide them and their families with critical educational, health, and employment support as we clean up and restructure our nuclear weapons facilities for the post-cold war world.

The bill requires the Secretary of Energy—in consultation with Secretary of Labor, State, and local governments, unions, and education officials—to develop a work force restructuring plan for the transition from weapons production to clean up. This plan should outline the steps that DOE will take to minimize the economic impact of the changes—steps like advance notice, retraining, and early retirement. DOE should also be required to retrain workers for clean up projects and provide hiring preference for these projects to workers affected by restructuring. In addition, the Department of Energy ought to give relocation assistance to transferred workers and provide aid for the education and retraining of those who are moving on to work outside of the Department of Energy. And finally, DOE should provide economic assistance for communities impacted by the restructuring.

The bill sets conditions for environmental restoration contracts. It requires new cleanup contractors and subcontractors to recognize existing collective bargaining agreements and labor organizations at the sites, assume their pension obligations, and credit nonsalaried employees with all benefits due them.

This legislation has two important provisions to protect the health of DOE workers. First, the bill directs the Secretary of Energy to establish a medical monitoring program for current and former employees who have been exposed to unacceptable levels of radiation or hazardous substances. Second, the bill addresses the key issue of health insurance for former DOE employees—many of whom are essentially denied coverage because they have worked at nuclear plants—by requiring DOE to pay all reasonable health care costs for certain work-related illnesses resulting from exposure to radioactive and nonradioactive hazardous substances. The guidelines for these health programs are to be established through consultation with the Department of Health and Human Services, labor organizations, the National Academy of Science, and the American College of Physicians.

Mr. President, although the stunning collapse of Soviet communism is a

blessing, it also involves a drastic shift in the lives of hundreds of thousands of American workers—especially those involved in our nuclear weapons complex. We have an obligation to provide for those who have done some of the most sensitive work in maintaining our nuclear deterrent. I believe this legislation is critical if we are going to have a smooth transition for Department of Energy employees. They have stood by us, and now we must stand by them.●

By Mr. McCAIN (for himself and Mr. DECONCINI):

S. 2507. A bill to amend the Act of October 19, 1984 (Public Law 98-530; 98 Stat. 2698), to authorize certain uses of water by the Ak-Chin Indian community, Arizona; to the Select Committee on Indian Affairs.

AK-CHIN WATER USE AMENDMENT ACT

● Mr. McCAIN. Mr. President, I am pleased to join with my colleague, Senator DECONCINI, in introducing legislation to authorize the Ak-Chin Indian community in Arizona to make use of portions of their water entitlement off their reservation.

Under the terms of the 1984 amendments to their 1978 water rights settlement, the community is entitled to receive 75,000 acre-feet of surface water annually through the main works of the Central Arizona project [CAP]. The 1984 legislation authorized the community to devote their water to "any use, including but not limited to agricultural, municipal, industrial, commercial, mining, or recreational use". However, language that would have authorized use of the water off-reservation was dropped, primarily in response to concerns of water resource officials from Western States about off-reservation leasing by Indian tribes generally.

In 1984 the community was assured that the question of off-reservation use of their settlement water would be revisited in the future. After 8 years, during which the concept and practice of water marketing has become increasingly common in Western States, the community has asked that those assurances be honored. I agree that now is an appropriate time to do so.

Since enactment of the settlement, the Ak-Chin community has worked hard to develop a successful farming operation, which now covers approximately 16,500 acres of the community's 21,840-acre reservation. The operation requires consistent use of approximately 85 percent of the settlement water, more in some years depending on crop economics. This means that in many of the next 20 to 30 years the farm operation will not require use of the community's full water entitlement. Accordingly, the community wants to be able to realize value from the otherwise unused water by making it available to off-reservation users.

The legislation which we introduce today would simply amend the 1984 Ak-Chin settlement amendments (P.L. 98-530; 98 Stat. 2698) to authorize the community to use and lease their settlement water off-reservation for periods not exceeding 100 years, provided that the water right is not permanently alienated. The off-reservation area where the water could be used would be limited to within the Pinal, Phoenix, and Tucson active management areas as those areas were designated under Arizona's Groundwater Management Act. Any off-reservation use would be pursuant to a contract ratified by the community council and executed by the Secretary of the Interior.

The water that would be available for leasing by the Ak-Chin community would be Colorado River water made available to the community pursuant to the 1984 settlement amendments. None of the so-called Ak-Chin surplus water that would be left to the Secretary under the Ak-Chin settlement after he has met his obligations to the community would be available to the community for leasing or any other purpose under the terms of this legislation.

Mr. President, enactment of this legislation will put the Ak-Chin Indian community on a footing comparable to other tribes in Arizona and elsewhere in the West who have had their water rights claims settled through legislation. While the terms and conditions have varied from one settlement to another, those enacted since 1984 have included provisions authorizing tribes to use settlement water off-reservation. The legislation we introduce today limits such off-reservation use to within the State of Arizona. It does not authorize interstate leasing or other interstate water use.

For the Ak-Chin community the authority to provide for off-reservation use of unused settlement water by entities other than the community—for short or long periods of time—will enable them to realize maximum economic benefits from their water entitlement. Over the course of the next 20 to 30 years, during which the community has committed itself to maintaining its farming operation, the benefits to the community could be substantial. The opportunity to use some of the community's water would obviously also be beneficial to the entities that would lease or otherwise use it.

Mr. President, I believe this Ak-Chin water use amendment is fair, appropriate, and in the best interests of all concerned. There is not, to my knowledge, any opposition to the proposal. Accordingly, I am hopeful that the Senate and House of Representatives will be able to consider and quickly pass this legislation so that it may become law this year.●

By Mr. SPECTER:

S. 2508. A bill to amend the Unfair Competition Act and Clayton Act to provide for private enforcement of the Unfair Competition Act in the event of unfair foreign competition, and to amend title 28, United States Code, to provide for private enforcement of the customs fraud provisions; to the Committee on the Judiciary.

PRIVATE ACTIONS FOR RELIEF FROM UNFAIR FOREIGN COMPETITION

Mr. SPECTER. Mr. President, I have sought recognition to introduce legislation to provide a private right of action for injured parties to sue in the Federal court to stop imports from coming into the United States which are subsidized or dumped.

This action is being taken today because yesterday the voluntary restraint agreements program was permitted to terminate by the Office of the Trade Representative, and there was a failure to reach agreement for a multilateral steel accord. In the absence of any approach where we can stop subsidized and dumped goods from coming into the United States, the American steel industry, especially the specialty steel industry, will be victimized by trade practices which violate the basic principles of free trade.

Mr. President, the essence of free trade is the cost of production and a reasonable profit. Where you have subsidies by foreign governments, it is the antithesis, the direct opposite, of free trade. Where you have dumping—that is the sale in the United States at prices lower than what is being sold by the producing companies in their own country or in some other country, that is dumping—that again is exactly the opposite of free trade.

Mr. President, we have seen a long history where American industries have been prejudiced, and American jobs have been lost, where there have been imports coming into this country which violate the basic principles of free trade when those imports are subsidized or when those imports are dumped. There is no adequate remedy at the present time to stop those imports from coming into this country. The range of violation is much broader than the steel industry or the specialty steel industry. My action is being prompted today because of what happened yesterday.

Mr. President, I have introduced similar legislation over the period of a decade, going back to March 4, 1982—in fact, slightly more than a decade—and I will later ask to be incorporated into the RECORD a detailed statement of the efforts which I have made to try to bring a private right of action. At one time it came to a 51-to-47 tabling vote. On another occasion in 1986, we were very close to working out an agreement on a private right of action.

But as I say, this is being brought at this time because of what happened yesterday with respect to specialty steel. The Office of the U.S. Trade Representative issued a very unusual re-

lease yesterday, starting off by noting that "countries negotiating a multilateral steel accord failed to reach agreement today to eliminate subsidies and other barriers to steel trade." And then in a later part of the release there was the notation that, "The United States voluntary restraint program will terminate today."

This is somewhat strange, Mr. President, if not incomprehensible. Where the steel industry—and this goes beyond specialty steel—has been awaiting an agreement on the multilateral steel accord which would have prevented subsidized and dumped goods from coming into the United States, and then there is a specific recognition by the Trade Representative that that effort failed, not to extend the voluntary restraint program is just a bit mystifying.

Mr. President, we have seen a long history in this country where foreign policy and defense policy have superseded basic fairness on trade policy.

I received a comprehensive education in that line back in 1984 when there was a favorable ruling by the International Trade Commission for the American steel industry, but it was subject to review by the President.

At that time my colleague, Senator Heinz and I visited every one of the Cabinet Officers in an effort to get support to see to it that that International Trade Commission ruling in favor of the American steel industry was upheld. Then Secretary of Commerce Mac Baldrige was favorable, and International Trade Representative Bill Brock was favorable. We got favorable hearings in all quarters until we came to then Secretary of State Shultz and Secretary of Defense Weinberger who were absolutely opposed to seeing to it that there was basic fairness to the American steel industry because foreign policy and defense policy superseded.

Mr. President, the only way to handle this important issue is to see to it that there is a private right of action. This is a time-honored approach for private prosecution, illustrated by the antitrust laws where there are treble damage actions, and I believe this is absolutely necessary if the specialty steel industry is to have fairness to stop foreign subsidies and foreign dumping from coming into this country. This law would extend in a much broader way to other industries where the private right of action would be accorded to stop subsidies in Government.

Mr. President, on March 4, 1982, I introduced S. 2167 to provide a private right of action in Federal court to enforce existing laws prohibiting illegal dumping or subsidizing of foreign imports. Hearings were held on this bill before the Judiciary Committee on May 24 and June 24, 1982. On December 15, 1982, I offered the text of this bill on the Senate floor as an amendment, which was tabled by a slim margin of 51 to 47.

During the 96th Congress, I reintroduced this legislation as S. 416 on February 3, 1983. The Judiciary Committee held a hearing on this bill on March 21, 1983. I offered the text of S. 418 as an amendment to the omnibus tariff bill on September 19, 1984; the amendment was tabled.

During the 99th Congress, I reintroduced this legislation as S. 236; I expanded the scope of this bill to include customs fraud violations and introduced S. 1655 on September 18, 1985. The Judiciary Committee held a hearing on S. 1655 on November 20, 1985, and favorably reported the bill by unanimous voice vote on March 20, 1986. The Finance Subcommittee on International Trade also held a hearing on S. 1655 pursuant to a sequential referral agreement. Significant progress was made toward reaching a unanimous-consent agreement for full Senate consideration of S. 1655 prior to adjournment of the 99th Congress, but the press of other business prevented its coming up for floor action.

In the 100th Congress, I reintroduced comprehensive legislation, S. 361, to provide a private right of action in Federal court to enforce existing laws prohibiting illegal dumping or customs fraud.

I expanded the scope of this bill in S. 1396, which I introduced on June 19, 1987, to revise the subsidy provision to include a private right of action to allow injured American parties to sue in Federal court for injunction relief against, and monetary damages from, foreign manufacturers and exporters who receive subsidies and any importer related to the manufacturer or exporter.

This bill would have provided a comprehensive approach to address three of the most pernicious unfair export strategies used by foreign companies against American companies: Dumping, subsidies, and customs fraud.

During full Senate consideration of the Omnibus Trade and Competitiveness Act (S. 490), I filed the text of S. 1396 as amendment No. 315 on June 19, 1987, and offered it as an amendment to the trade bill on June 25, 1987. This amendment, however, was tabled.

I again filed the text of this bill as an amendment to the Textile and Apparel Trade Act, S. 2662, on September 9, 1988, and to the Technical Corrections Act, S. 2238, on September 29, 1988.

On July 15, 1987, I joined Senator Heinz as an original cosponsor of an amendment to S. 490 to provide a private right of action in the U.S. Court of International Trade for damages from customs fraud. Although the amendment was accepted by the Senate, it unfortunately was dropped in conference.

The expanded private right of action bill I am introducing today provides a private right of action for injunctive and monetary relief in Federal court to individuals or corporations who have been injured by dumping, subsidies, or customs fraud violations. The bill will enable industry to seek immediate relief through the Federal courts to halt the illegal importation of products.

There is nothing like the vigor of private plaintiffs when it comes to the enforcement of our trade laws. We desperately need the vigorous private enforcement this bill would spur if we are to successfully chart a course between the grave dangers of increased protectionism and the certain peril which would result from unabated illegal foreign imports.

Industry suffers the dual dilemma of competing against foreign protectionism legislation and having no forum to pursue their grievances other than the executive branch. Hank Barnette, senior vice president and general counsel of Bethlehem Steel, who testified at the Judiciary Committee field hearing in Pittsburgh, provides a level of support for this legislation, which, I might add, was typical throughout the committee hearings. Mr. Barnette is very familiar with the broad range of our trade issues and was appointed by President Bush to serve on his Advisory Committee on Trade Policy and Negotiations. He appeared before the Judiciary Committee to echo the support he voiced for private right of action legislation when appearing first in 1985:

> I said then, and am equally convinced today, the current prospective antidumping remedies provide an inadequate deterrent to dumping. We know that to be a fact. In our industry the practice of dumping has continued unabated for nearly 20 years and it is rampant today. The establishment of an effective private right of action against dumping in the United States Federal Courts would provide a much-needed remedy.

I believe the bill I am introducing would have an important deterrent effect on the practices of our foreign trading partners. Under this bill, an injured domestic business could file suit in the U.S. District Court for the District of Columbia or the Court of International Trade for an injunction against the import and sales of the goods which it could preliminarily demonstrate were violating customs laws. The Court's order could be modified to provide a more permanent remedy based on a more detailed finding. If dumping, subsidies, or customs fraud and injury are found, the plaintiff would be entitled to compensatory damages.

A reason to support this bill lies in its simplicity. We can enact this legislation immediately without interfering with or precluding a more complex set of initiatives. The essence of this bill is to promote enforcement of existing trade laws and agreements and, therefore, use our existing trade laws as our best defense against unfair foreign

practices. The bill I am introducing today will free private enterprise to pursue remedies without delay and put an immediate halt to many discriminatory trade practices.

I ask my colleagues to join me now in supporting this legislation to provide some immediate relief to the unfair trade practices which constrain our industry. We are all familiar with the $1 trillion trade deficit we have incurred over the past decade and the additional impact of our currently stalled economy. We should also, however, be proud of the many improvements made by our industrial base over the past decade. Our corporations invested capital, the quality of our products has risen dramatically—but our people have suffered significant job losses while our corporations have tried to become more lean and competitive. Clearly our business sector and each and every American has participated in and borne the burden of improving our competitive position.

Even these significant advances, however, are insufficient to truly compete in the face of illegal trade practices such as dumping, subsidies, and customs fraud.

Mr. President, I ask unanimous consent at this time that the proposed legislation be included in the RECORD.

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

S. 2508

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PRIVATE ACTIONS FOR RELIEF FROM UNFAIR FOREIGN COMPETITION.

(a) CLAYTON ACT.—Section 1(a) of the Clayton Act (15 U.S.C. 12) is amended by inserting "section 801 of the Act of September 8, 1916, entitled 'An Act to raise revenue, and for other purposes' (39 Stat. 798; 15 U.S.C. 72);" after "nineteen hundred and thirteen;".

(b) ACTION FOR DUMPING VIOLATIONS.—Section 801 of the Act of September 8, 1916 (39 Stat. 798; 15 U.S.C. 72) is amended to read as follows:

"SEC. 801. (a) PROHIBITION.—No person shall import or sell within the United States an article manufactured or produced in a foreign country if—

"(1) the article is imported or sold within the United States at a United States price that is less than the foreign market value or constructed value of the article; and

"(2) the importation or sale—

"(A) causes or threatens material injury to industry or labor in the United States; or

"(B) prevents, in whole or in part, the establishment or modernization of any industry in the United States.

"(b) CIVIL ACTION.—An interested party whose business or property is injured by reason of an importation or sale in violation of this section may bring a civil action in the United States District Court for the District of Columbia or in the Court of International Trade against—

"(1) a manufacturer or exporter of the article; or

"(2) an importer of the article into the United States that is related to the manufacturer or exporter of the article.

"(c) RELIEF.—In an action brought under subsection (b), upon a finding of liability on the part of the defendant, the plaintiff shall—

"(1)(A) be granted such equitable relief as may be appropriate, which may include an injunction against further importation into, or sale or distribution within, the United States by the defendant of the article in question; or

"(B) if injunctive relief cannot be timely provided or is otherwise inadequate, recover damages for the injuries sustained; and

"(2) recover the costs of the action, including reasonable attorney's fees.

"(d) STANDARD OF PROOF.—(1) The standard of proof in an action brought under subsection (b) is a preponderance of the evidence.

"(2) Upon—

"(A) a prima facie showing of the elements set forth in subsection (a); or

"(B) affirmative final determinations adverse to the defendant that are made by the administering authority and the United States International Trade Commission under section 735 of the Tariff Act of 1930 (19 U.S.C. 1673d) relating to imports of the article in question for the country in which the manufacturer of the article is located,

the burden of proof in an action brought under subsection (b) shall be upon the defendant.

"(e) OTHER PARTIES.—(1) Whenever, in an action brought under subsection (b), it appears to the court that justice requires that other parties be brought before the court, the court may cause them to be summoned, without regard to where they reside, and the subpoenas to that end may be served and enforced in any judicial district of the United States.

"(2) A foreign manufacturer, producer, or exporter which sells products, or for which products are sold by another party in the United States, shall be treated as having appointed the District Director of the United States Customs Service of the Department of the Treasury for the port through which the product is commonly imported as the true and lawful agent of the manufacturer, producer, or exporter, upon whom may be served all lawful process in any action brought under subsection (b) against the manufacturer, producer, or exporter.

"(f) LIMITATION.—(1) An action under subsection (b) shall be commenced not later than 4 years after the date on which the cause of action accrued.

"(2) The running of the 4-year period provided in paragraph (1) shall be suspended while there is pending an administrative proceeding under subtitle B of title VII of the Tariff Act of 1930 (19 U.S.C. 1673 et seq.) relating to the product that is the subject of the action or an appeal of a final determination in such a proceeding, and for 1 year thereafter.

"(g) NONCOMPLIANCE WITH COURT ORDER.—If a defendant in an action brought under subsection (b) fails to comply with any discovery order or other order or decree of the court, the court may—

"(1) enjoin the further importation into, or the sale or distribution within, the United States by the defendant of articles that are the same as, or similar to, the articles that are alleged in the action to have been sold or imported under the conditions described in subsection (a) until such time as the defendant complies with the order or decree; or

"(2) take any other action authorized by law or by the Federal Rules of Civil Procedure, including entering judgment for the plaintiff.

"(h) CONFIDENTIALITY AND PRIVILEGED STATUS.—(1) Except as provided in paragraph (2), the confidential or privileged status accorded by law to any documents, evidence, comments, or information shall be preserved in any action brought under subsection (b).

"(2) In an action brought under subsection (b) the court may—

"(A) examine, in camera, any confidential or privileged material;

"(B) accept depositions, documents, affidavits, or other evidence under seal; and

"(C) disclose such material under such terms and conditions as the court may order.

"(i) EXPEDITION OF ACTION.—An action brought under subsection (b) shall be advanced on the docket and expedited in every way possible.

"(j) DEFINITIONS.—For purposes of this section, the terms 'United States price', 'foreign market value', 'constructed value', 'subsidy', and 'material injury', have the respective meanings given those terms under title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.).

"(k) SUBSIDY.—If—

"(1) a subsidy is provided to the manufacturer, producer, or exporter of an article; and

"(2) the subsidy is not included in the foreign market value or constructed value of the article (but for this paragraph),

the foreign market value of the article or the constructed value of the article shall be increased by the amount of the subsidy.

"(l) INTERVENTION BY THE UNITED STATES.—The court shall permit the United States to intervene in any action brought under subsection (b) as a matter of right. The United States shall have all the rights of a party to such action.

"(m) NULLIFICATION OF ORDER.—An order by a court under this section is subject to nullification by the President under authority of section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702).".

(c) ACTION FOR SUBSIDIES VIOLATIONS.—Title VIII of the Act of September 8, 1916 (39 Stat. 798; 15 U.S.C. 71 et seq.) is amended by adding at the end the following new section:

"SEC. 807. (a) PROHIBITION.—No person shall import or sell within the United States an article manufactured or produced in a foreign country if—

"(1) the foreign country, any person who is a citizen or national of the foreign country, or a corporation, association, or other organization organized in the foreign country, is providing (directly or indirectly) a subsidy with respect to the manufacture, production, or exportation of the article; and

"(2) the importation or sale—

"(A) causes or threatens material injury to industry or labor in the United States; or

"(B) prevents, in whole or in part, the establishment or modernization of any industry in the United States.

"(b) CIVIL ACTION.—An interested party whose business or property is injured by reason of an importation or sale in violation of this section may bring a civil action in the United States District Court for the District of Columbia or in the Court of International Trade against—

"(1) a manufacturer or exporter of the article; or

"(2) an importer of the article into the United States that is related to the manufacturer or exporter of the article.

"(c) RELIEF.—In an action brought under subsection (b), upon a finding of liability on the part of the defendant, the plaintiff shall—

"(1)(A) be granted such equitable relief as may be appropriate, which may include an

injunction against further importation into, or sale or distribution within, the United States by the defendant of the article in question; or

"(B) if injunctive relief cannot be timely provided or is otherwise inadequate, recover damages for the injuries sustained; and

"(C) recover the costs of the action, including reasonable attorney's fees.

"(d) STANDARD OF PROOF.—(1) The standard of proof in an action filed under subsection (b) is a preponderance of the evidence.

"(2) Upon—

"(A) a prima facie showing of the elements set forth in subsection (a); or

"(B) affirmative final determinations adverse to the defendant that are made by the administering authority and the United States International Trade Commission under section 705 of the Tariff Act of 1930 (19 U.S.C. 1671d) relating to imports of the article in question for the country in which the manufacturer of the article is located,

the burden of proof in an action brought under subsection (b) shall be upon the defendant.

"(e) OTHER PARTIES.—(1) Whenever, in an action brought under subsection (b), it appears to the court that justice requires that other parties be brought before the court, the court may cause them to be summoned, without regard to where they reside, and the subpoenas to that end may be served and enforced in any judicial district of the United States.

"(2) A foreign manufacturer, producer, or exporter which sells products, or for which products are sold by another party in the United States, shall be treated as having appointed the District Director of the United States Customs Service of the Department of the Treasury for the port through which the product is commonly imported as the true and lawful agent of the manufacturer, producer, or exporter, upon whom may be served all lawful process in any action brought under subsection (b) against the manufacturer, producer, or exporter.

"(f) LIMITATION.—(1) An action under subsection (b) shall be commenced not later than 4 years after the date on which the cause of action accrued.

"(2) The running of the 4-year period provided in paragraph (1) shall be suspended while there is pending an administrative proceeding under subtitle A of title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.) relating to the product that is the subject of the action or an appeal of a final determination in such a proceeding, and for 1 year thereafter.

"(g) NONCOMPLIANCE WITH COURT ORDER.—If a defendant in an action brought under subsection (b) fails to comply with any discovery order or other order or decree of the court, the court may—

"(1) enjoin the further importation into, or the sale or distribution within, the United States by the defendant of articles that are the same as, or similar to, the articles that are alleged in the action to have been sold or imported under the conditions described in subsection (a) until such time as the defendant complies with the order or decree; or

"(2) take any other action authorized by law or by the Federal Rules of Civil Procedure, including entering judgment for the plaintiff.

"(h) CONFIDENTIALITY AND PRIVILEGED STATUS.—(1) Except as provided in paragraph (2), the confidential or privileged status accorded by law to any documents, evidence, comments, or information shall be preserved in any action brought under subsection (b).

"(2) In an action brought under subsection (b) the court may—

"(A) examine, in camera, any confidential or privileged material;

"(B) accept depositions, documents, affidavits, or other evidence under seal; and

"(C) disclose such material under such terms and conditions as the court may order.

"(i) EXPEDITION OF ACTION.—An action brought under subsection (b) shall be advanced on the docket and expedited in every way possible.

"(j) DEFINITIONS.—For purposes of this section, the terms 'subsidy' and 'material injury' have the respective meanings given those terms under title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.).

"(k) INTERVENTION BY THE UNITED STATES.—The court shall permit the United States to intervene in any action brought under subsection (b) as a matter of right. The United States shall have all the rights of a party to such action.

"(l) NULLIFICATION OF ORDER.—An order by a court under this section is subject to nullification by the President under authority of section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702).".

(d) ACTION FOR CUSTOMS FRAUD.—

(1) AMENDMENT OF TITLE 28, UNITED STATES CODE.—Chapter 95 of title 28, United States Code, is amended by adding at the end the following new section:

"§ 1586. Private enforcement action for customs fraud

"(a) CIVIL ACTION.—An interested party whose business or property is injured by a fraudulent, grossly negligent, or negligent violation of section 592(a) of the Tariff Act of 1930 (19 U.S.C. 1592(a)) may bring a civil action in the United States District Court for the District of Columbia or in the Court of International Trade, without respect to the amount in controversy.

"(b) RELIEF.—Upon proof by an interested party that the business or property of such interested party has been injured by a fraudulent, grossly negligent, or negligent violation of section 592(a) of the Tariff Act of 1930, the interested party shall—

"(1)(A) be granted such equitable relief as may be appropriate, which may include an injunction against further importation into the United States of the merchandise in question; or

"(B) if injunctive relief cannot be timely provided or is otherwise inadequate, recover damages for the injuries sustained; and

"(2) recover the costs of suit, including reasonable attorney's fees.

"(c) DEFINITIONS.—For purposes of this section:

"(1) The term 'interested party' means—

"(A) a manufacturer, producer, or wholesaler in the United States of like or competing merchandise; or

"(B) a trade or business association a majority of whose members manufacture, produce, or wholesale like merchandise or competing merchandise in the United States.

"(2) The term 'like merchandise' means merchandise that is like, or in the absence of like, most similar in characteristics and uses with, merchandise being imported into the United States in violation of section 592(a) of the Tariff Act of 1930 (19 U.S.C. 1592(a)).

"(3) The term 'competing merchandise' means merchandise that competes with or is a substitute for merchandise being imported into the United States in violation of section 592(a) of the Tariff Act of 1930 (19 U.S.C. 1592(a)).

"(d) INTERVENTION BY THE UNITED STATES.—The court shall permit the United States to intervene in an action brought under this section, as a matter of right. The United States shall have all the rights of a party.

"(e) NULLIFICATION OF ORDER.—An order by a court under this section is subject to nullification by the President under authority of section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702).".

(2) TECHNICAL AMENDMENT.—The chapter analysis for chapter 95 of title 28, United States Code, is amended by adding at the end the following new item:

"1586. Private enforcement action for customs fraud.".

SEC. 2. ACCORDANCE WITH GATT.

It is the sense of the Congress that this Act is consistent with, and in accord with, the General Agreement on Tariffs and Trade (GATT).

Mr. SPECTER. Mr. President, I ask unanimous consent that the testimony of Mr. Robert E. Heaton, who is president and chief operating officer of Washington Steel Corp., which was introduced in hearings before the Steel Caucus on February 20, 1992, be introduced because it is a very important statement in support of the voluntary restraint program for specialty steel, and in the absence of that voluntary restraint program it would logically follow through to a private right of action.

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

TESTIMONY OF ROBERT E. HEATON

Senator Rockefeller, Senator Specter, Members of the Senate Steel Caucus. My name is Bob Heaton. I am President & Chief Operating Officer of Washington Steel Corporation in Washington, Pennsylvania. I am also the Chairman of the Executive Committee of the Specialty Steel Industry of the United States.

On behalf of the Specialty Steel Industry of the United States, and in cooperation with the United Steelworkers of America, I am pleased to appear before this distinguished Senate body to solicit your support for the specialty steel industry's and the Union's request for a three-year extension of the voluntary restraint arrangements (VRAs) with respect to specialty steel products.

For those of you who are unfamiliar with our segment of the industry, the Specialty Steel Industry of the United States represents virtually all U.S. producers of stainless and alloy tool steels, heat-resisting steels, electrical steels, super alloys, and other high technology metals. Our industry employs approximately 35,000 people, with annual shipments of over $6 billion, although on a tonnage basis we represent less than 2 percent of annual steel production in the U.S. I would remind you that the record shows that prices of specialty steels during the VRA period have been maintained well below the growth rate in the CPI and indices for other industrial product. Consumers have not been hurt.

Specialty steel represent the high value, high technology segment of the steel industry. Because of their high alloy content, technical properties and special processing techniques, our products are used in extreme environments demanding exceptional hardness, toughness, strength, resistance to heat, corrosion or abrasion—or any combination of

these characteristics. A healthy specialty steel industry is vital to the economic and industrial well-being of the United States. Indeed our society could not function without them. Specialty steels are essential for many critical applications in both the capital goods and consumer durable sectors of our economy, automotive, power generation, chemical processing, health care, marine and aerospace, to name a few areas. Moreover, the unique characteristics of specialty steels make these products essential to the production of all major weapon systems, as well as aircraft and other defense-related equipment. Our products were crucial to the success of Desert Storm, and we responded to urgent requests by the Department of Defense to supply materials on extremely short notice—as little as twenty-four hours—often halting normal commercial production schedules to meet the demands of the war effort.

The gains achieved by the specialty steel industry as a result of the VRAs are threatened by their scheduled expiration on March 31, 1992. So too, are the many thousands of jobs we directly provide or support indirectly. Worldwide capacity to produce specialty steel products has expanded dramatically during the VRA period to a level that exceeds the demands of today's global marketplace. Foreign government subsidization of specialty steel production continues unabated and dumping of specialty steel products persists, notwithstanding the disciplines of the current VRA program. Efforts to address these problems in the framework of a multilateral consensus arrangement have not borne fruit. Most compelling, however, is the fact that most specialty steel import restraint levels have been fully utilized and in many instances exceeded. Elimination of the VRAs will result in an immediate import assault that could have sever consequences for U.S. producers, their workers, and the American economy.

The VRAs have served the specialty steel industry well, and have helped control the import surges that devastated the industry during the early 1980s. The VRAs have also provided the opportunity for the industry to maintain its worldwide technological advantage through investment in research and development; construction of modern facilities; and improved productivity. Economic conditions, unique to specialty steel, are such that termination of the VRA program at this time will undermine those gains and have dire consequences for U.S. specialty steel producers, their employees and families, a number of communities, as well as the customers served by the industry. Let me briefly address these conditions. They provide compelling testimony as to why the specialty steel industry must seek an extension to the VRA program at this time, and why we are seeking your support for this effort.

First, overcapacity problems in the industry have worsened. The long-standing problem of structural overcapacity in the world's specialty steel market has not been addressed: indeed, by all accounts the excess capacity problems have worsened during the VRA period. Total worldwide capacity additions by foreign specialty steel producers, including all of the major VRA signatories, are expected to exceed 3.0 million tons by March 31, 1992—an amount far exceeding the U.S. annual consumption of specialty steel. Much of the new foreign capacity has been targeted to come on stream as the VRA terminate—for obvious reasons.

Second, dumping and foreign subsidization continue to be a major factor in the U.S. market. And, let us be reminded that 'subsidies are fungible' so damage is pervasive. The VRAs have not prevented subsidized and dumped imports from entering the U.S. market; they have only helped control the volume of such unfair imports. The fundamental conditions of subsidization and dumping were to be addressed in the framework of the multilateral steel arrangement (MSA), a structure which, as announced by the Administration, was to be in place by the time the VRAs were being phased out.

"Let me quote the President's July 25, 1989 order:

"I am also directing Ambassador Hills to seek to negotiate, through the Uruguay Round of Multilateral Trade Negotiations and complementary bilateral agreements, an international consensus to provide effective disciplines over government aid and intervention in the steel sector and to lower barriers to global trade in steel. The international consensus will contain three elements:

"Strong disciplines over trade-distorting government subsidies;

"Lowering of trade barriers so as to ensure market access; and

"Enforcement measures to deal with violations of consensus obligations."

Unfortunately, the MSA negotiations have been characterized primarily by the efforts of other producing nations to exempt themselves from the reach of U.S. trade laws; to undermine the effectiveness of those laws; to "grandfather" past subsidy programs; and to broaden the scope of permissible subsidy programs. Furthermore, foreign producing nations have utilized the MSA effort to establish an alternative dumping regime for steel that would virtually eliminate any possibility for U.S. steel producers to obtain relief for injurious dumping. Significantly, these efforts are being mirrored in the GATT where many of our principal trading partners are insisting on a substantial weakening of U.S. trade laws as a precondition of any multilateral trade agreement. These efforts, if successful, will remove the industry's most effective weapon in its battle against unfair imports.

Third, the U.S. specialty steel market has weakened. As a result of a combination of factors—the economic downturn, structural overcapacity and continued dumping/subsidy practices—the U.S. specialty steel industry is experiencing uncertainties in its markets. Imports are up, prices are soft, and profitability has sharply deteriorated. These conditions, though typical of a cyclical industry in the recessionary phase of the business cycle, deeply concern U.S. specialty steel producers because they come at a time when the benefits of the VRA structure are about to be removed. It is precisely these depressed conditions that led to the dislocations of the early 1980s, the filing of unfair trade cases by the steel industry, and the government-initiated VRA program.

Perhaps most significantly, the VRA quotas for specialty steel products have been fully utilized. An analysis of recent import statistics reveals that VRA quota levels for most specialty steel products have been filled. Indeed, in many instances, those limits have been exceeded. For example, in 1991, the VRA ceilings on specialty steel will experience utilization rates ranging from 96 to 113 percent, which has been typical for most years during the duration of the program. For certain products and signatories, utilization rates have been even higher, which has led the Department of Commerce to require special release authorization on the entry of certain specialty steel imports from Austria and Brazil, as well as from the European Community, where authorization is required on four of the seven specialty steel categories.

These trends support the long-standing position of the industry that even where import restraints are in place, foreign producers will focus their export activities on higher value products, which are largely comprised of specialty steel products. The trends also confirm the industry's belief that imports, which have been increased steadily during the recent VRA period, will surge to unprecedented levels if the VRAs are allowed to expire.

The proposed phasing out of the VRA program was premised on a number of conditions, which, notwithstanding the sincere intentions of the Administration, have not come to pass. Global capacity still exceeds global demand for specialty steel by substantially larger margins than before the VRAs were initiated. Subsidization continues worldwide, and, despite the strong efforts by the Administration, there is no MSA in place to impose discipline on foreign governments that have been willing to support their specialty steel sectors through periods of substantial losses. Finally, dumping remains the market development tactic of choice among foreign producers who seek to inject themselves in the U.S. marketplace at any cost.

Overlying these fundamental structural problems is a recession which has shrunk worldwide demand for specialty steel products, thereby increasing the incentive for foreign producers to ship even more high valued specialty steels to the U.S. market. Sound policy in today's international steel market dictates a continuation of the VRAs for specialty steel. The VRAs have enabled the specialty steel industry to maintain its technological superiority and thereby meet the changing demands of the U.S. industrial and defense base and the demands of the global marketplace and assure jobs, both directly and indirectly, for American workers. Until fundamental international trading conditions change, or are placed under adequate control, the VRAs must be extended. We must ensure that the essential American specialty steel industry remains strong to serve the critical needs of an imperfect marketplace.

The specialty steel industry and its workers must not be held hostages to external international factors over which it cannot exert control.

Mr. SPECTER. Mr. President, I further ask unanimous consent that the testimony of Richard P. Simmons, chairman of the board of Allegheny Ludlum Corp., which was presented during field hearings by the Judiciary Committee which I presided over in Pittsburgh on January 13, 1992 be included in the RECORD because this statement has a comprehensive review of the surge in imports of subsidized dump goods where the voluntary restraint programs are not present.

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

TESTIMONY OF RICHARD P. SIMMONS

Senator Specter, I am pleased to be here today to discuss the U.S. specialty steel industry's longstanding struggle against unfair trade practices, and the crucial role U.S. trade legislation has played in that struggle.

For more than two decades, the U.S. speciality steel industry has waged a continuous legal and political battle against injurious and unfairly traded imports. A multifaceted patchwork of trade remedies has resulted from these efforts, including VRAs, quotas, increased tariffs, antidumping and countervailing duties. These remedies have helped the industry maintain its technological superiority in the intensely competitive international market for specialty steel by providing a viable financial environment for research and development in new products and new product applications, investment in new facilities, and the development of more efficient production methods.

I want to emphasize, however, that no combination of legal remedies can eliminate the fundamental conditions of overcapacity and subsidization that have been the cause of the industry's import problems. Until these conditions are removed, the U.S. speciality steel industry, like other high-technology segments of the U.S. economy, will be vulnerable to the unfair import practices of foreign producers. The industry must, therefore, continue to rely on the effectiveness of our trade laws to mitigate the adverse impact of these practices, and the conditions that give rise to them.

I. HISTORY OF THE INDUSTRY'S STRUGGLE AGAINST UNFAIR TRADE PRACTICES

It is instructive, at the outset, to focus on the long history of the speciality steel industry's two decade long battle against unfair trade practices. The speciality steel industry's experience combatting these practices provides a compelling case history of how an industry can adapt the trade laws to its individual commercial circumstances. The history also provides a unique perspective on the strengths, as well as the limitations, of those laws.

A. 1969–1974: Voluntary Quota Programs

As a people of Western Pennsylvania are no doubt aware, steel imports into the United States increased more than tenfold over the period 1958–1968, with the great bulk of imports coming from Japan and the European Community. The surge was attributable to the same conditions we in specialty steel face today—excess foreign capacity, foreign government subsidies, and lower labor costs.

The Johnson Administration's solution to the domestic steel industry's problems was to seek voluntary quota programs with foreign producer associations. Both Japanese and European steel producers agreed to limit steel shipments to the United States to specified maximum tonnages for each of the years 1969–1971. These "voluntary quotas" were subsequently extended from 1972–1974 in response to pressure from the domestic industry and Congress.

The first voluntary quotas did not distinguish between ordinary carbon steel and specialty steel. This encouraged foreign producers to change their products mix from mostly carbon steel to an increasing proportion of specialty steel. At that time, carbon steels, were selling in the $120–200 range. In comparison, stainless was selling for over $1,000 per ton and certain tool steels were selling for more than $7,000 per ton. By increasing their exports of specialty and alloy steel products, Japanese and European producers increased their dollar value of export sales during the restraint period, even though they reduced or maintained their overall export volumes.

The sharp and sudden increases in specialty steel imports under the 1969–1974 voluntary quotas provide a compelling lesson that is relevant even to this day. Foreign producers have the willingness and capability to shift production to specialty steels, if such products are excluded from a VRA program or any other comprehensive program of import relief. Accordingly, any comprehensive initiative undertaken on behalf of the steel industry generally must take into account this shifting phenomenon and not exclude high value specialty steel products.

B. 1975–1984: Import Quotas, Tariffs, and Antidumping and Countervailing Duties

In 1975, the year after the first steel voluntary quota program expired, imports of specialty steel increased 20 percent while American consumption decreased by 40 percent. The specialty steel industry laid off 25 percent of its work force and was utilizing only one-half of its productive capacity. Given these conditions, the U.S. specialty steel producers and the United Steel Workers of America filed a Section 201 petition seeking relief from the flood of steel imports which threatened the future of the American specialty steel industry and the security of American jobs. This was one of the first such cases ever filed.

The ITC determined the specialty steel imports were a "substantial cause of serious injury" to the domestic industry. In response to this finding, President Ford set three-year quotas for imports of certain specialty steel from Sweden, Canada, France, Great Britain, Austria, and West Germany. The United States simultaneously negotiated an orderly marketing agreement with Japan. The import quotas were scheduled to expire in July 1979, but President Carter extended the quotas through February 13, 1980.

In the first five months of 1980, following removal of the quotas, specialty steel imports increased 29 percent. The pattern continued—no restraints, surges of imports. The industry again turned to the trade laws, unleashing an aggressive attack on unfair imports of specialty steel. During the period 1982–1984, the Specialty Steel Industry of the United States and the United Steel Workers of America filed and won numerous antidumping and countervailing duty petitions against specialty steel producers from around the world.

In addition to filing antidumping and countervailing duty petitions, the industry filed a Section 301 petition with the United States Trade Representative in January 1982. The 301 petition alleged that several EC countries, including Austria, France, Italy, Sweden, the U.K., and Belgium, were subsidizing specialty steel products in violation of the GATT. In November 1982, President Reagan, after confirming the industry's allegations of subsidization, directed the ITC to initiate a Section 201 investigation—like the one we filed in 1975—with respect to stainless plate, rod, bar, sheet and strip, and alloy tool steel. The ITC completed the requested investigation in May 1983, finding once again that the specialty steel industry has suffered serious injury, and that the most important factor in causing that injury was the dramatic growth in imports during the 1980–1983 period. President Reagan, accordingly, instituted in July 1983 an import relief program for specialty steel, which included a four-year series of gradually lowering tariffs on stainless steel flat-rolled products and four-year import quotas on stainless steel bar and wire rod, and alloy tool steel.

C. 1984–1989: Voluntary Restraint Agreements

Of course, there were other developments. In 1983, Bethlehem Steel and the U.S. Steelworkers filed a Section 201 case on carbon steel products. While the case resulted in an affirmative injury determination, President Reagan chose not to provide—as he had in the case of specialty steel—specific import relief. Instead, on September 18, 1984, President Reagan established a national policy for the steel industry that included the negotiation of voluntary restraint agreements with 19 countries and the European Community. The VRA program was initially designed to limit imports of carbon steel into the United States. It eventually incorporated a number of specialty steel products, which were previously covered by the 1983 section 201 import relief program.

D. 1989–1992: Renewal of the Voluntary Restraint Agreements

As it has in past restraint periods, the specialty steel industry benefited greatly from the VRAs. During the first five-years of the VRA program, the industry made tremendous increases in productivity, shipments, employment levels, exports, net sales, net operating profitability, and capacity utilization. These improvements were accompanied by increases in investment, including research and development.

The industry, however, recognized that the VRA's had not cured the endemic overcapacity and persistent unfair trade practices that led to the imposition of the import restraints in the mid-1980s. If the VRAs were dismantled prematurely, the same problems that had distorted the market in the early 80s would recur. To prevent this recurrence, domestic producers argued that the VRAs should be extended for five years.

On July 25, 1989, President Bush announced the "Steel Trade Liberalization Program," under which the VRAs were extended for 2½ years—a concession to steel consumer groups. All specialty steel products were included within the framework of the extended VRA program, despite efforts on the part of many consumer groups to exclude them altogether. Thankfully, the specialty steel industry's proven vulnerability to shifting convinced the President that the effectiveness of the VRA extension would be undermined if any specialty steel products were excluded.

II. PRESENT AND FUTURE INITIATIVES TO ADDRESS UNFAIR TRADE PRACTICES IN STEEL

I am pleased to say that we have survived this challenge. We are a modern technologically advanced industry capable of competing worldwide. The aggressive application of our trade laws has been an important factor in our survival. Still, history is not without its lessons, and I would like to point out a number of troubling aspects of this history. First, the specialty steel industry has always had to act defensively in defending its markets. Most foreign specialty steel markets have been closed to U.S. exports, either as a result of overt tariff barriers or through more subtle non-tariff measures similar to those the President addressed in his recent trip to Japan. The industry, therefore, has been unable to take the battle to foreign shores. Another troubling aspect of this history is the fact that the import relief measures granted pursuant to U.S. trade laws were always prospective in nature—that is to say, they were available only after substantial damage had been caused. There were no compensatory remedies available for the harm caused over two decades by unfair import competition. For this reason, the specialty steel industry sought passage of legislation, sponsored by Senator Specter in the 99th and 100th Congresses, which have provided a private right of actions for companies injured as a result of dumping and sub-

sidization. The legislation made sense in 1988 when the industry urged its passage, and it continues to make sense today.

Private right of action legislation would give private parties access to the courts to seek redress from injurious unfair trade practices. The specialty steel industry is appreciative of Senator Specter's introduction of legislation not once but several times to provide a private right of action to U.S. industries facing these unfair trade problems. We support this initiative and, in particular, the pending bill (S. 986) that would provide a private right of action against customs fraud.

Perhaps most troubling in our present struggle against unfair trade practices is the fact that some interest groups believe our trade laws are too effective and have attacked those laws in a number of settings. The most recent example of this concerted effort on the part of our trading partners to undermine these important trade laws is the ongoing negotiations on the international Antidumping and Subsidies Codes that are taking place in the Uruguay Round of GATT negotiations. Unfortunately, despite valiant efforts by U.S. negotiators to achieve stricter controls on unfair trade practices in these negotiations, the "final draft" texts issued by GATT Director General Arthur Dunkel in the areas of dumping and subsidies would achieve just the opposite. Rather than strengthening U.S. trade laws as Congress had urged in 1988 by setting out issues to be achieved, the proposed text significantly weakens U.S. antidumping and subsidy laws.

The Dunkel text undermines current U.S. trade laws in virtually all areas. The proposed dumping and subsidies texts would make it more difficult to file cases initially by raising the "standing" requirements and eliminating unions as petitioners. New substantive changes in the dumping and subsidy texts would make it more difficult to impose duties offsetting the unfair trade practices, allowing greater dumping of goods sold at below the cost of production, "green-lighting" certain subsidies that are prohibited by current law, and increasing the levels of dumping and subsidies needed to obtain an order. The injury standard would also be more difficult to meet under the current draft which does not authorize cumulation of unfairly traded imports from a variety of countries in dumping cases. Finally, if a domestic industry could obtain an order, the "sunset" provision would eliminate that order after five years in most cases.

Perhaps even more important than any of these substantive issues is the change in the dispute settlement process conducted by the GATT. All U.S. dumping and subsidy orders will be subject to review by a GATT Dispute Settlement Panel, whose conclusions the United States will be required to accept. Given that there is no limitation on the standard of review to be applied by these panels, and given the predilection of past panels to interpret these laws against the country applying them, this process will effectively remove from Congress the ability to make law in this area. Instead, we will be forced to accept and abide by decisions of panels comprised of representatives of our various trading partners whose views are directly at odds with our views on these matters. I cannot stress strongly enough the concern that we have, and that the Congress should have, over this proposed relinquishment of U.S. control over our unfair trade laws.

Today is an important day because negotiators from around the world are reconvening in Geneva today to begin what may be the final negotiations in these trade talks. It is vital that the members of Congress convey to our negotiators that the United States simply cannot accept an agreement that will seriously weaken our unfair trade laws and that will vest in an international panel power to overrule the United States' interpretation and application of these laws.

I would like to conclude with some thoughts about the future. As you know, the VRAs are scheduled to expire in approximately 2½ months. The multilateral steel consensus structure, the foundation upon which the post-VRA period was to be built, has not come about—President Bush's assurances notwithstanding.

Given the softness of world demand for specialty steel at the moment, I am concerned that when the VRAs end, foreign producers will take advantage of the situation and we will experience a new flood of specialty steel imports. It is no coincidence that the VRA levels for specialty steel products have already been reached, and in many instances, exceeded. It is not blind speculation to suggest that the scenario of weak demand, excess global capacity and unfair foreign pricing will recur.

The specialty steel industry will therefore have no choice but to defend its markets through reliance on our trade laws. The Congress, in turn, must ensure that those laws are not weakened in the GATT or anywhere else. We must not abdicate the United States' ability to develop effective laws against unfairly traded imports to an international panel. Further, the serious diminishment in the effectiveness of the subsidy and dumping laws currently proposed in the GATT text will lead to an increase in unfairly traded imports and a consequent decrease in U.S. manufacturing capability and employment.

I would also recommend that every effort be made to strengthen those laws so that U.S. manufacturers are not forced to seek protection only after markets have been lost. Private right of action, both as a disincentive to unfair trade, and as a remedy for past harm, is an idea whose time has come.

Finally, I would ask the Congress, as well as the Administration, to consider how best to deal with the fundamental problems of subsidization and overcapacity. The VRAs are a good interim solution, and their continuation should be considered if we have not made progress in eliminating these problems. We must, however, be creative and seek permanent solutions to these problems.

I remain excited about the commercial opportunities available to our industry, and the contributions that our industry can make to our industrial economy. Those opportunities, however, will only be available if we can solve the fundamental problems that have plagued our industry for more than two decades. Alternatively, we must have a legal regime in place that will enable high technology industries like specialty steel to insulate themselves from the endemic practices, like dumping, that are the by-product of these problems.

Mr. SPECTER. Mr. President, I further ask unanimous consent that there be included in the RECORD a memorandum dated March 26, from Mr. Skip Hartquist, attorney with Collier, Shannon & Scott, to Morrie Ruffin, my staff assistant, which encloses a memorandum from the Georgetown Economic Services to Mr. Skip Hartquist of Collier, Shannon & Scott, a law firm which has been retained by Specialty Steel, together with the report by the Georgetown Economic Services which contains an expansive list of subsidies and other government aid intervention in the specialty steel industry. This material sets forth their representations on a factual basis what other governments are doing by way of subsidy and by way of dumping.

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

COLLIER, SHANNON & SCOTT,
ATTORNEYS-AT-LAW,
Washington, DC, March 26, 1992.

To: Morrie Ruffin.
From: Skip Hartquist.
Re Foreign government subsidies to specialty steel producers.

Per your request, enclosed is a comprehensive report prepared by Georgetown Economic Services, our economic consulting firm subsidiary, identifying subsidies provided to specialty steel producers by foreign governments. I hope this will be helpful to you in pursuing the VRA legislation and for other purposes.

GEORGETOWN ECONOMIC SERVICES,
Washington, DC, March 26, 1992.

To: Skip Hartquist.
From: Patrick J. Magrath, Director.
Re Background factors for analysis of subsidy list.

Attached please find a listing of subsidies, state aids, and government aided investments and acquisitions benefitting specialty steel producers in some 20 foreign countries. For the most part, the programs and activities listed are only those interventions from 1988 to March 1992, and do not include benefits to foreign specialty steel makers still flowing from government aided investments of the mid and early 1980's.

Several factors are necessary to keep in mind while perusing the attached list:

COMMON OWNERSHIP OF CARBON AND SPECIALTY STEEL PRODUCTION FACILITIES

With only one or two exceptions, U.S.-specialty steel producers are distinct and independent from the larger tonnage companies producing carbon steel. The United States, however, is almost unique in this arrangement. By far the more common situation abroad is one in which the bulk of specialty steel production is carried out by a division or subsidiary of the country's dominant carbon steel producer. For example, the U.K.'s largest stainless steel producer, BSC Stainless, is a division of the country's dominant integrated carbon steel producer, British Steel. So too, France's largest stainless producer, Ugine SA, is 95 percent owned by the integrated carbon steel giant Usinor Sacilor. Similar ownership ties between specialty and larger carbon steel concerns are also the rule in Italy, Japan, Germany and almost all other foreign specialty steel producing countries.

These ownership ties are important to the subsidy story because it is the giant integrated carbon steel firms that are state-owned and receive direct subsidies from their governments. British Steel, before it was privatized in 1986, was the recipient of massive subsidies—part of which was used to benefit BSC Stainless.

THE INHERENT FUNGIBILITY OF SUBSIDIES

Subsidies and other state aids can be directly linked to specialty steel production,

even though the original recipient was the carbon steel parent, because of the inherent fungibility of subsidies. In most instances, subsidies are granted to the carbon steel parent to cover operating losses, or to forgive debt, with no stipulations as to where or in what manner the state-generated funds are to be applied. Obviously, the specialty steel making division or subsidiary benefits from the aid provided the parent, even if the specialty steel affiliate is profitable. Even if state aid comes with "strings attached"—for instance, as is the case with aid earmarked for a specific region or environmental expenditure—the monies provided for these projects frees up general corporate funds to finance capital improvements, modernization, and wages increases for all affiliated companies of the steel group, including specialty steel.

It is because a conferred subsidy is fungible that we have included in our list a variety of programs, which may or may not technically constitute a red-light subsidy under GATT, or the proposed MSA. All programs listed confer a real monetary benefit, which are used to aid the specialty steel maker directly, or to free up funds generated by the specialty steel affiliate which would otherwise be earmarked for other purposes.

PAST SUBSIDIES AND GOVERNMENT SUPPORT CONFER CURRENT AND FUTURE BENEFITS

Included in this list, in appropriate cases, is a partial record of investments and acquisitions of state-owned or subsidized foreign specialty steel producers. A particularly pernicious effect of subsidies/state ownership is the luxury of being able to make ongoing investments or acquisitions regardless of the firm's financial track record, poor credit rating, or, in some cases, technical insolvency. With knowledge that subsidies and the state stand behind the firm, foreign specialty steel producers and their carbon steel parents are able to expand capacity, invest in plant and equipment, and make key acquisitions regardless of suffering financial losses year after year. U.S. specialty steel makers, on the other hand, are subject to the profit discipline and must prove their credit worthiness without recourse to government bailouts. The simple fact is that many of the U.S. industry's chief foreign competitors, including the U.K.'s BSC Stainless and ILVA of Italy, would not be in existence if it were not for the massive subsidies provided on a continued basis by their governments in the 1970's and 1980's. The universal knowledge held by international lenders—that, in the end, the host governments are committed to maintaining the viability of certain privileged steel companies—is perhaps the most valuable state "aid" of all.

LIST OF SUBSIDIES AND OTHER GOVERNMENT AIDS/INTERVENTION IN THE SPECIALTY STEEL INDUSTRY

JAPAN

MITI provided $5 million to a consortium of mills in 1988 to pursue an experimental smelting-reduction furnace built at Kawasaki's Chiba works. MITI is expected to pick up the tab on roughly 70 percent of total expenditures on the project, which would amount to $60–100 million over four years. The experimental furnace would replace conventional blast furnaces for carbon steelmaking; however, most members of the consortium also produce stainless (Nippon Steel, NKK Corp., Kawaski Steel, Sumitomo Metal Industries, Nisshin Steel and Nakayama Steel). MITI's contribution in this endeavor is more than 3 times the corresponding investment by the mills combined.

KOREA

1992: The Trade & Industry Ministry (MTI) plans to provide $6.6 million in financial support of R&D expenditures to the iron & steel industry in 1992. In addition, the ministry will also provide "tax favors" for R&D projects to help improve the international competitiveness of Korean steel.

1991: Market research reports done for the U.S. specialty steel industry indicate that the government continues to provide favorable export financing to Sammi Steel (Korea's major specialty steel producer) for its shipments to the U.S. (Source can be provided in confidence.)

1990: MTI encouraged a consortium of mills to form the Korea New Steel Technical Research Cooperative, which is undertaking a five-year, $38 million joint R&D program. About $1 million was explicitly earmarked for developing new special steel making technology. It is uncertain how much the government is injecting into the cooperative.

In the midst of Posco's (Korea's major carbon steel producer, which also produces specialty steel) financial difficulties, it was revealed that the government is still very much involved in the timing and structure of the company's financing activities.

1989: The government was still restricting imports through licensing procedures, citing Korea's balance of payments position as justification. Since that time, Korea has continued to amass large foreign currency reserves and has become a net creditor nation.

The government has had a history of manipulating exchange rates as a policy tool for export promotion. The manipulation was achieved through currency market intervention, capital controls and other administrative mechanisms.

The American Iron and Steel Institute (AISI) has identified other state aids including preferential access to credit at preferential rates, equity infusions, infrastructure subsidies, preferential prices and terms on imported raw materials and capital goods, relatively high tariffs, export subsidies, special depreciation rates and other tax breaks.

BRAZIL

1991: The head of BNDES noted that prior to the privatization of Acos Finos Piratini, (a stainless steel producer) the government reduced the company's debt from $92 million to $21 million. In the case of the larger privatized carbon steel mills, debt reduction was accomplished through "debt matching operations." These operations would be deemed subsidies if applied to companies which were incurring operating losses, which might be the case with Piratini. In August 1991, U.S. and Brazilian officials met to discuss apparent transfers of steel company debts to the government, as well as steel price controls and government equity infusions prior to privatization. The Brazilian officials asserted that such transactions occurred but were within the limits established when the VRAs were renewed in 1989 (i.e., the government was allowed to assume all but $6 billion in debt, which would remain the responsibility of the operating companies).

With the start of the privatization program, stainless flat-rolled producer Acesita is the only state-owned mill in which the government is still investing money. Acesita is controlled by the state bank Banco do Brasil.

1990: Unlike the flat-rolled producers, Brazilian long product producers negotiated controlled prices which were higher than prevailing international prices. As a result, exports declined, as is indicated in U.S. import statistics. Obviously, domestic prices could not have been maintained at this level without restrictions in imports.

The World Bank is providing a $400 million line of credit to BNDES, of which $300 million is targeted for modernization and technological improvements at companies following their privatization.

A private Brazilian consultant estimated that environmental clean-up costs for the Brazilian steel industry was $86 billion, as of November 1990, due to lax enforcement in the past. Given the tenuous financial condition of the country's steelmakers, these expenditures seem to be prime target for direct or indirect subsidization.

ARGENTINA

The Argentinean National Bank is renegotiating $800 million in debt from Somisa, prior to its privatization.

Ongoing: Although the government does not control prices directly, it was reported that it attempts to keep prices low, by offering companies incentives to do so.

INDIA

1992: Quote from a Metal Bulletin article: "Taken as a whole the public sector iron and steel industry in India is a heavily loss making enterprise." (Metal Bulletin Monthly, (MBM) January 1992).

1991: Government sanctioned the addition of a Steckel mill at Salem (a stainless steel producer) at a cost of 6 billion rupees. A second Z-mill costing 700 million rupees commissioned, doubling Salem's cold-rolled capacity.

The Steel Development Fund, was retained, and is funded via a levy on consumers. This fund accumulates resources for expansion and modernization and is charged with allocating funds to individual companies.

1990: Mukand was reportedly interested in establishing a ferro-nickel plant in Orissa. Costs are estimated a 1.5 billion rupees and scheduled for completion in 1993. Financing possibilities include joint ventures, foreign loans and money from the Orissa state government.

Steel Authority of India (SAIL) loses 700 rupees/tonne on pig iron it sells domestically. Since among its customers are the specialty steel industry, this would seem to constitute an upstream subsidy.

Bohler and Powmex are planning to build a powder metal plant with a capacity of 3,750 tpy of high speed steel. Cost estimated at 700 million rupees. Promoters providing 900 million rupees and Orissa (State) Industrial Promotion & Investment Corp. also to provide funds.

Ongoing: Salem and Durgapur, two of India's largest stainless producers, are owned by the government through SAIL. Durgapur is reportedly the least efficient and poorest performing state-owned plant. (Jan. 1992 MBM).

The government exercised wide control over the steel industry through import licensing and price controls. Low controlled prices, as in Brazil, produced staggering losses by the Indian industry. Free market prices were often double or triple those set by the Joint Plant Committee. Largely as a result of government intervention, the Indian steel industry moved from being the cheapest world producer to one of the costliest in the 1980s.

Over the last five years, administered prices have increased rapidly to levels far

higher than international prices, enabling SAIL to turn profitable (most recent reported increase = 5% in 9/90). Without the performance of SAIL's Bokaro plant, however, it would not be profitable overall. The higher level of administered prices was reported to more than offset the end of government funding for investment.

SOUTH AFRICA

1990: South African steel exporters claim that the government cut export subsidies substantially in mid-1989 and they are currently negligible.

1991: In an apparent move to provide protection to Iscor (the largest carbon steel producer), import duties on certain "import sensitive" products were increased by 100%. The government monitors the price of imports and monitors tariffs according to whether they are above or below determined reference prices, which are based on prices prevailing in 1983 and which have not been adjusted for inflation or currency fluctuations. Critics say this reference price system is not recognized by GATT. The duty paid prices of imports are far higher than Iscor list prices, which it undersells by substantial margins in its export markets. The system effectively limits import competition to the point where it is expected to engender differential pricing by which large domestic producers undercut the reference prices in order to pressure their smaller domestic competitors. The reference price system may also be in effect for specialty producers.

EC Countries

U.K.

Ongoing: Since its privatization, British Steel (BS) has been aggressively pursuing acquisitions: Purchased U.S. stainless stockist TS Alloys; purchased U.K. stainless stockist Simpson Stainless; purchased Walker & Sons, U.K.'s largest independent stockist, for 330 million pounds; and made unsuccessful bid to take over German mill Klockner.

As a result of its domestic stockholding acquisitions, British Steel controls more than 35% of the domestic market, compared to 15% prior to the acquisition.

1988: British Steel privatized, with government retaining "golden share" in order to prevent takeovers. Past subsidies noted by German mills, as well as BS' substantial cash holdings. Prior to privatization, BS added a new billet caster at Panteg works for stainless bar and rod production and ladle furnace installations at Teeside and Scunthrope. The latter (a carbon facility) also received a new continuous caster. In addition, BS spent 30 million pounds to modernize and upgrade its stainless finishing facilities in Sheffield.

ITALY

1992: British officials asked EC commission to investigate direct and indirect subsidies to Ilva, the state-owned carbon and speciality steel producer.

Government planning 650 billion lire capital injection to Ilva as final payment of its aid package. Ilva lost 400 billion lire in 1991. Includes 350 billion lire integration of financial firm Soffin into Ilva, along with a 300 billion direct injection. Ilva initially requested 1.2 trillion lire final payment and plans to raise 1 trillion through private sector and from sales of assets. The total subsidy package since Finsider's (former state-owned steel holding company) dissolution amounted to 5.2 trillion lire (⅔ paid), notwithstanding the status of the final payment. Germany initially vetoed the final payment on the grounds that it would be used to finance acquisitions rather than increase capital.

Speciality producer Falck restructuring and cutting costs, which will help fund new continuous caster at its Bolzano special steel facility. Falck is private but has a 22 percent stake in Ilva's Cogne subsidiary, which produces stainless long products.

1991: Ilva buys 30% stake in Zanoletti Metalli, an Italian distributor of stainless and other products—60,000 tpy.

Ilva interested in privatization of Argentina's Altos Hornos Zapla mill.

1990: Ilva has earmarked $600 million through 1993 for acquisitions, joint ventures and other partnerships. Looking to expand activities in the high-value added sector of speciality steel. Government support to date reported to be $4 billion.

Finsider injected 143 billion lire into Dalmine (stainless tubing producer) in 1990 and 117 billion in 1988. The latter was determined to constitute illegal state aid by the EC Commission.

Ilva makes takeover bid for Spanish producer Acenor. Proposing to integrate w/ Bolzano-Cogne link, which would yield largest EC long products (bar, wire rod, wire) producer of stainless steel.

Ongoing: Since Finsider's dissolution, Ilva has made it a habit to delay closures to which the payment of state aid was initially linked. Moreover, Ilva continues to pursue new investments and acquisitions despite its continued reliance on government funding. Examples include interest in AHZ's privatization in Argentina, installation of new CR stainless mill at Turin, 45% stake in Falck's Bolzano plant, joint venture with Hungary Salgotarjan to establish stainless service center in Hungary and modernize Salgotarjan's CR mills.

SPAIN

1992: Acenor's (a stainless bar and rod producer) main shareholder, Banco Exterior de Espana, reported no longer willing to fund Acenor losses without government guarantee of firm's solvency.

EC warns Spain over subsidies to non-viable companies (carbon steel producers Ensidesa, AHV and special steel group Sidenor—holding company for Acenor and Foarsa[1]). Restructuring of Sidenor envisions closing Llodio and Hernani plants (in which 3 billion ptas have already been spent for modernization) and investing 3.2 billion ptas in Larrondo (60,000 tpy stainless long products; accounts for 30% of Acenor's overall losses), Reinosa and Vitoria. An additional 2 billion ptas are slated for "maintenance investments" in Basauri, Vitoria and Reinosa plants.

Both Larrondo and Foarsa facilities are reported to have dubious long term prospects.

1991: Costs of rehabilitating Acenor estimated at $740 million to "refloat" the company and make needed acquisitions, plus $460 million for refinancing and redundancy payments. A state-owned bank—Banco de Credito International (BCI)—is already owed 50 billion ptas and is unwilling to finance further. A regional government is expected to contribute 6 billion ptas for assistance.

1988: Acenor received 29.5 billion ptas ($254 million) to close three blooming mills. EC Commission stated that Acenor must achieve 11% operating margins in order to be deemed competitive and viable (it lost 7 billion ptas in 1988, which was higher than in both 1987 and 1988). The Spanish steel industry also received an additional 40 billion ptas ($347 million) to cover other capacity closures. These closures were in relation to Spain's entrance into the EC.

[1] Sidenor was expected to post losses of 14 billion ptas in 1991, requiring injection of new capital.

The EC Commission blocked further state aid until the Acenor companies were completely merged, citing doubts about its viability. Acenor claims to need an additional 20 billion ptas, of which the commission has approved 15 billion pending completion of the merger. The merger would give Acenor monopoly control of some specialty steel products in Spain.

FRANCE

August 1991: Eramet-SLN, a state-owned company also controlling Commentryenne, bought 85% of Sweden's Kloster Speedsteel for 800 million Skr. Kloster was the largest high-speed producer in the world. When combined with Commentryenne, it will become more than twice as large as its nearest global competitor. Speedsteel also owned Aciers de Champagnole.

July 1991: EC competition commission investigating direct or indirect transfers of public funds to Ugine, France's state-owned specialty steel producer.

Ugine suffered net loss in 1991, which the company attributed to extraordinary items, mainly closure costs. UK & German producers protesting 2.5 billion FFr ($463 million) capital injection from Credit Lyonnais (for 20% stake), alleging that it was not a reasonable and viable investment given Ugine's performance (debt=50% of total capitalization and net loss in year). Ugine claimed that its stainless operations were profitable.

Credit Lyonnais to receive 9–10% stake directly, and additional 10% stake in exchange for giving government 3–4% additional stake in the bank. The bank is already 51% owned by the state.

State-owned carbon and specialty producer Usinor Sacilor (Ugine's parent company) has injected capital into Italian alloy steel producer Falck, becoming a significant shareholder, supplying slabs on favorable terms and discussing further joint ventures.

Ugine entered into long term nickel supply contact with state-owned SLN of France.

Ugine taking 49% stake in 60,000 tpy CR stainless venture Thainox in Thailand, which is expected to cost 3.1–5.1 billion baht. Ugine will supply majority of needed hot band.

Summary of Ugine Acquisitions

Despite the fact that Ugine was consistently unprofitable between 1973 and 1987, it bought more than 10 companies in France, Italy, Spain and USA between 1988 and 1990. It spent more than $1 billion (7.1 billion FFr) in 1990 alone for acquisitions. It spent 2.3 billion FFr in 1989.

1991:

Increased stake in Italy's Lutrix to 49% at cost of 545 million FFr. Previously gained 25% stake in 1988.

September: Took 100% control of Aceros Inoxidables, Spain's third largest special steel distributor; had gained 42% stake in 1988.

August: Increased stake in Vallourec, a stainless seamless tube maker.

November: Raised Acerinox stake from 3.1 to 5.4% for 2.2 billion Ptas and given permission to raise stake as high as 10%. Also controls special steel stockholder Coafisa in Spain.

Purchased 60% of UK's second largest stockholder (10% market share) ASD. Initially took 20% in 1990. (Already owns specialty strip stockists Hammer Steel, Altone Stainless, special steel firm James Fairley[2]

[2] In July 1990, Fairley expanded its operations to include stainless round and hollow bar, after opening a new 60,000-square-foot warehouse.

and 30% stake in Howard Perry). Total UK share raised from 2.5% to 9.5%.

Aug 1991: Increased stake in Allevard subsidiary, a producer of alloy steel rounds and flats, from 72 to 78%.

1991: Completed takeover of Ancofer Feinstahl, a German stockholder.

Sept 1991: Plans to take stake in new galvanizing line in Spain built by Sidmed.

1990:

January: Purchased Interstate Steel Co, a U.S. service center, for $130 million.

February: Bought Techalloy, a U.S. producer of special steel bar, wire and strip (13,200tpy).

March: Bought J&L, a U.S. stainless flat-rolled producer, for 3 billion FFr.

March: Short term contract to take over Cockerill's 140,000 tpy electrical sheet plant in Belgium.

April: Completed takeover of U.S. stainless bar stockholder Alloy & Stainless.

Fall: Set up International Specialty Tube in Chicago as US subsidiary of Le Meusienne, in association with J&L.

Bought Altone Stainless, a U.K. stainless long product stockholder.

Bought 36% stake in Paturle Aciers, a French special sheet producer.

Bought Acinoxsa, a Spanish stockholder.

Purchased 20% of UK's second largest stockholder (10% market share) ASD.

1989:

January: Bought 30% stake in Howard Perry, a UK flat-rolled stockholder.

1st qtr: Bought Nuova Sait and CP Inox, both stainless trading and distribution companies in Italy.

1st qtr: Took 70% stake in Germany's Saarstahl Volklingen, now named Dillenger Hutte Saarstahl.

March: Signed agreement to take 50% stake in Georgetown Steel Corp, a U.S. wire rod producer.

June: Bought Tacke & Lindemann, a German steel stockholder.

Fall: Took 49% stake in Alessio Tubi, an Italian producer of welded tubes.

November: Bought Castelli Acciai Inossidabili, an Italian producer of tubes and part of stainless division of Castek (Castelli Inox Service), a large Italian distributor.

1988:

January: 146m Ffr takeover of Le Meusienne (17,000 tpy welded stainless pipe & tube).

November: Bought 42% stake in Aceros Inoxidables, Spain's third largest special steel distributor (10,000 tpy of stainless products) for 24m FFr.

November 1988: Purchased 25% stake in Lutrix, a majority shareholder of Italian steel coater La Magona d'Italia (Italy's largest tinplate and galvanized sheet producer). Increased stake to 49% in 1991 at cost of 545 million FFr.

SWEDEN

1991: Despite stainless producer Avesta's loss the company proceeded with plans to install a new 270,000 tpy hot stainless strip facility and acknowledges that mill will run far below capacity for time being. Cost of new mill=600 million SKr.

FINLAND

Outokumpu Oy is 81 percent owned by the government. It suffered net losses in 1990 and 1991, leading to further restructuring plans and further delaying any solid plans to privatize the company. It has made the following investments recently: 150m Fmk for new cut-to-length and slitting lines in the Netherlands; 400 m Fmk for new A/P line at its Tornio works to increase CR capacity by 100,000 tpy.

PHILIPPINES

Government offering incentives for steel-related and infrastructure projects, including financial assistance, tax concessions and tariff barriers. More specifically, companies can avail themselves of financing from the Official Development Assistance program, tax and duty exemption for capital equipment, tax credits for domestically-sourced capital equipment, tariff protection, and additional incentives available under the Omnibus Investment Code.

TAIWAN

Stainless producer Tang Eng is state owned. Will double capacity by 1993 to 260,000 tpy to produce bar and rod. Included: New furnace, degassing unit, continuous billet caster and related components. Tang Eng was struggled in the mid-1980s, losing nearly NT $1 billion between its founding in 1983 and 1985, due to strong import competition from Japan.

Government investing Krupp/Tuntex stainless project (150,000 mt/yr). First phase to cost $255 million for CR sheet facilities. Second phase involves adding additional melt capacity and continuous caster. Taiwan's quasi-governmental Investment & Development Co will invest 10% of the company's $113 million initial capital.

Evergreen Superior Alloy Corp (ESAC) spending $115 million of new melt shop and rolling facilities. The government owns a small stake in the company.

In early 1980s, government established a 50,000 tpy special steel plant to produce components for military via Taiwan Machinery and Manufacturing Corp (TMMC). TMMC lost NT $2 billion through March 1988, depleting its NT $1.5 billion initial capital.

TURKEY

State producer Asil Celik to be privatized. Government-owned since 1982, due to debt insolvency, the producer's debt will have been completely repaid by the end of 1991. Most existing liabilities held by Is Bankasi and state agricultural bank. In June 1990, Asil Celik was accused of dumping special steel in the EC.

IRAN

August 1990: Government to allocate $200 million over next two years to build new 140,000 tpy alloy steel plant. Additional $400-500 million expected to come from export credits. Plant could be further expanded to 200,000 tpy.

CZECHOSLOVAKIA

Stainless producer Poldi scheduled for privatization in 1992. Planned restructuring likely to lead to capacity cuts, although planning to install new 100-ton EF, new ladle furnace, new special steel mill and revamping continuous caster. The estimated cost of these projects is 174 million DM. Poldi has a virtual monopoly over special steels.

Hungary alleges that Czechoslovakia's steel industry receives direct export subsidies and low cost subsidized energy supplies which enable its firms to undercut domestic prices by one-third.

POLAND

1992: Huta Baildon, a special steel producer, is reportedly having difficulty completing its modernization program without government guarantees of foreign credits.

EAST GERMANY

Sachsische Edelstahlwerke Freital has filed restructuring plan with the government—wants to build two new furnaces, continuous caster and revamp bar and blooming mills. Outsiders believe survival of mill may be in jeopardy if it must complete in open market. Freital produces 300,000 tpy of stainless, bearing, spring, tool and high speed steel.

BELGIUM

Cockerill Sambre, a state-owned producer of electrical steel as well as carbon steel, is in a dispute with the government over 500 million BFr of unpaid tax contributions from a 3 percent tax levy imposed beginning in 1987. The company was exempted from the levy in 1987 due to its financial difficulties. In 1988, Cockerill returned to profitability, leading the government to claim that the company must pay the levy. Cockerill is protesting the government's claim saying that although the company was profitable in 1988, its financial difficulties continued. Thus, the company claims it should be exempted for that year. Cockerill has paid the levy since 1989.

PORTUGAL

Seeking exemption from EC ban on state aid in order to restructure its Siderurgia Nacional, as well as special bar producer Acos Tome Feteria. The former has received state aid since Portugal joined the EC in 1986, while the latter has not.

Mr. SPECTER. Mr. President, in offering that memorandum from Collier, Shannot & Scott, and the Georgetown Economic Services, I am explicit in making the representation to its source, but I think it is factually accurate, and in the RECORD it will provide an opportunity for others to review it if anyone wishes to disagree.

On the basis of this record, Mr. President, and the impossibility of acting in a prompt way on legislation which was introduced on March 12 by 12 U.S. Senators and myself, S. 2345, I ask for the support of my colleagues on this legislation to provide for private right of action to stop subsidized and dump goods from coming into this country.

I thank the Chair.

Ms. MIKULSKI. Mr. President, thank you.

Mr. President, first I rise in support of what the Senator from Pennsylvania has said about the need to protect our steel industry.

Mr. President, the American people now fear for their future, and they want jobs today. They want jobs tomorrow. One of the industries that was once one of the most robust sectors of the United States of America was the steel industry. It provided jobs in Maryland for many years.

Now they have slimmed down, trimmed down and modernized themselves in order to be competitive both within the United States of America, and abroad. We had a quota system that gave them a breather in order for them to modernize in a way that would generate jobs tomorrow, and lay the groundwork for tomorrow.

I regret that this administration has not extended that quota system to continue the ability of the U.S. steel industry to be a viable sector. That quota system was not a form of protectionism that built a moat around America. It gave it a breather.

I am concerned because by the lifting of the restraint of the quotas, we might end up having to put the steel industry on a respirator, when in fact that would not be needed.

I call upon the administration to reconsider its lifting of the quotas that enabled the American steel industry to organize itself to be competitive.

By Mr. NICKLES (for himself, Mrs. KASSEBAUM, Mr. GORTON, and Mr. SHELBY):

S. 2509. A bill to provide grants to establish an integrated approach to prevent child abuse, and for other purposes; to the Committee on Labor and Human Resources.

NATIONAL CHILDREN'S ADVOCACY PROGRAM ACT

Mr. NICKLES. Mr. President, today I rise, on the first day of Child Abuse Awareness Month, on behalf of myself, Senator KASSEBAUM, Senator GORTON, and Senator SHELBY to introduce legislation entitled the National Children's Advocacy Program Act of 1992. This legislation will bring a ray of hope to the lives of children who live in the shadow of abuse and neglect.

It disturbs me, as it should disturb every Member in this body, that this legislation is even necessary. It disturbs me that in the United States child abuse and neglect have been designated as a national emergency, that there are over 2.5 million reports of child maltreatment each year, and that the number of confirmed cases of child abuse has increased so dramatically over the last 5 years.

We can see by this chart that there were 2 million child abuse cases reported in 1985. In 1990, there were over 2.5 million cases reported.

Until we eliminate the prevalence of child abuse in America, it is imperative that governments, law enforcement agencies, health care providers, and all concerned citizens across the country use every means necessary to aid and comfort innocent victims of those most heinous crimes. The National Children's Advocacy Program Act of 1992 will create a Federal program to facilitate the development of community-based, child-focused centers aimed at alleviating much of the trauma the criminal justice system has brought to the victims of child abuse.

Currently, victims of child abuse face an uncompassionate maze of interviews and bureaucracy. Implementing programs that will reduce the revictimization of these children as they go through the judicial system is a necessity. National children's advocacy centers will improve the efficiency and humanity of society's response to young victims of sexual and physical abuse. But creating a compassionate setting for these victims and cutting down on the repetition of interviews, the children who are faced with the ordeals of being a victim of child abuse will not face the trauma that is so abundant in the current system.

As stated earlier, child abuse in America has been designated as a national emergency. Throughout the Nation efforts are being undertaken to create on-site multidisciplinary children's advocacy centers. This legislation will aid this movement to improve the lives of all too many kids in our country.

The National Children's Advocacy Program Act of 1992 is a bipartisan effort. Today in the House of Representatives, Representative BUD CRAMER, a Democratic colleague from Alabama, and 21 Members from both sides of the aisle have introduced a companion bill to this legislation. I urge my colleagues to join me in this much needed legislation. We cannot afford to delay implementation of this program which is so vital to the children of our Nation who require the services of these facilities.

While it is true that children are only about 25 percent of our population, they are 100 percent of our future. This legislation will help to ensure that their future is one that is bright and one that is full of hope.

By Mr. D'AMATO:

S. 2510. A bill to freeze domestic discretionary spending for fiscal years 1993 and 1994 at fiscal year 1992 levels; pursuant to the order of August 4, 1977, referred jointly to the Committee on the Budget and the Committee on Governmental Affairs.

DOMESTIC SPENDING FREEZE ACT

• Mr. D'AMATO. Mr. President, today is April Fools' Day. But, the American people are not laughing. Our 1992 deficit seems certain to reach a projected $352 billion. Just weeks ago we were faced with a conference report on the tax bill that increased spending by another $70 billion. To pay for the increased spending, the final package proposed over $85 billion in tax increases. Deficits increase, spending increases, and taxes increase. I once again opposed this package of tax and spend practices. The only thing this liberal Congress should be increasing is our fiscal restraint.

In the fall of 1990, I strongly opposed efforts by the Democrat-controlled Congress to sell one of the largest tax-increase bills in history as a deficit reduction package. I wish that more of my colleagues had joined me in voting against this misguided legislation. The Deficit Reduction Act of 1990 did not cut spending at all. In fact, it increased spending by $380 billion over 5 years and increased taxes by $158 billion over the same period. Those tax increases did not go to deficit reduction. They went to increased spending. Instead of making tough choices to cut back spending or eliminate unnecessary programs, Congress raised taxes on everything that moved. And, the deficit hit an all time high.

Mr. President, the original Gramm-Rudman-Hollings deficit reduction law, enacted in 1985, would have established a balanced budget by fiscal year 1991. Amendments to Gramm-Rudman-Hollings in 1987 changed the date in which the budget must be balanced to fiscal 1993. The 1990 so-called deficit reduction law eliminated the requirement for a balanced budget. It only goes so far as to establish a minimum deficit of $83 billion by fiscal year 1995. Now how can we expect the American people to take us seriously unless we begin to take ourselves seriously. Mr. President, though it may now be April 1, the American people are no fools.

Mr. President, today I rise to introduce the "Domestic Spending Freeze Act of 1992". This legislation will freeze domestic discretionary spending for fiscal year 1993 and fiscal year 1994 at fiscal year 1992 levels. It will save $10 billion in the first year and $58 billion over 5 years. I urge my colleagues to join me in this effort. We cannot continue to allow tax increases as a substitute for spending cuts. We must show fiscal restraint and responsibility. Our efforts must reflect what is right and what is fair. It is not fair to continue to increase spending and raise taxes on the backs of the middle-income taxpayers of America. Please join me in this effort.

Mr. President, I ask for unanimous consent that the full text of my legislation be printed at the conclusion of my remarks.

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

S. 2510

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Domestic Spending Freeze Act of 1992".

SEC. 2. SPENDING FREEZE FOR FISCAL YEARS 1993 AND 1994

(a) SPENDING FREEZE.—The spending limits set forth in section 601(a)(2) of the Congressional Budget Act of 1974 for the domestic category with respect to fiscal years 1993 and 1994 shall not exceed the limits provided for fiscal year 1992.

(b) ENFORCEMENT.—The limits on domestic spending provided in this Act shall be enforced as provided in the Budget Enforcement Act of 1990 and the amendments made by such Act, except that for purposes of fiscal year 1994 the discretionary spending limit shall be enforced as provided for fiscal year 1993.•

By Mrs. KASSEBAUM:

S. 2511. A bill to exempt certain financial institutions from the examination requirements of the Community Reinvestment Act of 1977; to the Committee on Banking, Housing, and Urban Affairs.

COMMUNITY REINVESTMENT ACT EXEMPTION

Mrs. KASSEBAUM. Mr. President, there are those who believe that small rural banks have no role in our financial future. These self-styled experts assert that the only way for small

banks to survive is by merging into large interstate holding companies.

These experts are simply dead wrong. Many have never lived in a rural community or banked at a rural bank. If they did, they might realize that there is more to a banking relationship than account numbers and automatic tellers. Many would be surprised to find that most depositors do not pick their banks merely on the basis of which has the slickest television commercial or newspaper advertisements. In rural communities, bankers do not have to look up an account number to know the customer's name. Most not only know the customer's name but also his entire family tree. In many of the small towns that dot my State, small banks literally are the cornerstones of both Main Street and the entire community.

If these banks are put out of business, it will not be because of bad loans or uncompetitive rates. Rather, it will be because they are being asked to shoulder compliance and regulatory burdens designed to address the abuses of interstate and metropolitan banks.

The Community Reinvestment Act is a good example. The CRA would serve its purpose better if CRA examiners annually reviewed every inner-city branch of the large metropolitan banks. As it is, a rural, home-owned bank with assets of less than $20 million is subject to a full-scale CRA compliance review while the inner-city branch of a multibillion-dollar interstate holding company may go years without being examined.

Mr. President, I support the CRA. Inner-city redlining must be eradicated. To be effective, however, the CRA should be better focused. It makes little sense to send a CRA examiner out to audit a small rural bank where the owner can be found behind the teller cage and doubles as the community's economic development leader and little league coach. Instead, that CRA examiner should audit as many inner-city branches as possible and as often as possible.

Accordingly, I am introducing legislation freeing small banks located in rural communities of less than 15,000 from the CRA examination requirements. To qualify, such banks must have assets of less than $75 million and at least half of their deposits in loans.

Many will claim this examination exemption is far too narrow, and others will claim it is too large. The goal is to provide the basis for a consensus which can be enacted in the immediate future. This examination exemption is not an attempt to eviscerate the CRA but rather an attempt to make it more effective. CRA examiners preoccupied with little rural banks should be reassigned to examine metropolitan and interstate branches. This will focus regulatory resources on the actual problem.

By Mr. CRANSTON (for himself, Mr. DECONCINI, Mr. ROCKEFELLER, Mr. GRAHAM, Mr. AKAKA, and Mr. DASCHLE):

S. 2512. A bill to amend title 38, United States Code, to establish a program to provide certain housing assistance to homeless veterans, to improve certain other programs that provide such assistance, and for other purposes; to the Committee on Veterans' Affairs.

ASSISTANCE FOR HOMELESS VETERANS

• Mr. CRANSTON. Mr. President, as chairman of the Veterans' Affairs Committee, I have today introduced S. 2512, legislation that would help to address the tremendous problem of homelessness among our Nation's veterans. I am very pleased that committee members DENNIS DECONCINI, JOHN D. ROCKEFELLER IV, BOB GRAHAM, DANIEL J. AKAKA, and TOM DASCHLE have joined me in introducing this measure. Our bill would enhance the Department of Veterans Affairs' ability to assist homeless veterans by expanding the authority of the Secretary to sell and lease VA-repossessed homes for use as housing for homeless veterans and to lease, for periods longer than currently allowed, VA properties made available to nonprofit organizations under the Stewart B. McKinney Homeless Assistance Act. In addition, the bill would extend for 2 years the homeless veterans reintegration projects [HVRP] program administered by the Department of Labor pursuant to the McKinney Act and increase the authorized level of appropriations for that program.

BACKGROUND

Mr. President, during the past year, several reports focusing on homeless veterans and governmental assistance to assist them have been issued. On June 12, 1991, the 1990 Annual Report of the Interagency Council on the Homeless was submitted to the committee. Later, on August 5 and October 3, VA submitted to the committee the fourth progress report on VA's homeless chronically mentally ill [HCMI] veterans program and the homeless veterans programs evaluation, respectively. On Veterans Day, November 11, 1991, the National Coalition for the Homeless released its report, entitled "Heroes Today, Homeless Tomorrow?: Homelessness Among Veterans in the United States," which examined the scope of homelessness among veterans and the Federal response to the problem. These reports, considered together, indicate that the representation of veterans among homeless persons in the United States is significant and that many of the wide-ranging needs of homeless veterans are not being adequately met by the existing array of VA and other Federal, State, and community-based programs.

Although the precise number of homeless veterans is not known, the 1990 annual report of the Interagency Council noted that "recent studies suggest that between 29 and 47 percent of homeless males are veterans, which roughly corresponds with the percentage of veterans among all adult U.S. males, about 32 percent." The report further noted that, for 1991, the Congressional Budget Office had estimated a 1-day homeless population of 700,000, which was based on a comprehensive week-long 1987 survey conducted by the Urban Institute. Based on those studies, it seems reasonable to assume that, at any given time, there are between 200,000 and 330,000 veterans who are homeless. VA estimates are somewhat lower—between 110,000 and 250,000 homeless veterans on any given night. Either estimate reflects a problem of great magnitude.

VA HEALTH-CARE PROGRAMS TO ASSIST HOMELESS VETERANS

Mr. President, to provide the background for our legislation, I will briefly describe VA's current programs and new initiatives to assist homeless veterans.

VA's homeless chronically mentally ill [HCMI] veterans program was first established by Congress in 1987 by section 2 of Public Law 100-6 as a contract authority. In 1988, section 115 of the Public Law 100-322 replaced the contract authority with a requirement that VA conduct, in fiscal years 1988 and 1989, a pilot program for homeless chronically mentally ill veterans. VA was authorized to include in the program veterans with service-connected chronic mental illness disabilities as well as chronically mentally ill veterans who were VA hospital and nursing home patients. Public Law 100-628, the Stewart B. McKinney Homeless Assistance Amendments Act of 1988, authorized for VA's homeless programs fiscal year 1989 and 1990 appropriations of $15 million for the HCMI Program and the same amount for VA's domiciliary care for homeless veterans [DCHV] program. Public Law 101-237 extended the HCMI Program's authority through fiscal year 1992. Through the HCMI and DCHV Programs, VA has provided shelter and medical and psychiatric treatment to over 50,000 homeless veterans in desperate need of help.

The HCMI Program is a community-based program that combines aggressive outreach with health care services, intensive case management, and, where appropriate, time-limited care in non-VA contract residential treatment centers. The program is carried out at 45 sites in 26 States and the District of Columbia. The fourth annual report on the program, which I noted earlier, indicated that, since the program's initiation in 1987, over 30,000 veterans in 26 States have been assisted by the program and over 8,000 have been placed in non-VA residential treatment programs. VA estimates that the HCMI Program makes contact with about 10,000 homeless veterans each year, approximately one-fourth of whom are re-

ferred to VA's 200 community-based contract residential treatment facilities.

The DCHV Program, operated at 27 VA medical centers in 21 States, provides a comprehensive range of treatment and rehabilitative services to homeless veterans. VA staff contact homeless veterans through outreach efforts, and eligible veterans are provided extended live-in treatment and rehabilitative services at a VA domiciliary. The program is operated solely by VA staff and does not include a contract-care component as exists in the HCMI Program. Nationwide, the DCHV Program provides over 1,100 beds and serves approximately 2,000 veterans each year.

Mr. President, the HCMI and DCHV Programs are the two main programs of VA's Veterans Health Administration [VHA] to assist homeless veterans. VHA also operates several other programs. At The Brooklyn and Manhattan VAMC's, VA has established drop-in centers for homeless veterans which provide food, shower facilities, laundry facilities, therapeutic activities, and linkages with other VA programs. Under legislation I authored, which was enacted in Public Law 102-54, VHA has initiated a program of transitional therapeutic housing and compensated work therapy which provides an opportunity for homeless veterans to earn income through rehabilitative work while learning independent living skills in a supervised residence located in the community. VHA has also established, through its social work service, new policies to improve discharge planning for homeless veterans who are receiving care in VA facilities so as to avoid discharging a veteran from the hospital back to the street. In addition, VA and HUD are undertaking a new collaborative program under which HUD will provide section 8 housing vouchers to veterans who are receiving care from VA and who are being assisted by VA case managers.

VA NON-HEALTH ASSISTANCE TO HOMELESS VETERANS

VA's Veterans Benefits Administration [VBA] provides assistance to homeless veterans through outreach efforts designed to ensure that homeless veterans are informed of and receive any benefits to which they are entitled. Many VA regional benefits offices have designated staff to do outreach to veterans at homeless shelters and to coordinate with community agencies that provide services to homeless persons. In addition, VBA is responsible for identifying and making available under title V of the McKinney Act unused VA properties and for selling to nonprofit organizations for use to shelter homeless veterans and their families properties VA has acquired because of foreclosure on homes purchased with VA-guaranteed mortgages.

SUMMARY OF PROVISIONS

Mr. President, our bill contains amendment to title 38 and to the Stewart B. McKinney Homeless Assistance Act that would:

First, authorize VA, in selling VA-repossessed properties to nonprofit organization and States pursuant to section 3735 of title 38, to make loans directly to such organizations to finance the sales.

Second, authorize VA, in making these loans, to modify or waive one or more of the credit underwriting standards that would otherwise apply to VA direct financing and to charge lower-than-market-rate interest.

Third, establish a new VA program under which 10 percent of VA's hard-to-sell repossessed properties would be made available by lease for a nominal fee to nonprofit organizations and States for the purpose of providing housing for homeless veterans and their families.

Fourth, require that an organization leasing a property under this program be responsible for payment of taxes, utility bills, and maintenance costs.

Fifth, require that an organization leasing a property under this program collect rent from the occupants of the property, but allow it to charge no more than what is necessary to cover the costs of maintaining the property.

Sixth, require that an organization leasing a property under the program, to the maximum extent practicable, utilize the services of homeless veterans in maintaining, operating, and renovating the property.

Seventh, authorize VA, with respect to VA properties made available under title V of McKinney Act, to enter into leases in excess of 3 years if the organization approved to use the property agrees to use the property to provide services to homeless veterans and their families.

Eighth, authorize appropriations for fiscal years 1993 through 1995 for the homeless veterans reintegration projects program administered by the Department of Labor under section 738 of the McKinney Act. The authorized appropriations would increase from the currently authorized fiscal year 1993 level of 2.2 to 10 million dollars for fiscal year 1993, $12 million for fiscal year 1994, and $14 million for fiscal year 1995.

FINANCING SALES OF PROPERTIES TO ASSIST HOMELESS VETERANS

Mr. President, our bill would improve the viability of VA's program, carried out pursuant to section 3735 of title 38, of selling acquired properties at a discount, currently 50 percent, to nonprofit organizations and Government agencies that will use them to shelter or house homeless veterans and their families. To date, fewer than 10 properties have been sold under this authority since it was established in 1987 in section 9 of Public Law 100-198.

For the first year and a half that the discount sale authority existed, only one property was sold. In 1989, I requested that VA advise me of the reasons for low participation in this program and what steps could be taken to facilitate and encourage additional sales. In response to my request, VA field stations contacted 967 community-based agencies and nonprofit organizations and, in a January 5, 1990, memo, VA advised that "more than half, of the agencies contacted, indicated that they are insufficiently funded to purchase real estate incident to their public assistance program." VA attempted to improve participation in the program by increasing the discount from 35 to 50 percent and by reducing from 12 to 6 months the time prior to sale that the properties must be in VA's inventory. VA advises that approximately 4,800 acquired properties in VA's current inventory are eligible for sale through this program.

Section 1 of the bill is intended to improve the viability of the acquired property sale program. It would amend section 3735 of title 38 to authorize VA to make loans directly to nonprofit organizations and State agencies to give many of them a more realistic opportunity to purchase acquired properties under the discount program. VA would be authorized to modify or waive one or more of the credit underwriting standards that would otherwise apply to such a loan and to charge the purchaser less than the market rate of interest on the loan. No loan fee would be charged.

Mr. President, I believe these changes should improve participation in the acquired property sale program by providing a source of funding for nonprofit organizations interested in purchasing a property. As I mentioned earlier, VA's 1990 survey of nonprofit organizations found that over half of them were insufficiently funded to make such purchases. Under the current program, an organization must finance a purchase either through its own cash reserves or by a conventional mortgage from a lending institution—options which are extremely difficult for often cash-poor nonprofit organizations. By allowing VA to finance such sales directly, this provision should allow many more nonprofit organizations to purchase acquired properties to provide housing for homeless veterans and their families.

PROGRAM OF LEASING REPOSSESSED PROPERTIES FOR USE BY HOMELESS VETERANS

Mr. President, section 2 of the bill would establish a new program, based on HUD's successful Dollar-Per-Year-Lease Program that should significantly increase housing opportunities for homeless veterans and their families. Under the proposed program, during each fiscal year, 10 percent of VA-acquired properties that are vacant and have remained unsold for 60 days would be made available by lease for a nominal fee to nonprofit organizations and

State agencies for the purpose of providing housing for homeless veterans and their families. To lease a property under the program, an organization would be required to be approved by VA and agree to use the property as housing for homeless veterans and their families. The organization would be responsible for payment of taxes, utilities, and maintenance costs associated with the property and would be required to collect rent from homeless veterans and family members occupying the property. Rent would be limited to the cost of maintaining and operating the property. VA would be authorized to make the properties available by lease or by lease with an option to purchase at a discount under section 3735 of title 38.

Mr. President, I note that the costs of maintaining these VA-owned properties would be borne by the nonprofit lessees and thus would save VA property management costs, and the value of leased properties may appreciate during the term of the lease. This would ultimately benefit VA when the property is sold. I believe VA could have successes similar to HUD's under the similar HUD Program. The November 1991 report of the National Coalition for the Homeless noted that, as of October 1991, HUD had leased 1,700 properties under its leasing program.

AUTHORITY TO LEASE CERTAIN VA PROPERTY FOR EXTENDED LEASE TERMS

Section 3 of the bill would allow VA additional flexibility in leasing properties made available under title V of the McKinney Act if the leasing organization agrees to use the property to provide services for homeless veterans and their families. Under current law, section 8122 of title 38, VA is prohibited from leasing its properties for longer than a 3-year term, and this limitation can frustrate the efforts of nonprofit organizations wishing to sue VA properties under the McKinney Act to provide services to homeless veterans.

TITLE V OF THE STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT

Mr. President, title V of the Stewart B. McKinney Homeless Assistance Act, first enacted in 1987 (Public Law 100-77) and subsequently amended in 1988 (Public Law 100-628) and 1990 (Public Law 101-645) is designed to make available for the purpose of assisting homeless persons Federal properties that are surplus, excess, or unutilized or underutilized. The 1990 amendments to title V, which were derived from legislation reported by the Senate Governmental Affairs Committee, were made "to improve [the title V program's] efficiency and effectiveness" because the original process established in 1987 of making such properties available had "proved to be extremely confusing to Federal agencies" (S. Rept. No. 101-458, page 3).

Mr. President, I will describe briefly the process under title V of the McKinney Act through which Federal properties are made available for sue to assist homeless persons. For a more detailed explanation, I refer my colleagues and other interested parties to the report of the Governmental Affairs Committee (S. Rept. No. 101-458) which accompanied the 1990 legislation.

Under the process established by the 1990 amendments, the Secretary of Housing and Urban Development is required to survey, on a quarterly basis, each Federal landholding agency to determine which Federal public buildings and other properties are excess, surplus, unutilized, or underutilized under the standards of the Federal Property and Administrative Services Act. HUD then determines which of these properties are suitable for use to assist homeless persons and notifies each agency as to which of its properties have been so designated. HUD has adopted a broad definition of suitability to allow homeless service providers maximum flexibility as to potential uses. For example, a property that cannot be used for human occupancy may be found suitable because it can be used as a food warehouse.

After HUD determines that a property is suitable, the Federal agency that has jurisdiction over it must inform HUD whether the property will be made available. If an agency determines that a property cannot be made available for use to assist homeless persons, it must provide HUD with a statement of the reasons for that determination. HUD publishes in the Federal Register lists of properties that are suitable and available, and service providers may then apply to use them.

An organization desiring to use an available property must submit an application to the Department of Health and Human Services. Upon HHS approval of an application, the agency whose property it is must make it available by lease or permit to the approved organization for a term of not less than 1 year. The specific terms of the lease agreement are negotiated between the applicant and the agency. Upon expiration of the lease, permit, or license, the property, including any improvements, is returned to the Federal Government. Excess and surplus properties may be conveyed by deed in some circumstances.

VA's efforts to assist homeless persons under title V of the McKinney Act can be tempered by the provision in section 8122 of title 38, United States Code, which prohibits VA from leasing VA-controlled property for more than a 3-year term. If the property requires substantial renovations to make it useable for providing services to homeless individuals, the prospect of only a 3-year lease term may allow so little return on the necessary investment in the property as to render the use of it highly cost-ineffective. I am aware of at least one situation in which the 3-year limitation has caused such a problem for an approved applicant seeking to use an unutilized VA building that is in need of extensive renovation.

Mr. President, it is clear that existing VA programs for homeless veterans are currently much too small in scale to address the problems fully and that, in light of the limited resources likely to be available to VA in the foreseeable future, non-VA programs will always play a very substantial role in meeting homeless veterans' needs. Thus, a rule such as the 3-year limit on leases of VA properties that can impede VA's efforts to cooperate with or assist non-VA programs serving homeless veterans is counterproductive. By enabling VA to provide to an applicant under McKinney who desires to use an unneeded VA property to assist homeless veterans and possibly their families a lease for a term longer than 3 years, section 3 of the bill would enable VA in an appropriate way to provide greater assistance to others who are combating homelessness among veterans.

AUTHORIZATION OF APPROPRIATIONS FOR HOMELESS VETERANS REINTEGRATION PROJECTS

Mr. President, section 4 of our bill would extend the program authority, and increase the authorized levels of appropriations, for the homeless veterans reintegration projects [HVRP] administered by the Department of Labor pursuant to section 738 of the McKinney Act. HVRP is a grant program under which grantees hire formerly homeless veterans to reach out to homeless veterans and provide supportive services, job training, job readiness skills, and job placement. I believe the focus of HVRP on the employment needs of homeless veterans is a necessary component to the overall Federal response to the problem and complements the health care programs for homeless veterans currently offered by VA and the expanded housing opportunities that would be afforded by this bill. The November 1991 report of the National Coalition for the Homeless noted that, in its first year of operation, HVRP outreach workers contacted over 10,000 homeless veterans, completed approximately 5,800 intake assessments, and placed over 2,200 homeless veterans in jobs.

Mr. President, the committee has received very favorable comments regarding HVRP from community service providers, the National Coalition for the Homeless, and individual veterans who have been assisted. Up to this point, however, it has been a very small-scale demonstration program with 18 projects in 15 cities. The program has shown more than sufficient promise to warrant a modest increase in its scope. Thus, section 4 of the bill would increase the authorized level of appropriations from the current fiscal year 1993 level of $2.2 million to $10 million for fiscal year 1993, $12 million for fiscal year 1994, and $14 million for fiscal year 1995.

CONCLUSION

Mr. President, I am deeply committed to addressing the tremendous problem of homelessness among our Nation's veterans. The needs of homeless veterans are great and must be addressed in a coordinated way. I have long supported VA's efforts in outreach, health care, and mental-health care for homeless veterans, and I believe we must now do more to address the housing and employment needs for which existing programs are simply insufficient. This legislation would foster better coordination within VA and among other Federal, State, and community organizations to provide the wide range of needed services among the many veterans who have served our Nation and are now homeless and desperately need assistance. I urge all of my colleagues to support this measure.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

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

S. 2512

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINANCING OF PROPERTIES TO ASSIST HOMELESS VETERANS.

(a) FINANCING.—Section 3735 of title 38, United States Code, is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following new subsection (b):

"(b)(1) Subject to paragraphs (2) and (3), the Secretary may make loans to organizations described in paragraph (1)(A) of subsection (a) to finance the purchase of property by such organizations under such subsection.

"(2)(A) In making a loan under this subsection, the Secretary—

"(i) may modify or waive one or more of the credit underwriting standards that would otherwise apply to the loan under section 3710(g)(2)(A) of this title;

"(ii) shall, in underwriting the loan, take into account the amount of equity in the property that a purchasing organization will have as a result of the purchase;

"(iii) may provide that the loan will bear interest at a rate below the rate that prevails for similar loans in the market in which the loan is made;

"(iv) may not collect a loan fee for the loan under section 3729 of this title; and

"(v) shall include such other terms and conditions with respect to the loan as the Secretary determines are necessary to facilitate the making of loans under this subsection and to protect the interests of homeless veterans and the Federal Government.

"(B) The Secretary shall, to the maximum extent practicable, ensure that the terms and conditions that the Secretary applies to loans under subparagraph (A)(v) are similar to the terms and conditions that the Secretary applies to loans made under section 3733 of this title.

"(3) The Secretary, in order to protect the interests of the Federal Government, may limit the number of loans or the amount any loan that the Secretary makes to an organization under this subsection.".

(b) CONFORMING AMENDMENT.—Section 3729(a)(1) of title 38, United States Code, is amended by striking out "section," and inserting in lieu thereof "section or section 3735(b)(2)(A)(iv) of this title,".

SEC. 2. PROGRAM OF LEASING OF REPOSSESSED PROPERTIES FOR USE BY HOMELESS VETERANS.

(a) PROGRAM.—Subchapter III of chapter 37 of title 38, United States Code, is amended by adding at the end the following new section:

"§3736. Availability of properties for homeless veterans

"(a) The Secretary shall carry out a program to make the properties referred to in subsection (b) available to approved entities under subsection (c) for the purpose of permitting such entities to provide housing for homeless veterans and their families.

"(b) The Secretary shall make available for use as housing for homeless veterans and their families during each fiscal year a number of properties that is not less than 10 percent of the total number of eligible properties that are in the possession of the Secretary at the commencement of that fiscal year as a result of a default on a loan made, insured, or guaranteed under this chapter.

"(c)(1) The Secretary shall lease properties under this section to eligible entities—

"(A) that submit to the Secretary (under regulations prescribed by the Secretary) applications for the lease of such properties; and

"(B) whose applications are approved by the Secretary in accordance with such regulations.

"(2) For the purposes of this subsection, an eligible entity is any of the following entities that provide housing for homeless veterans and their families:

"(A) Non-profit organizations, with preference given to organizations named in or approved by the Secretary under section 5902(a)(1) of this title.

"(B) State or local governments.

"(d)(1) The Secretary shall make available properties to entities approved under subsection (c)(1) as follows:

"(A) By lease.

"(B) By lease, with an option to purchase under section 3735 of this title.

"(2) The Secretary shall collect from each approved entity that leases a property from the Secretary under this section a nominal rental charge for the property.

"(e)(1) An approved entity that leases a property from the Secretary under this section shall use that property solely to provide housing for homeless veterans and their families. The entity shall ensure that rent is collected from occupants of the property, the amount of which rent in any month may not exceed the amount of the costs incurred by the entity during the preceding month in operating and maintaining the property.

"(2) An approved entity that leases a property from the Secretary under this section shall be responsible for the payment of any taxes, utilities, and other maintenance charges that apply to the property.

"(f) An approved entity that leases a property from the Secretary under this section shall, to the maximum extent practicable, utilize the services of homeless veterans in maintaining, operating, and renovating the property.

"(g) In this section, the term 'eligible property' means a property that—

"(1) is acquired by the Secretary as a result of a default on a loan made, insured, or guaranteed under this chapter;

"(2) is vacant;

"(3) has been listed for sale by the Secretary for not less than 60 days; and

"(4) is not subject to a sale contract.

"(h) The Secretary may not make any properties available for acquisition under this section after September 30, 1997.".

(b) CONFORMING AMENDMENT.—The table of sections at the beginning of chapter 37 of title 38, United States Code, is amended by adding after the item relating to section 3735 the following new item:

"3736. Availability of properties for homeless veterans.".

SEC. 3. AUTHORITY TO LEASE CERTAIN PROPERTY OF THE DEPARTMENT OF VETERANS AFFAIRS FOR EXTENDED LEASE TERMS.

(a) AUTHORITY.—Notwithstanding section 8122(a)(1) of title 38, United States Code, and subject to subsection (b), the Secretary of Veterans Affairs may lease to a representative of the homeless for a term in excess of three years any real property for which an application of the representative for the use of the property has been approved by the Secretary of Health and Human Services under section 501(e) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411(e)). Any such lease shall be subject to the provisions of section 501(f) of such Act (42 U.S.C. 11411(f)).

(b) LIMITATION.—The Secretary may not lease real property under subsection (a) for a term in excess of three years to a representative of the homeless unless the representative agrees to use the property as a location for the provision of services to homeless veterans and the families of such veterans.

(c) DEFINITION.—In this section, the term "representative of the homeless" has the meaning given such term in section 501(g)(4) of such Act (42 U.S.C. 11411(g)(4)).

SEC. 4. AUTHORIZATION OF APPROPRIATIONS FOR HOMELESS VETERANS' REINTEGRATION PROJECTS.

(A) AUTHORIZATION OF APPROPRIATIONS.—Section 738 of the Steward B. McKinney Homeless Assistance Act (42 U.S.C. 11448) is amended by adding at the end the following new subsection:

"(e) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated to carry out this section the following amounts:

"(A) $10,000,000 for fiscal year 1993.

"(B) $12,000,000 for fiscal year 1994.

"(C) $14,000,000 for fiscal year 1995.

"(2) Funds obligated for any fiscal year to carry out this section may be expended in that fiscal year and the succeeding fiscal year.".

(b) CONFORMING AMENDMENTS.—(1) Section 739 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11449) is amended—

(A) in subsection (a)(3)—

(i) by striking out "$17,000,000" and inserting in lieu thereof "$14,800,000"; and

(ii) by striking out "1993," and all that follows through "this subtitle" and inserting in lieu thereof "1993."; and

(B) in subsection (b), by striking out "other than section 738 of this subtitle and for the program under section 738 of this subtitle".

(2) Section 741 of such Act (42 U.S.C. 11451) is amended by inserting "738 and" before "740".

• Mr. DECONCINI. Mr. President, I am pleased to be an original cosponsor of Chairman CRANSTON's much needed legislation in support of homeless veterans. Though a small portion of the total veteran population, homeless veterans represent almost one-third of all homeless single men. Conservatively,

on any given night a deplorable 110,000 to 250,000 veterans are homeless. This tragedy is intolerable.

This important legislation offers expanded housing opportunities to homeless veterans. The VA already has authority to sell acquired properties to nonprofit organizations and States as shelters for homeless veterans and their families. However, many such organizations simply do not have the funds to purchase available properties. This bill would authorize the VA to provide nonprofit organizations and States with direct loans at lower than market rate interest to help them purchase VA properties.

The bill would also establish a new VA program under which 10 percent of the VA's hard to sell repossessed properties could be leased to house homeless veterans. It would also allow leases of more than 3 years under the Stewart B. McKinney Homeless Assistance Act for properties used to provide services to homeless veterans and their families. In addition, the bill would authorize increased appropriations for the Homeless Veterans Reintegration projects.

We owe special consideration to the men and women who have defended, often at personal sacrifice, the integrity and well-being of our country. None should be homeless.•

By Mr. SIMON (for himself, Mr. ADAMS, Mr. AKAKA, Mr. BIDEN, Mr. BRYAN, Mr. BURNS, Mr. CHAFEE, Mr. COHEN, Mr. CONRAD, Mr. CRANSTON, Mr. DIXON, Mr. DODD, Mr. DOMENICI, Mr. HEFLIN, Mr. JEFFORDS, Mr. LIEBERMAN, Mr. MACK, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. PELL, Mr. SEYMOUR, Mr. WARNER, and Mr. WELLSTONE):

S.J. Res. 287. Joint resolution to designate the week of October 4, 1992, through October 10, 1992, as "Mental Illness Awareness Week"; to the Committee on the Judiciary.

MENTAL ILLNESS AWARENESS WEEK

• Mr. SIMON. Mr. President, today, along with 22 of my colleagues, I am introducing a joint resolution designating the week of October 4, 1992, through October 10, 1992 as "Mental Illness Awareness Week."

For the past 10 years, Congress has designated this period of time as Mental Illness Awareness Week. The goal of this resolution is to educate the American public about mental illness and dispel the stigma associated with this type of disease. The American Psychiatric Association has played a leading role in the effort to educate the American public.

The statistics show the significance of addressing mental illness in our society. Approximately 50 million Americans suffer from diagnosable mental disorders. This type of illness affects all social, ethnic, and national groups. Available statistics reveal that approximately 7.5 million children under the age of 18 suffer from serious mental disorders. Approximately 12½ percent of our youth experience an episode of mental illness during their adolescent years. One-third of our elderly population suffer from significant symptoms of mental illness. In total, 22 percent of all U.S. residents will experience a period of mental disturbance during their lifetimes.

Approximately one-third of homeless individuals suffer from psychiatric disorders. Often, these individuals have been discharged from hospitals and receive inadequate followup services. Individuals who are HIV infected are vulnerable to mental illness as well; 10 percent of those with the HIV virus will develop psychiatric problems as the first sign of this disease. Sixty percent of AIDS patients will suffer neuropsychiatric consequences. Statistics also reveal that the vast majority of the 29,000 individuals who commit suicide annually suffer from a mental or addictive disorder.

Mental illness affects our society in many ways, and we should be responding with appropriate resources. Direct treatment costs and indirect costs from lost productivity associated with mental illness amount to billions of dollars. Last year, however, total Federal expenditure on research into the causes and treatment of mental illness was only $622 million. We must do much better.

Each day the media reveals the human tragedies associated with mental illness. We do not really understand the severity of the problem until it affects someone close to us, however. At that point the stigma attached to mental illness becomes very real.

This resolution attempts to educate our society and to combat the myths surrounding mental illness. People struggling with mental disorders are not evil. They are not incapable of surviving in society. In fact, with proper treatment, the vast majority of those who confront a period of mental illness during their lives can move on to be fully productive, self-sufficient members of society.

Public apathy and lack of understanding of the seriousness of this type of disease must be overcome if we are to help the mentally ill work with their disability and lead productive lives. I ask my colleagues to join in this effort by cosponsoring this joint resolution.•

ADDITIONAL COSPONSORS

The following additional cosponsors were added on March 31, 1992:

S. 240

At the request of Mrs. KASSEBAUM, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of S. 240, a bill to amend the Federal Aviation Act of 1958 relating to bankruptcy transportation plans.

S. 474

At the request of Mr. DECONCINI, the name of the Senator from Montana [Mr. BURNS] was withdrawn as a cosponsor of S. 474, a bill to prohibit sports gambling under State law.

S. 640

At the request of Mr. KASTEN, the names of the Senator from Oregon [Mr. HATFIELD] and the Senator from Vermont [Mr. JEFFORDS] were added as cosponsors of S. 640, a bill to regulate interstate commerce by providing for a uniform product liability law, and for other purposes.

S. 664

At the request of Mr. THURMOND, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 664, a bill to require that health warnings be included in alcoholic beverage advertisements, and for other purposes.

S. 891

At the request of Mr. MACK, the names of the Senator from Utah [Mr. HATCH] and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of S. 891, a bill to amend the Internal Revenue Code of 1986 to provide a refundable credit for qualified cancer screening tests.

S. 1381

At the request of Mr. GRAHAM, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 1381, a bill to amend chapter 71 of title 10, United States Code, to permit retired members of the Armed Forces who have a service-connected disability to receive military retired pay concurrently with disability compensation.

S. 1578

At the request of Mr. THURMOND, the names of the Senator from Oklahoma [Mr. BOREN] and the Senator from Virginia [Mr. ROBB] were added as cosponsors of S. 1578, a bill to recognize and grant a Federal charter to the Military Order of World Wars.

S. 1830

At the request of Mr. WOFFORD, the names of the Senator from Nevada [Mr. REID] and the Senator from Kentucky [Mr. MCCONNELL] were added as cosponsors of S. 1830, a bill to require Senators and Members of the House of Representatives to pay for medical services provided by the Office of the Attending Physician, and for other purposes.

S. 1927

At the request of Mr. D'AMATO, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 1927, a bill to authorize the Secretary of Agriculture to carry out a grant program to increase the international competitiveness of the forest products industries in the United States, and for other purposes.

S. 2023

At the request of Mr. KENNEDY, the name of the Senator from Colorado [Mr. WIRTH] was added as a cosponsor of S. 2023, a bill to provide for the admission of the State of New Columbia into the Union.

S. 2106

At the request of Mr. CRANSTON, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 2106, a bill to grant a Federal charter to the Fleet Reserve Association.

S. 2112

At the request of Mr. INOUYE, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 2112, a bill to amend the Communications Act of 1934 to encourage competition in the provision of electronic information services, to foster the continued diversity of information sources and services, to preserve the universal availability of basic telecommunications services, and for other purposes.

S. 2117

At the request of Mr. SASSER, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 2117, a bill to ensure proper service to the public by the Social Security Administration by providing for proper budgetary treatment of Social Security administrative expenses.

S. 2167

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 2167, a bill to restrict trade and other relations with the Republic of Azerbaijan.

S. 2201

At the request of Mr. BROWN, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of S. 2201, a bill to authorize the admission to the United States of certain scientists of the Commonwealth of Independent States as employment-based immigrants under the Immigration and Nationality Act, and for other purposes.

S. 2204

At the request of Mr. DURENBERGER, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 2204, a bill to amend title 23, United States Code, to repeal the provisions relating to penalties with respect to grants to States for safety belt and motorcycle helmet traffic safety programs.

S. 2205

At the request of Mr. LEAHY, the names of the Senator from Vermont [Mr. JEFFORDS] and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of S. 2205, a bill to amend the Public Health Service Act to provide for the establishment or support by States of registries regarding cancer, to provide for a study regarding the elevated rate of mortality for breast cancer in certain States, and for other purposes.

S. 2239

At the request of Mr. PRYOR, the names of the Senator from New York [Mr. D'AMATO] and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of S. 2239, a bill to amend the Internal Revenue Code of 1986 to provide additional safeguards to protect taxpayer rights.

S. 2290

At the request of Mr. WIRTH, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 2290, a bill to require public disclosure of examination reports of certain failed depository institutions.

S. 2327

At the request of Mr. HATFIELD, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 2327, a bill to suspend certain compliance and accountability measures under the National School Lunch Act.

S. 2328

At the request of Mr. BROWN, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of S. 2328, a bill to provide that for taxable years beginning before 1980 the Federal income tax deductibility of flight training expenses shall be determined without regard to whether such expenses were reimbursed through certain veterans educational assistance allowances.

S. 2357

At the request of Mr. DOMENICI, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 2357, a bill to reduce and control the Federal deficit.

S. 2361

At the request of Mr. BOND, the name of the Senator from California [Mr. SEYMOUR] was added as a cosponsor of S. 2361, a bill to enhance the competitiveness of United States processed and high-value agricultural products in export markets and expand domestic employment opportunities.

S. 2389

At the request of Mr. BRADLEY, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of S. 2389, a bill to extend until January 1, 1999, the existing suspension of duty on Tamoxifen citrate.

S. 2413

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2413, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2414

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2414, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2415

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2415, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2416

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2416, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2417

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2417, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2418

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2418, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2419

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2419, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2420

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2420, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2421

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2421, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2422

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as

cosponsors of S. 2422, a bill to approve the President's recsission proposals submitted to the Congress on March 20, 1992.

S. 2423

At the request of Mr. McCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2423, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2424

At the request of Mr. McCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2424, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2425

At the request of Mr. McCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2425, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2426

At the request of Mr. McCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2426, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2427

At the request of Mr. McCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2427, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2428

At the request of Mr. McCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2428, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2429

At the request of Mr. McCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2429, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2430

At the request of Mr. McCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2430, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2431

At the request of Mr. McCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2431, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2432

At the request of Mr. McCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2432, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2433

At the request of Mr. McCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2433, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2434

At the request of Mr. McCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2434, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2435

At the request of Mr. McCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2435, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2436

At the request of Mr. McCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2436, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2437

At the request of Mr. McCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2437, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2438

At the request of Mr. McCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2438, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2439

At the request of Mr. McCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2439, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2440

At the request of Mr. McCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2440, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2441

At the request of Mr. McCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2441, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2442

At the request of Mr. McCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2442, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2443

At the request of Mr. McCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2443, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2444

At the request of Mr. McCAIN, the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of S. 2444, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2445

At the request of Mr. McCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2445, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2446

At the request of Mr. McCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2446, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2447

At the request of Mr. McCAIN, the names of the Senator from New Hamp-

shire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2447, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2448

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2448, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2449

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2449, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2450

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2450, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2451

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2451, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2452

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2452, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2453

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2453, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2454

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2454, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2455

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2455, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2456

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2456, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2457

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2457, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2458

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2458, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2459

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2459, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2460

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2460, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2461

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2461, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2462

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2462, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2463

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2463, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2464

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2464, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2465

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2465, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2466

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2466, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2467

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2467, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2468

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2468, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2469

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2469, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2470

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2470, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2471

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2471, a bill to approve

the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2472

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2472, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2473

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2473, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2474

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2474, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2475

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2475, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2476

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2476, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2477

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2477, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2478

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2478, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2479

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2479, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2480

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire [Mr. SMITH] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 2480, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

SENATE JOINT RESOLUTION 35

At the request of Mr. HOLLINGS, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of Senate Joint Resolution 35, a joint resolution proposing an amendment to the Constitution of the United States relative to contributions and expenditures intended to affect Congressional and Presidential elections.

SENATE JOINT RESOLUTION 166

At the request of Mr. DOLE, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of Senate Joint Resolution 166, a joint resolution designating the week of October 6 through 12, 1991, as "National Customer Service Week."

SENATE JOINT RESOLUTION 226

At the request of Mr. DODD, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of Senate Joint Resolution 226, a joint resolution designating the week of January 4, 1992, through January 10, 1992, as "Braille Literacy Week."

SENATE JOINT RESOLUTION 230

At the request of Mr. REID, the names of the Senator from Pennsylvania [Mr. SPECTER], the Senator from Michigan [Mr. LEVIN], the Senator from Illinois [Mr. SIMON], the Senator from Kansas [Mr. DOLE], and the Senator from Ohio [Mr. GLENN] were added as cosponsors of Senate Joint Resolution 230, a joint resolution providing for the issuance of a stamp to commemorate the Women's Army Corps.

SENATE JOINT RESOLUTION 231

At the request of Mr. THURMOND, the name of the Senator from Texas [Mr. GRAMM] was added as a cosponsor of Senate Joint Resolution 231, a joint resolution to designate the month of May 1992, as "National Foster Care Month."

SENATE JOINT RESOLUTION 248

At the request of Mr. CONRAD, the names of the Senator from Illinois [Mr. DIXON], and the Senator from Connecticut [Mr. DODD] were added as cosponsors of Senate Joint Resolution 248, a joint resolution designating August 7, 1992, as "Battle of Guadalcanal Remembrance Day."

SENATE JOINT RESOLUTION 251

At the request of Mrs. KASSEBAUM, the names of the Senator from California [Mr. CRANSTON], the Senator from Alaska [Mr. STEVENS], the Senator from Indiana [Mr. LUGAR], the Senator from Arizona [Mr. MCCAIN], the Senator from Delaware [Mr. ROTH], the Senator from North Dakota [Mr. CONRAD], the Senator from Mississippi [Mr. COCHRAN], the Senator from Connecticut [Mr. DODD], the Senator from Washington [Mr. ADAMS], and the Senator from Washington [Mr. GORTON] were added as cosponsors of Senate Joint Resolution 251, a joint resolution to designate the month of May 1992 as "National Huntington's Disease Awareness Month."

SENATE JOINT RESOLUTION 252

At the request of Mr. DIXON, the names of the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Connecticut [Mr. DODD], the Senator from Rhode Island [Mr. CHAFEE], the Senator from West Virginia [Mr. BYRD], the Senator from Mississippi [Mr. COCHRAN], the Senator from Colorado [Mr. BROWN], and the Senator from Georgia [Mr. NUNN] were added as cosponsors of Senate Joint Resolution 252, a joint resolution designating the week of April 19–25, 1992, as "National Credit Education Week."

SENATE JOINT RESOLUTION 257

At the request of Mr. LAUTENBERG, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of Senate Joint Resolution 257, a joint resolution to designate the month of June 1992, as "National Scleroderma Awareness."

SENATE JOINT RESOLUTION 261

At the request of Mr. CRANSTON, the names of the Senator from South Carolina [Mr. THURMOND], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Virginia [Mr. ROBB], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Kansas [Mrs. KASSEBAUM], and the Senator from Illinois [Mr. DIXON] were added as cosponsors of Senate Joint Resolution 261, a joint resolution to designate April 9, 1992, as a "Day of Filipino World War II Veterans."

SENATE JOINT RESOLUTION 266

At the request of Mr. THURMOND, the names of the Senator from Colorado [Mr. BROWN], the Senator from Pennsylvania [Mr. SPECTER], the Senator from California [Mr. SEYMOUR], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Missouri [Mr. DANFORTH], and the Senator from Alaska [Mr. MURKOWSKI] were added as cosponsors of Senate Joint Resolution 266, a joint resolution designating the week of April 26–May 2, 1992, as "National Crime Victims' Rights Week."

SENATE JOINT RESOLUTION 273

At the request of Mr. SEYMOUR, the names of the Senator from Colorado [Mr. BROWN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Pennsylvania [Mr. SPECTER], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of Senate Joint Resolution 273, a joint resolution to designate the week commencing June 21, 1992, as "National Sheriffs' Week."

SENATE JOINT RESOLUTION 274

At the request of Mr. DODD, the names of the Senator from Missouri [Mr. BOND], the Senator from North Dakota [Mr. BURDICK], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Michigan [Mr. LEVIN], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Minnesota [Mr. WELLSTONE], the Senator from Minnesota [Mr. DURENBERGER], and the Senator from Nebraska [Mr. EXON] were added as cosponsors of Senate Joint Resolution 274, a joint resolution to designate April 9, 1992, as "Child Care Worthy Wage Day."

SENATE JOINT RESOLUTION 277

At the request of Mr. D'AMATO, the names of the Senator from Kansas [Mr. DOLE], and the Senator from California [Mr. SEYMOUR] were added as cosponsors of Senate Joint Resolution 277, a joint resolution to designate May 13, 1992, as "Irish Brigade Day."

SENATE JOINT RESOLUTION 279

At the request of Mr. BIDEN, the names of the Senator from Connecticut [Mr. DODD], the Senator from Alaska [Mr. STEVENS], the Senator from Colorado [Mr. BROWN], the Senator from Rhode Island [Mr. PELL], the Senator from Minnesota [Mr. WELLSTONE], and the Senator from South Dakota [Mr. DASCHLE] were added as cosponsors of Senate Joint Resolution 279, a joint resolution designating April 14, 1992, as "Education and Sharing Day, U.S.A."

SENATE JOINT RESOLUTION 282

At the request of Mr. BOREN, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of Senate Joint Resolution 282, a joint resolution to provide for the expeditious disclosure of records relevant to the assassination of President John F. Kennedy.

At the request of Mr. MCCAIN, his name was added as a cosponsor of Senate Joint Resolution 282, supra.

SENATE CONCURRENT RESOLUTION 57

At the request of Mr. DOMENICI, the name of the Senator from Utah [Mr. GARN] was added as a cosponsor of Senate Concurrent Resolution 57, a concurrent resolution to establish a Joint Committee on the Organization of Congress.

SENATE CONCURRENT RESOLUTION 97

At the request of Mr. WARNER, the names of the Senator from Arkansas [Mr. BUMPERS], the Senator from New York [Mr. D'AMATO], the Senator from New York [Mr. MOYNIHAN], the Senator from Michigan [Mr. LEVIN], the Senator from Montana [Mr. BURNS], the Senator from Utah [Mr. GARN], the Senator from Utah [Mr. HATCH], the Senator from Nebraska [Mr. EXON], the Senator from Kansas [Mr. DOLE], the Senator from Alaska [Mr. STEVENS], the Senator from Mississippi [Mr. COCHRAN], the Senator from Arizona [Mr. MCCAIN], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Tennessee [Mr. SASSER], the Senator from Ohio [Mr. GLENN], the Senator from Ohio [Mr. METZENBAUM], and the Senator from Georgia [Mr. NUNN] were added as cosponsors of Senate Concurrent Resolution 97, a concurrent resolution to commemorate the 50th anniversary of the Battle of Midway.

SENATE CONCURRENT RESOLUTION 99

At the request of Mr. PELL, the names of the Senator from California [Mr. CRANSTON] and the Senator from Pennsylvania [Mr. WOFFORD] were added as cosponsors of Senate Concurrent Resolution 99, a concurrent resolution expressing the sense of the Congress concerning travel to Taiwan.

SENATE RESOLUTION 249

At the request of Mr. D'AMATO, the names of the Senator from Mississippi [Mr. COCHRAN], the Senator from Colorado [Mr. BROWN], and the Senator from California [Mr. SEYMOUR] were added as cosponsors of Senate Resolution 249, a resolution expressing the sense of the Senate that the United States should seek a final and conclusive account of the whereabouts and definitive fate of Raoul Wallenberg.

SENATE RESOLUTION 273

At the request of Mr. MCCAIN, his name was added as a cosponsor of Senate Resolution 273, a resolution to amend the Standing Rules of the Senate to provide guidance to Members of the Senate, and their employees, in discharging the representative function of Members with respect to communications from petitioners.

ADDITIONAL COSPONSORS

The following additional cosponsors were added on April 1, 1992:

S. 4

At the request of Mr. BENTSEN, the names of the Senator from Nevada [Mr. REID], the Senator from Alabama [Mr. SHELBY], and the Senator from Georgia [Mr. FOWLER] were added as cosponsors of S. 4, a bill to amend titles IV, V, and XIX of the Social Security Act to establish innovative child welfare and family support services in order to strengthen families and avoid placement in foster care, to promote the development of comprehensive substance abuse programs for pregnant women and caretaker relatives with children, to provide improved delivery of health care services to low-income children, and for other purposes.

S. 588

At the request of Mr. MITCHELL, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 588, a bill to amend the Internal Revenue Code of 1986 with respect to the tax treatment of certain cooperative service organizations of private and community foundations.

S. 911

At the request of Mr. WOFFORD, his name was added as a cosponsor of S. 911, a bill to amend the Public Health Service Act to expand the availability of comprehensive primary and preventative care for pregnant women, infants and children and to provide grants for home-visiting services for at-risk families, to amend the Head Start Act to provide Head Start services to all eligible children by the year 1994, and for other purposes.

S. 972

At the request of Mr. BRADLEY, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 972, a bill to amend the Social Security Act to add a new title under such Act to provide assistance to States in providing services to support informal caregivers of individuals with functional limitations.

S. 1002

At the request of Mr. SHELBY, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 1002, a bill to impose a criminal penalty for flight to avoid payment of arrearages in child support.

S. 1372

At the request of Mr. GORE, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 1372, a bill to amend the Federal Communications Act of 1934 to prevent the loss of existing spectrum to Amateur Radio Service.

S. 1557

At the request of Mr. LAUTENBERG, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 1557, a bill to improve the implementation and enforcement of the Federal cleanup program.

S. 1614

At the request of Mr. GRAHAM, the name of the Senator from Idaho [Mr. SYMMS] was added as a cosponsor of S. 1614, a bill to amend the Rehabilitation Act of 1973 to revise and extend the program regarding independent living services for older blind individuals, and for other purposes.

S. 1698

At the request of Mr. SARBANES, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 1698, a bill to establish a National Fallen Firefighters Foundation.

S. 1755

At the request of Mr. BUMPERS, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of S. 1755, a bill to reform the concessions policies of the National Park Service, and for other purposes.

S. 1786

At the request of Mr. BAUCUS, the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of S. 1786, a bill to amend the Internal Revenue Code of 1986 to more accurately codify the depreciable life of semiconductor manufacturing equipment.

S. 1830

At the request of Mr. WOFFORD, the names of the Senator from Connecticut [Mr. DODD] and the Senator from Virginia [Mr. ROBB] were added as cosponsors of S. 1830, a bill to require Senators and Members of the House of Representatives to pay for medical services provided by the Office of the Attending Physician, and for other purposes.

S. 1838

At the request of Mr. PRYOR, the names of the Senator from New Jersey [Mr. BRADLEY], the Senator from Washington [Mr. ADAMS], the Senator from Alabama [Mr. SHELBY], the Senator from North Dakota [Mr. BURDICK], and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 1838, a bill to amend title XVIII of the Social Security Act to provide for a limitation on use of claim sampling to deny claims or recover overpayments under Medicare.

S. 1970

At the request of Mr. DURENBERGER, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 1970, a bill to expedite the naturalization of aliens who served with special guerilla units in Laos.

S. 2083

At the request of Mr. SYMMS, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 2083, a bill to provide for an extension of regional referral center classifications, and for other purposes.

S. 2084

At the request of Mr. SYMMS, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 2084, a bill to provide for a minimum Medicare payment level of 90 percent for rural referral centers allowable capital-related costs.

S. 2106

At the request of Mr. CRANSTON, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 2106, a bill to grant a Federal charter to the Fleet Reserve Association.

S. 2109

At the request of Mr. BAUCUS, the names of the Senator from New York [Mr. D'AMATO], and the Senator from New Hampshire [Mr. SMITH] were added as cosponsors of S. 2109, a bill to amend the Internal Revenue Code of 1986 to permit certain entities to elect taxable years other than taxable years required by the Tax Reform Act of 1986, and for other purposes.

S. 2174

At the request of Mr. DASCHLE, the names of the Senator from New Mexico [Mr. BINGAMAN], the Senator from Connecticut [Mr. DODD], the Senator from Ohio [Mr. METZENBAUM], the Senator from Maryland [Ms. MIKULSKI], the Senator from Illinois [Mr. SIMON], and the Senator from Colorado [Mr. WIRTH] were added as cosponsors of S. 2174, a bill to prohibit the provision to Members and employees of Congress, at Government expense, of services and other benefits that are not typical benefits of employment or are not otherwise necessary to the performance of their office.

S. 2239

At the request of Mr. PRYOR, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 2239, a bill to amend the Internal Revenue Code of 1986 to provide additional safeguards to protect taxpayer rights.

S. 2244

At the request of Mr. THURMOND, the names of the Senator from California [Mr. CRANSTON], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 2244, a bill to require the construction of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces who served in World War II and to commemorate U.S. participation in that conflict.

S. 2319

At the request of Mr. NICKLES, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of S. 2319, a bill to require analysis and estimates of the likely impact of Federal legislation and regulations upon the private sector and State and local governments, and for other purposes.

S. 2388

At the request of Mr. MCCAIN, the names of the Senator from Kansas [Mr. DOLE] and the Senator from New York [Mr. D'AMATO] were added as cosponsors of S. 2388, a bill to provide for a Democracy Corps to mobilize and coordinate the expertise and resources of United States citizens in providing targeted assistance to support the development of democratic institutions and free market economies in the former Soviet Republics and the Baltic States.

S. 2481

At the request of Mr. INOUYE, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 2481, a bill to amend the Indian Health Care Improvement Act to authorize appropriations for Indian health programs, and for other purposes.

SENATE JOINT RESOLUTION 148

At the request of Mr. BRYAN, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of Senate Joint Resolution 148, a joint resolution designating October 8, 1991, as "National Firefighters Day."

SENATE JOINT RESOLUTION 166

At the request of Mr. DOLE, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of Senate Joint Resolution 166, a joint resolution designating the week of October 6 through 12, 1991, as "National Customer Service Week."

SENATE JOINT RESOLUTION 230

At the request of Mr. REID, the names of the Senator from South Dakota [Mr. DASCHLE], the Senator from Connecticut [Mr. DODD], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Wisconsin [Mr. KOHL], and the Senator from Tennessee [Mr. SASSER] were added as cosponsors of Senate Joint Resolution 230, a joint resolution providing for the issuance of a stamp to commemorate the Women's Army Corps.

SENATE JOINT RESOLUTION 231

At the request of Mr. THURMOND, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of Senate Joint Resolution 231, a joint resolution to designate the month of May 1992, as "National Foster Care Month."

SENATE JOINT RESOLUTION 238

At the request of Mr. RIEGLE, the names of the Senator from Connecticut [Mr. DODD], and the Senator from Utah [Mr. GARN] were added as cosponsors of Senate Joint Resolution 238, a joint resolution designating the week beginning September 21, 1992, as "National Senior Softball Week."

SENATE JOINT RESOLUTION 248

At the request of Mr. CONRAD, the names of the Senator from Illinois [Mr. SIMON] and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of Senate Joint Resolution 248, a joint resolution designating August 7, 1992, as "Battle of Guadalcanal Remembrance Day."

SENATE JOINT RESOLUTION 252

At the request of Mr. DIXON, the names of the Senator from Nevada [Mr. REID] and the Senator from Louisiana [Mr. JOHNSTON] were added as cosponsors of Senate Joint Resolution 252, a joint resolution designating the week of April 19 through 25, 1992, as "National Credit Education Week."

SENATE JOINT RESOLUTION 258

At the request of Mr. RIEGLE, the names of the Senator from Hawaii [Mr. AKAKA], the Senator from Arkansas [Mr. BUMPERS], the Senator from California [Mr. SEYMOUR], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Ohio [Mr. METZENBAUM], the Senator from Rhode Island [Mr. PELL], and the Senator from Washington [Mr. ADAMS] were added as cosponsors of Senate Joint Resolution 258, a joint resolution designating the week commencing May 3, 1992, as "National Correctional Officers Week."

SENATE JOINT RESOLUTION 261

At the request of Mr. CRANSTON, the names of the Senator from South Dakota [Mr. DASCHLE], the Senator from South Dakota [Mr. PRESSLER], the Senator from North Dakota [Mr. BURDICK], the Senator from Alabama [Mr. SHELBY], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Louisiana [Mr. JOHNSTON], and the Senator from Oklahoma [Mr. BOREN] were

added as cosponsors of Senate Joint Resolution 261, a joint resolution to designate April 9, 1992, as a "Day of Filipino World War II Veterans."

SENATE JOINT RESOLUTION 262

At the request of Mr. KASTEN, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of Senate Joint Resolution 262, a joint resolution designating July 4, 1992, as "Buy American Day."

SENATE JOINT RESOLUTION 266

At the request of Mr. THURMOND, the names of the Senator from Washington [Mr. GORTON], and the Senator from Massachusetts [Mr. KENNEDY] were added as cosponsors of Senate Joint Resolution 266, a joint resolution designating the week of April 26 to May 2, 1992, as "National Crime Victims' Rights Week."

SENATE JOINT RESOLUTION 270

At the request of Mr. THURMOND, the names of the Senator from South Carolina [Mr. HOLLINGS], the Senator from New Jersey [Mr. BRADLEY], the Senator from Kansas [Mr. DOLE], the Senator from Colorado [Mr. BROWN], the Senator from Virginia [Mr. WARNER], and the Senator from Delaware [Mr. ROTH] were added as cosponsors of Senate Joint Resolution 270, a joint resolution to designate August 15, 1992, as "82d Airborne Division 50th Anniversary Recognition Day."

SENATE JOINT RESOLUTION 279

At the request of Mr. BIDEN, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of Senate Joint Resolution 279, a joint resolution designating April 14, 1992, as "Education and Sharing Day, U.S.A."

SENATE CONCURRENT RESOLUTION 62

At the request of Mr. SEYMOUR, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of Senate Concurrent Resolution 62, a concurrent resolution expressing the sense of the Congress that the President should award the Presidential Medal of Freedom to Martha Raye.

SENATE CONCURRENT RESOLUTION 99

At the request of Mr. PELL, the name of the Senator from North Carolina [Mr. SANFORD] was added as a cosponsor of Senate Concurrent Resolution 99, a concurrent resolution expressing the sense of the Congress concerning travel to Taiwan.

SENATE RESOLUTION 109

At the request of Mr. RIEGLE, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of Senate Resolution 109, a resolution exercising the right of the Senate to change the rules of the Senate with respect to the "fast track" procedures for trade implementation bills.

SENATE RESOLUTION 277—RELATIVE TO LOAN GUARANTEES FOR REFUGEE RESETTLEMENT IN ISRAEL

Mr. LAUTENBERG (for himself, Mr. KASTEN, Mr. DECONCINI, Mr. INOUYE, Mr. METZENBAUM, Mr. D'AMATO, Mr. LEAHY, Mr. DODD, Mr. CRANSTON, Mr. GRAHAM, Mr. WOFFORD, Mr. DURENBERGER, Mr. MACK, Ms. MIKULSKI, Mr. SIMON, Mr. GORTON, Mr. BRADLEY, Mr. ADAMS, Mr. HARKIN, Mr. WARNER, Mr. KENNEDY, Mr. AKAKA, Mr. KERREY, Mr. HATCH, Mr. WIRTH, Mr. ROBB, Mr. MOYNIHAN, Mr. SPECTER, Mr. LEVIN, Mr. PRESSLER, Mr. MURKOWSKI, Mr. NICKLES, Mr. BROWN, Mr. MITCHELL, Mr. MCCONNELL, Mr. PACKWOOD, Mr. COATS, Mr. GRAMM, Mr. GORE, Mr. PELL, Mr. DASCHLE, Mr. COCHRAN, and Mr. HATCH) submitted the following resolution; which was considered and agreed to:

S. RES. 277

Whereas the United States has a longstanding policy of supporting free emigration for people living in the former Soviet Union;

Whereas since 1974 the United States has linked nondiscriminatory trade treatment (most favored nation status) for the former Soviet Union to free emigration through the Jackson-Vanik amendment;

Whereas anti-Semitism continues to be a threat to Jews in the former Soviet Union;

Whereas Israel faces an untenable burden in absorbing unprecedented numbers of Soviet refugees;

Whereas the success of United States policy on human rights regarding the former Soviet Union and Ethiopia has resulted in approximately 400,000 refugees to Israel since 1989;

Whereas the General Accounting Office found that "Israel appears to have a reasonable basis for estimating that about one million Soviet immigrants will arrive during the current immigration wave, which began in late 1989";

Whereas the General Accounting Office found that "if the Congress authorizes the $10,000,000,000 in loan guarantees requested by the Israeli Government, the Israeli Government will likely be able to fully service its external debt and to continue its past record of payment"; and

Whereas the Government of Israel has agreed to pay origination fees for loan guarantees so that the guarantees will not result in any cost to the United States taxpayer: Now, therefore, be it

Resolved, That it is the sense of the Senate that the United States Government should support appropriate loan guarantees to Israel for refugee absorption.

SENATE RESOLUTION 278—RELATIVE TO STEEL IMPORT QUOTAS

Ms. MIKULSKI (for herself, Mr. WOFFORD, and Mr. ROCKEFELLER) submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 278

Whereas the steel industry and its 200,000 employees are vital to America's economy;

Whereas over the past decade American steel mills and American steelworkers have invested resources, time, and effort to successfully modernize much of America's steel industry;

Whereas the voluntary restraint agreements on foreign steel imports to the United States have helped the domestic steel industry modernize and improve its competitiveness;

Whereas United States trade laws are important as a last resort for steel makers threatened by foreign steel imports;

Whereas there are ongoing negotiations for a new international steel agreement;

Whereas a fair and enforceable international steel trade agreement is the best method for dealing with the steel trade; and

Whereas the Steel Import Stabilization Act expired on March 31, 1992: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the President should expeditiously conclude a fair and enforceable multilateral steel agreement;

(2) the President should continue the bilateral arrangements limiting the export of steel products to the United States until a multilateral steel agreement is concluded; and

(3) the President should maintain the strength and integrity of trade relief laws of the United States, especially the provisions relating to antidumping and countervailing duties.

Ms. MIKULSKI. Mr. President, I rise today to speak up for America's steelworkers. Steelworkers helped build this country, and I want to make sure they can keep building in the next century. That's why I'm introducing a sense-of-the-Senate resolution to support American steel.

Over the past 8 years, America has given our steel industry a breather from unfair imports—and that has been good for everyone. American steel has modernized under quotas. They have spent billions of dollars to be competitive, and our workers now compete with anyone in the world. Costs are down and prices are down and productivity is up—so it's pretty clear that quotas have worked.

I've been a big supporter of using Government quotas—or voluntary restraint agreements—to help our steel industry get back on its feet. I've also fought for tougher U.S. trade laws for steel and other industries. We need those trade laws to defend our workers against subsidized and dumped low-priced imports. And I'm not going to stand by and let the administration drop quotas or weaken our trade laws.

Just last night, President Bush let America's quotas on foreign steel imports expire. That means our steel mills don't have any Government protection and thousands of our workers are left vulnerable to unfair foreign imports. I think it's time to stand up for American workers and protect American steel.

That's why I'm introducing this sense-of-the-Senate resolution in support of the steel industry. My resolution endorses a new international trade agreement—or M.S.A.—and getting it soon.

But it also says we need to keep our quotas until we get that agreement. Quotas have worked, and we shouldn't abandon them until we have a good replacement. America needs a plan for steel, and we can't just abandon quotas while we wait for bureaucrats to work out a deal.

My resolution also says that America should keep our strong trade laws, not give them away in any international so called free trade deal. A new steel agreement should look out for America's interests—and our interests include keeping trade laws that work.

We need a plan to make sure that our steel industry won't be forgotten. So let's keep up the V.R.A.'s until we get a new international steel agreement. And let's not give up our trade protection laws to the ideals of free trade. Let's put America back to work and put our Government back on the side of our workers and our businesses.

Mr. President, I ask unanimous consent that an article from yesterday's New York Times be included in the RECORD.

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

[From the New York Times, Mar. 31, 1992]

AN INDUSTRIAL COMEBACK STORY: U.S. IS COMPETING AGAIN IN STEEL

(By Jonathan P. Hicks)

The American steel industry, long a symbol of decay in industrial America, has undergone a transformation in the last decade that has drastically sharpened the industry's competitive position.

Now, after the Government has provided a decade of protection from imported steel, the Bush Administration has decided not to extend quotas on imported steel that expire today. The move reflects the industry's improved condition and the Administration's preference for using existing laws to fight what it sees as unfair trade practices.

American steelmakers have so improved their productivity that the industry now often rivals—and in ways outperforms—it competitors in Germany and Japan. Japanese auto makers, like Toyota, Honda and Subaru, are using American steel in their plants in the United States.

Thanks partly to the lower value of the dollar, foreign steel shipments into the United States have fallen in recent years to the point that they are below the limit the Government had set. And the industry's bellwether efficiency measure—the man-hours needed to produce a ton—is at a record level.

Exports, which in the last 20 years have rarely accounted for more than 2 percent of all the steel shipped from American mills, soared last year to 6.3 million tons, or about 8 percent. And customers contend that the quality of American steel is better than ever, comparable with that from foreign steelmakers.

QUALITY AND EFFICIENCY

"The steel made in the United States is equal in quality to steel made anywhere in the world now," said James M. Glazebrook, director of the General Electric Company's trading operation. "And the industry is now being recognized more and more throughout the world, not only for having top quality, but for being among the best in the world in efficiency. You could never have said that 15 years ago."

Trade protectionism gets some credit for the comeback of the big steelmakers, but so does domestic competition from low-cost nonunion mini-mills that pushed the big mills to change their ways. The value of the dollar played a big role, too. When the dollar was strong in the mid-80's, American producers recognized that they had to become more efficient to block inroads by imported steel. When the dollar later weakened, foreign steel prices rose and imports fell.

Over all, the effectiveness of protectionist measures is mixed. Protection has been a boon to some industries, like motorcycle makers, who have been rejuvenated after four years of tariffs on foreign makes, but it has backfired for the automobile industry, where Japanese manufacturers got around the import limits by building plants in the United States and capturing still more market share from Detroit.

The steel import quotas "have been an important help to the industry's recovery," said the Rev. William T. Hogan, a professor of economics at Fordham University and the author of a number of books on the steel industry. "The agreements have given them an opportunity to catch up." He added that the steel industry spent $23 billion in the 1980's to modernize plants and buy efficient equipment. Some of the money came in the form of joint ventures with Japanese and Korean steel companies. "Without the agreements," Father Hogan said, "we would have a high influx of imports, and I doubt they would have been able to invest as much."

The decision by the Administration, which was confirmed yesterday by Gary R. Edson, the general counsel for the Office of the United States Trade Representative, suggests that American trade negotiators and some steel industry executives would prefer to open the market to steel imports but would insist that foreign governments commit themselves to wiping out subsidies for foreign steelmakers.

TRYING TO CURTAIL RELIANCE ON QUOTAS

The Administration is negotiating in Geneva for a multilateral agreement with steel-producing nations, hoping to determine levels of imports through a more flexible policy centered not on import quotas but on restricting government subsidies.

"The foreign producers are not using their quotas, and demand in the United States is down," said John I. Griffin, president of the Maurice Pincoffs Company, a Houston-based steel-trading company that buys both domestic and imported steel.

Mr. Griffin, who is also president of the American Association for International Steel, said the voluntary-restraint agreements that produced the steel quotas were "designed to give the American steel industry time to catch up with foreign steel." He added, "But the industry in the United States is certainly catching up, if it has not caught up already."

American steelmakers still have weapons for trade battles. They can file legal cases against foreign producers accusing them of selling steel below cost or of benefiting from government subsidies; several of these legal cases have already been prepared.

EXERCISING THEIR OPTIONS

"We have to do whatever we have to do to protest unfair trade practices," said Frank W. Luerssen, chairman and chief executive of Inland Steel Industries, the nation's fourth-largest steel company. Under the terms of the steel import limits, American steel companies had given up some rights to battle the pricing practices of foreign steel manufacturers.

Despite the emergence of big steel companies as more efficient, trimmer operations, they are still plagued by the effects of continued overcapacity. There is more steel than demand, and that has caused prices—and profits—to remain in the doldrums. In fact, a ton of the sheet steel that goes into cars is priced at about $440 now, compared with $504 in 1980. And while the lower cost of producing steel has meant that steelmakers have profited in good times—the six largest producers earned $1.2 billion in the robust economy of 1989—they have been ravaged by economic downturns and those same companies lost a combined $2.3 billion last year.

A PARTIAL COMEBACK AT A CLASSIC BIG MILL

Nowhere have the industry's changes been more pronounced than in Gary, Ind., where the USX Corporation operates a sprawling plant along a five-mile strip on the shores of Lake Michigan. For decades, the mill operated by the company—formerly known as United States Steel—epitomized the vastness of big steel. Whatever steel product a customer desired could be manufactured here, from nails to railroad tracks to sheets for automobile hoods.

The Gary Works, or the Big Mill as it was known inside the company, is still the largest steel plant in North America, but it has shrunk considerably. At one time in the 1970's, more than 28,000 people worked here; today there are fewer than 8,000 employees. In earlier decades, the Gary plant housed everything from a hospital, a railroad and a cement plant to a factory that made bridge parts. But now, most of that has been closed or sold, scores of buildings are empty or were demolished and much of the sites 3,400 acres sit idle.

A SHRUNKEN PRODUCT LIST

The mill's production is now confined principally to two types of steel: flat-rolled steel used in automobiles and appliances, and plate steel used in construction and in heavy machinery.

What is made here, however, is produced more efficiently than ever. At the Gary Works, it takes 2.7 man-hours to produce a ton of steel, compared with a USX average of 3.6, and 7.1 man-hours 10 years ago. The national average for the steel industry is about five hours a ton. With the opening last fall of a new caster that converts molten steel into slabs, the Gary plant now produces all its steel by the more cost-efficient continuous casting method rather than the conventional method of producing steel from ingots.

The big plant is primarily a maker of sheet used for automobiles and appliances, tin for food and beverage cans and plates for construction and shipbuilding.

LABOR AND MANAGERS MAKE ADJUSTMENTS

After a bruising labor dispute that shut the plant for six months in late 1986 and early 1987, relations between the union and management have become noticeably less hostile. A steelworker here is no longer confined to one specific duty, like pipefitting. Workers in the highly automated and computerized plant are likely to be assigned to teams to discuss their tasks and determine more efficient ways of working.

"I would say we've seen a complete turnaround from the way things used to be," said Cary B. Kranz, president of Local 1066 of the United Steelworkers union here. Mr. Kranz whose father worked at United States Steel and was also president of the local, said that union members have a far greater role now

in making decisions. "They now involve union people and make us feel that we are a part of something," Mr. Kranz said. "They meet with us and they recognize that we have all the knowledge in the world within these gates. It's not happening as fast as we would like, but it is happening."

Analysts and steel industry historians suggest that the changes in Gary mirror the changes in the industry as a whole. The 5.3 man-hours per ton for the steel industry in the United States compares with 5.4 in Japan, and 5.6 in both Germany and Britain, according to statistics by the WEFA Group, a consulting firm in Bala-Cynwyd, Pa. And the American figures look even better when compared with 6.4 manhours a ton in South Korea, 7.2 in Taiwan and 8.9 in Brazil.

GLOBAL FACTORS GET MORE EMPHASIS

In part, analysts attribute the changes in the mills to a new generation of steel managers whose views have been shaped by global competition in the steel business and a proliferation of joint ventures between American steel companies and partners from Japan and Korea. In fact, a total of $3 billion of foreign capital mostly from Japan and Korea has been invested in the American steel industry. Many American executives have been exposed to foreign steel companies' methods of operation and labor relations.

"Many American managers, particularly the younger ones, have started to criticize themselves now rather than blindly defend themselves," said Kiichi Mochizuki, president of the United States arm of the Nisshin Steel Company of Japan. "And that is healthy. It is the first step to improvement. They are developing the courage to say that they have problems and that they need to be attacked."

While the large steel companies have scaled down, their smaller competitors, the mini-mills, have become far more significant challengers, having systematically usurped markets once dominated by big steel. These mini-mills, with names like Nucor, Birmingham Steel and Oregon Steel, typically operate with far lower costs because they melt scrap to produce steel and have largely nonunion work forces with wages about a third lower than those of the unionized steelworkers at the big mills.

BIG PLAYERS LEARN NOTHING IS SACRED

Mini-mill companies, too, are gradually changing the competitive balance of the industry. Once these smaller companies were confined to producing such lower-quality items as reinforcement bars for concrete used in highways and bridges and material for fences, wires and nails. Today, they have a virtual lock on items like beams that support buildings. And some are moving toward the big companies' bread and butter: the flat-rolled steel used in automobiles and appliance parts. As a result, big steel companies consider the mini-mills to be as much a competitive threat as foreign steel is, perhaps even more so.

"Nothing is sacred any more as far as the big integrated steel companies' nonopoly," said John Jacobson, an analyst with AUS Consultants in Philadelphia. "Mini-mills had to get into different pastures to continue their growth, and flat-rolled steel is the new area of opportunity."

The importance of steel produced by these smaller steel companies has grown sharply. In 1980, the five largest steel producers accounted for more than 60 percent of all of the domestic industry's shipments. By 1990, that figure had dropped to slightly more than 40 percent. And mini-mills now account for about 21 percent of domestic consumption, slightly more than the 18 percent accounted for by imported steel.

Unlike big steel, mini-mills have weathered the current economic recession robustly. Last year, the six largest steel producers posted operating losses of about $27 for every ton of steel they shipped, nearly $1 billion. But the 10 largest mini-mill companies earned, on average, $10 a ton, or about $100 million.

Some in the industry contend that the big American steel producers will bounce back with vigor once the economy rebounds, noting that despite the improvement in efficiency, steel remains a highly cyclical business. "They will always have ups and downs," Mr. Jacobson said. "But, because of the improvements among the big steel companies, their ups will be a little brighter, and they will be able to sustain themselves better during the down periods."

• Mr. WOFFORD. Mr. President, I am dismayed that the steel voluntary restraint agreements [VRA's] have expired and this administration has no plan for the steel industry.

The President has had 2½ years to negotiate a multilateral agreement that would bring about global, market-based trade in steel. We have no such agreement and we have no VRA's—our only recourse is the trade laws, which our trading partners are working to dismantle through the GATT negotiations.

The steel industry is the heart of our Nation's manufacturing strength. It's also a model for businesses willing to rise to meet the challenges of a growing global economy. As the New York Times said yesterday, steel is "an industrial comeback story." It is unthinkable that we should send our steel industry and steelworkers a message that their hard work was for nothing, that we in Washington are going to sit back and watch while subsidized foreign steel is dumped on the U.S. market, capturing the market share they have worked so hard to regain.

A strong multilateral agreement that preserves our trade laws would be in everybody's best interest, and the steel industry supports such an agreement. I encourage the President to maintain the strength of our trade laws while continuing these negotiations. However, until a multilateral agreement is reached the VRA's should be extended. I support this resolution and I commend it to my colleagues.•

SENATE RESOLUTION 279—RELATIVE TO PROVISION OF UNNECESSARY OR INAPPROPRIATE SERVICES TO MEMBERS AND EMPLOYEES OF THE SENATE

Mr. DASCHEL (for himself, Mr. BINGAMAN, Mr. DODD, Mr. LIEBERMAN, Mr. METZENBAUM, Ms. MIKULSKI, Mr. SIMON, Mr. WIRTH, and Mr. WOFFORD) submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 279

Resolved,

SECTION 1. COMMISSION ON SENATE PERQUISITES.

(a) ESTABLISHMENT.—There is established the Commission on Senate Perquisites (referred to as the "Commission").

(b) DUTIES OF THE COMMISSION.—It shall be the duty of the Commission to review the report of the Sergeant at Arms and Doorkeeper of the Senate described in section 2(b) and other sources of pertinent information and to submit to the Senate a report described in section 2(c).

(c) MEMBERS.—(1) The Commission shall be composed of 3 members appointed by the majority leader, 1 of whom the majority leader shall designate as chair, and 3 members appointed by the minority leader of the Senate.

(2) The membership of the Commission shall not include officers or employees of the Federal Government or of a State or local government.

(d) TRAVEL EXPENSES.—Members of the Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

(e) HEARINGS AND MEETINGS.—The Commission or, on authorization of the Commission, a member of the Commission, may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers appropriate. The Commission or a member of the Commission may administer oaths or affirmations to witnesses appearing before it.

(f) OFFICIAL DATA.—The Commission may secure directly from any Federal department or agency information necessary to enable it to carry out its duties under this Resolution. Upon request of the chair of the Commission, the head of a Federal department or agency shall furnish such information, consistent with law, to the Commission.

(g) FACILITIES AND SUPPORT SERVICES.—The Committee on Rules and Administration shall provide to the Commission on a nonreimbursable basis such facilities and support services as the Commission may request.

(h) TERMINATION.—The Commission shall cease to exist on the date that is 30 days after the date on which it submits its report under section 2(c)

SEC. 2. PROHIBITION OF UNNECESSARY OR INAPPROPRIATE SERVICES AND OTHER BENEFITS.

(a) PROHIBITION.—A member or employee of the Senate may not receive from any office, officer, employee, or other entity in the Congress or in a department or agency of the United States a service or other benefit, at Government expenses or at a discounted cost, except such a service or other benefit as—

(1) is of a kind and in an amount that is provided by employers, not atypically, as part of the compensation of their employees; or

(2) is otherwise necessary or appropriate to enable the member or employee to perform the duties of a member or employee of the Senate.

(b) SURVEY OF SERVICES AND BENEFITS.—Not later than 30 days after the date of adoption of this Resolution, the Sergeant at Arms and Doorkeeper of the Senate shall—

(1) ascertain what services and other benefits are available to members and employees of the Senate that are not equally available to all other persons or are available in or near the Senate buildings at below fair market value; and

(2) submit to the Commission a report describing those services and benefits and the manner in which each service or other benefit contributes to the performance of the duties of members and employees of the Senate, if at all.

(c) REVIEW BY THE COMMISSION.—(1) On receipt of the report described in subsection (b), the Commission shall review the services and other benefits that are provided to members and employees of the Senate, respectively, in light of—

(A) services and benefits that are provided to persons employed in other positions in government and in the private sector;

(B) the differing missions and functions that employers of various kinds and employees at various levels of responsibility perform in the economy and in the governance of the Nation; and

(C) the resources that are available to employers of various kinds to provide those services and benefits.

(2) The Commission may solicit public comments, hold hearings, and utilize the services of the Library of Congress and other legislative branch organizations to determine facts pertinent to its review under paragraph (1).

(d) IDENTIFICATION OF UNNECESSARY SERVICES AND BENEFITS.—(1) Not later than 60 days after receiving the report described in subsection (b), the Commission shall submit to the majority leader and minority leader of the Senate a report proposing introduction of a resolution that—

(A) describes each service and benefit that may properly be made available to members and employees of the Senate at Government expense because it—

(i) is of a kind and in an amount that is provided by public and private sector employers, not atypically, as part of the compensation of their employees; or

(ii) is otherwise necessary or appropriate to enable the members and employees to perform their duties as members and employees of the Senate;

(B) describes each service and benefit that may not properly be made available to members and employees of the Senate at Government expense, but may appropriately be made available in or near thee Senate buildings, at the expense of members and employees of the Senate, and provided by employees of the Government or by private contractors;

(C) includes an explanation of each recommendation made pursuant to subparagraph (A) and (B); and

(D) directs the appropriate officers of the Senate to make arrangements for the provision of the services and other benefits described in subparagraph (B) at fair market value.

(2) In formulating its report under paragraph (1), the Commission may rely on sources of information other than the report described in subsection (b).

(e) IMPLEMENTATION.—Upon receipt in the Senate of the report described in subsection (d), any member of the Senate may introduce a resolution implementing the recommendations of the Commission. Such resolution shall not be referred to any Committee. Not later than 30 days after such resolution is introduced in the Senate, it shall be in order for any member of the Senate to call for consideration of the resolution on third reading. No amendments to such resolution shall be in order.

SEC. 3. PAYMENTS TO REDUCE THE PUBLIC DEBT.

All payments received from members and employees of the Senate for services and other benefits described in subsection (d)(1)(B) that are provided by Government employees and all rent or other payments received from private contractors that provide such services and other benefits shall be paid into the account described in section 3113(d) of title 31, United States Code, to pay down the public debt.

SEC. 4. PAYMENT OUT OF CONTINGENT FUND.

The expenses of implementing this resolution shall be paid out of the contingent fund of the Senate.

AMENDMENTS SUBMITTED

FURTHER CONTINUING APPROPRIATIONS, FISCAL YEAR 1992

KASTEN (AND BUMPERS) AMENDMENT NO. 1752

Mr. KASTEN (for himself and Mr. BUMPERS) proposed an amendment to the joint resolution (H.J. Res. 456) making further continuing appropriations for the fiscal year 1992, and for other purposes, as follows:

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

SEC. . Notwithstanding any other provision of this joint resolution, the following appropriation is made:

SMALL BUSINESS ADMINISTRATION

DISASTER LOANS PROGRAM ACCOUNT

For an additional amount for the cost of direct loans, $82,025,000, to remain available until expended: *Provided*, That these funds are available to subsidize additional gross obligations for the principal amount of direct loans not to exceed $241,748,000.

In addition, for administrative expenses to carry out the disaster loan program, an additional $25,000,000, which may be transferred to and merged with the appropriations for "Salaries and expenses".

Congress hereby designates these amounts as emergency requirements pursuant to section 251(b)(2)(D) of the Budget Enforcement Act of 1990.

NOTICES OF HEARINGS

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. BUMPERS. Mr. President, I would like to announce for the public that hearings have been scheduled before the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources.

The hearings will take place on Wednesday, April 29, 1992, and Thursday, April 30, 1992, beginning at 2 p.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearings is to receive testimony on the following bills currently pending before the Subcommittee. The bills are:

S. 21, to provide for the protection of the public lands in the California Desert;

H.R. 2929, the California Desert Protection Act of 1991; and

S. 2393, a bill to designate certain lands in the State of California as wilderness, and for other purposes.

Because of the limited time available for the hearings, witnesses may testify by invitation only. However, written statements or comments may be submitted by sending two copies to the Subcommittee on Public Lands, National Parks and Forests, Committee on Energy and Natural Resources, 304 Dirksen Senate Office Building, Washington, DC 20510. Although it may not be possible to include all materials in the printed hearing record, every effort will be made to include as many statements as possible.

For further information regarding the hearings, please contact Erica Rosenberg or David Brooks of the subcommittee staff at (202) 224-7933.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, April 1, immediately following the first rollcall vote after 2, to vote on pending noncontroversial business items.

The committee will consider and vote on the following nominations:

NOMINATIONS

Mr. Thomas R. Pickering, of New Jersey, to be Ambassador to India.

Mr. Edward Joseph Perkins, of Oregon, to be the U.S. Representative to the United Nations with rank and status of Ambassador, and the U.S. Representative in the U.N. Security Council.

Foreign Service Officers' appointments and promotions lists: Mr. George Mu, et al., dated March 18, 1992.

LEGISLATION

Senate Resolution 258, Simon resolution regarding needed action to address the continuing state of war and chaos and the emergency humanitarian situation in Somalia, as amended.

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

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 2 p.m., April 1, 1992, to receive testimony on S. 1174, to establish the Cache La Poudre River National Water Heritage Area in the State of Colorado; S. 1537, to amend the National Trails System Act to designate the America discovery trail for study to determine the feasibility and desirability of its designation as a National Trail; and S. 1704, to improve the administration and management of public lands, National Forests, units of the National Park System, and related areas by improving the availability of adequate, appropriate, affordable, and cost-effec-

tive housing for employees needed to effectively manage the public lands.

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

COMMITTEE ON ARMED SERVICES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Wednesday, April 1, 1992, at 9:15 a.m., in open session, to receive testimony on the submarine and nuclear propulsion industrial base in review of the amended defense authorization request for fiscal year 1993 and the future year defense plan.

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

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs be authorized to meet on April 1, 1992, beginning at 9:30 a.m., in 485 Russell Senate Office Building, on S. 2481, reauthorization of the Indian Health Care Improvement Act.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, April 1, at 11:30 a.m. to hold an ambassadorial nomination hearing.

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

COMMITTEE ON THE JUDICIARY

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, April 1, 1992, at 2 p.m. to hold a hearing on the nomination of Edward E. Carnes, to be U.S. circuit judge for the 11th circuit, Joseph E. Irenas, to be U.S. district judge for the eastern district of Virginia, Wayne A. Budd, to be Associate Attorney General and George J. Terwillinger III, to be Deputy Attorney General.

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

SELECT COMMITTEE ON INTELLGIENCE

Mr. FORD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, April 1, 1992, at 2 p.m. to hold a joint open hearing with the House Intelligence Committee on Intelligence Reorganization.

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

COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate Wednesday, April 1, 1992, at 10 a.m. to conduct a hearing on the condition of the banking industry, the bank insurance fund, and its treatment in the President's budget.

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

ADDITIONAL STATEMENTS

CHRONICLE OF HIGHER EDUCATION STORY ON MINORITY SCHOLARSHIPS

• Mr. SIMON. Mr. President, 20 of my colleagues recently joined me in asking the Department of Education not to adopt its proposed policy on minority scholarships. A recent article in the Chronicle of Higher Education shows that we are not alone in concluding that the policy is wrong-headed. At least 74 of the comments submitted emphasized the importance of allowing minority scholarships in order to promote campus diversity or to reverse the effects of past discrimination or underrepresentation. For example, Dolores Cross, the president of Chicago State University, notes that minority scholarships, while a small part of the overall financial aid that is available, are an important welcome mat, encouraging students who might not otherwise apply for college.

I ask that the article be printed in the RECORD.

The article follows:

U.S. PROPOSAL TO BAR MINORITY SCHOLARSHIPS DRAWS HEAVILY NEGATIVE RESPONSE FROM ACADEME

(By Scott Jaschik)

WASHINGTON.—Education Secretary Lamar Alexander's proposed rules to bar most minority scholarships appear to satisfy very few people.

Last week was the deadline for the public to comment on the proposed regulations. Of the 111 responses (excluding those submitted as part of a high-school class assignment) only 14 endorsed the Secretary's plan.

A total of 74 groups and individuals wrote to say that colleges should be allowed to restrict some scholarships to members of certain ethnic or racial groups. An additional 19 responses criticized Mr. Alexander for not going far enough to eliminate minority scholarships, and 4 took no clear position on the regulations.

IMPASSIONED DEBATE

Debate about the issue continued to be impassioned. Supporters of minority scholarship wrote that abolishing the awards would encourage black and Hispanic students from going to college. Dolores E. Cross, president of Chicago State University, wrote: "It is true that many minority students would qualify for scholarships on the basis of need. However, after reading about the proposed elimination of minority-targeted scholarships, will those students take the trouble to apply for financial aid? Or for admission to college?"

Critics of minority scholarships argued that the awards violated federal anti-bias laws and actually hurt minority students. Robert E. Kribel, vice-president for academic affairs at Jacksonville State University, wrote: "It is counterproductive to implement financial aid policies which focus on racial re ethnic differences. Much of the intolerance on campuses today is the result of ill-conceived programs which grant exclusive privileges to special groups of students."

Secretary Alexander said he would use the responses to help him decide whether to enact his proposed regulations. He issued a statement last week saying there was no timetable for his final decision.

WE HAVE A LAW TO ENFORCE

Although most of those who responded to his proposal criticized it, Mr. Alexander again said his plan would help minority students while following the law. "We have a law to enforce, passed by Congress, which says that a college receiving federal funds can't discriminate based on race, color, or national origin," the statement said. "Our purpose in developing policy guidelines is to help clarify how colleges can use scholarships to create diversity on campuses and to help minority students without violating the federal anti-discrimination law."

CONTROVERSY BEGAN IN 1990

The controversy over minority scholarships has been raging since December 1990, when Michael L. Williams, the Assistant Secretary of Education for civil rights, declared that most such awards were illegal. When Mr. Alexander became Education Secretary last year, he said colleges could continue to offer minority scholarships while the department developed a policy on them. The department issued a proposed version of the policy in December.

Under that proposal, colleges would generally be barred from using their own money to set up minority scholarships. The exceptions would be in cases where a college was operating under a court-ordered plan to remedy past discrimination or where a donor gave money to a college for the specific purpose of supporting minority scholarships.

The regulations would permit colleges to award "diversity scholarships" designed to attract a range of different kinds of students to their campuses, but race or ethnicity could not be a requirement. Mr. Alexander said that colleges, by using diversity scholarships and aid based on financial need, could continue to attract minority students.

In their responses, officials of colleges that offer minority scholarships said Mr. Alexander's proposed rules did not take into account the impact the changes would have on minority students, and the difficulties that colleges have in recruiting them. Some of the responses also said the Education Department's proposals could have dangerous ramifications for civil-rights law.

VERY PERPLEXING SITUATION

Bernard H. Uhlmann, a special education coordinator at Saginaw High School, wrote of the positive effects of minority scholarships on the predominantly black student body at his school. He cited awards offered by the nearby Michigan Technological University.

"Not long ago, very few black males would take the trigonometry, calculus, and chemistry classes. Students felt that there was no opportunity for them to go to college, so why deal with the difficult classes," he wrote. "That is changing. Now word is getting back to the community that if a student is willing to work hard, they can be successful at Michigan Tech, and the money is available for a student who is willing to try. Now the number of black males in these more difficult classes is increasing every year."

The Rev. Msgr. James Barta, president of Loras College, wrote that the proposed regulations left his institution in a "very perplexing situation." The college is in a community that is 99 percent white, but it has recruited minority students—in part by of-

fering minority scholarships—in the belief that its students need to be exposed to those from other backgrounds.

The Iowa Student Aid Commission has been urging the college to continue efforts to recruit minority students, Monsignor Barta wrote, but the Education Department's proposed regulations would make that difficult.

GRADUATE STUDENTS CITED

D. Bruce Johnstone, chancellor of the State University of New York System, wrote that colleges would face a particularly difficult time recruiting minority graduate students. At the undergraduate level, he said, there is "a virtual sea of financial aid," for needy students, but because almost all graduate students are financially needy, colleges need to be able to direct limited resources to students they most want to attract, such as minority students.

Officials of graduate schools of education, business, and law made similar points.

Several of those responding to the proposed regulations said the proposed rules would confuse civil-rights enforcement. A group of 20 Democratic Senators, led by Sen. Paul Simon of Illinois, submitted a response stating that the proposed rules could lead colleges to discriminate against members of minority groups in the awarding of aid.

The Senators cited the portion of the proposed regulations that said it was legitimate for colleges to award aid based on financial need, even if the college knew that such a policy would result in a disproportionate amount of aid going to minority students. Under the same principle, the Senators said, the Education Department would have to allow colleges to have policies of providing aid only to students from counties with small minority populations.

Another response, submitted by the National Women's Law Center on behalf of 40 women's groups, said the proposed regulations would violate the Civil Rights Restoration Act. The act states that civil-rights laws apply to all of the funds used by an institution receiving federal funds. The National Women's Law Center argued in its response that the law would not allow for the distinction in the proposed regulations between funds the college receives from a donor and funds it already has.

Those who wrote to the Education Department arguing against minority scholarships also questioned the distinctions made in the proposed regulations. Charles A. Akemann, a professor of mathematics at the University of California at Los Angeles, predicted that if the regulations were carried out, colleges would continue their minority scholarships but under different names, such as diversity scholarships.

Wrote Mr. Akemann: "In short, 'race as one factor among many' creates such a large loophole as to render the principles useless as a guide to policy. You had it right in your own pronouncement of a little over a year ago. No discrimination period."

Robert L. Pecotte, director of financial aid at Northern Michigan University, wrote: "Such scholarships will only create more hate and more racism on our campuses."

SCHOLARSHIPS CRITICIZED

Only one college president—William L. Proctor of Flagler College—wrote to the Education Department to criticize minority scholarships. Mr. Proctor wrote: "I suspect that my opinion will be at odds with most of those expressed by the academic community, but my experience in working with minority students leads me to conclude that they can and will achieve quite well, apart from any provision of programs that make suspect their accomplishments."

He added: "In my judgment, it is not necessary to single them out on the basis of race, but simply to deal with their problems, talents, and aspirations as you would any other student."

The presidents of the following institutions wrote to the department, urging it to continue to allow minority scholarships: Albany State, Bryn Mawr, Central Piedmont Community, Loras, and Savannah State Colleges; Bowie State, DePauw, Dillard, Drake, Texas Woman's, Washington, and Winston-Salem State Universities; and the University of Montana.

Two organizations—the American Jewish Congress and the National Association of Scholars—sent responses to the department endorsing the proposed regulations. Eleven organizations, some of them writing on behalf of coalitions, wrote to oppose the proposed regulations, arguing that minority scholarships are legal and necessary.

GROUPS OPPOSE POLICY

Those groups were: the Association of American Medical Colleges, the American Council on Education, the American Library Association, Congreso de Latinos Unidos, the National Alliance of Black School Educators, the National Association of Independent Colleges and Universities, the National Association of State Universities and Land-Grant Colleges, the National Urban League, the National Women's Law Center, the United States Commission on Civil Rights, and the University of California Student Association.

As the responses arrived in the mail at the Education Department, several student groups held small rallies outside the department to protest the proposed regulations.

At one of the rallies, a small shanty was built. Organizers said it symbolized the way the Education Department, which they called "the Department of Miseducation," treated black students.

Said Hatem Bazian, president of the Associated Students at San Francisco State University: "This is a grassroots effort. We're getting people to demonstrate that you can fight their racist approach."•

THE MISSION OF AMERICA IN THE POST-COLD WAR WORLD

• Mr. SYMMS. Mr. President, in the course of being a Senator, one has an ample supply of reading material. Occasionally, however, one finds something right on the mark, which is worth sharing with our colleagues.

Recently I had the opportunity to visit Congressman Fred Schwengel, who now serves as the president of the congressionally chartered U.S. Capitol Historical Society. Prior to this important role, he served the people of Iowa in the U.S. House for eight terms where he was a tireless proponent of the development of our Interstate Highway System.

Incidentally, the purpose of the Society is to "heighten public awareness of the historic events which shaped the destiny of our Nation, and to explore and institute new and creative ways to bring the fascinating history of the Capitol to the people."

During the course of our meeting, Fred gave me a copy of an essay he wrote recently called "The Mission of America in the Post-Cold War World." Simply, it is a powerful, convincing mandate which lays out many of the contributions to liberty, worldwide, which owe their roots to events and people from the United States.

Mr. President, Fred and the chief historian at the U.S. Capitol Historical Society, Don Kennan, remind us of the value of the free flow of information.

As stated in the essay: "Perhaps in no other period of time have we seen such a large-scale extension of the domain of human freedom and self-government." We are reminded of the poignant moment when Czechoslovakia's President Vaclav Havel spoke to a joint meeting of Congress and cited the writings of Thomas Jefferson as influences of the people in his nation who sought freedom throughout the decades of Communist tyranny.

The stated purpose of my meeting with Congressman Schwengel was to officially accept the U.S. Capitol Historical Society's endorsement of legislation to allow the private sector to honor Thomas Paine here in Washington at the intersection of Pennsylvania and Constitution Avenues.

When I left, however, I was very thankful to have had the chance to talk with Fred about a variety of things, not the least of which is the importance of continuing the society's charge, to spread the story of democracy and individual liberty throughout the Nation and the world—now more than ever as freedom is breaking the chains of oppression worldwide.

As Thomas Paine wrote in "The Rights of Man":

> Such is the irresistible nature of truth, that all it asks, and all it wants, is the liberty of appearing * * * no sooner did the American governments display themselves to the world, than despotism felt a shock, and man began to contemplate redress.

Mr. President, I ask that the essay, "The Mission of America in the Post-Cold-War World" be entered in the RECORD for the pleasure of our colleagues at the conclusion of my remarks. I would also like to note for the RECORD that I am a cosponsor of the legislation mentioned in the essay calling for the minting of a coin in honor of the 100th anniversary of the Pledge of Allegiance which was introduced by our colleagues Senator HARKIN and Senator GRASSLEY.

The essay follows:

THE MISSION OF AMERICA IN THE POST-COLD-WAR WORLD

(By Fred Schwengel, president, and Donald Kennon, chief historian)

All eyes now seem to be focused upon the current presidential campaign and our own domestic economic problems. This creates a kind of historical myopia. We miss sight of the larger picture and the broader meaning of the truly historic changes that have occurred in the recent past. Thus it becomes the historian's role to help place the present in a proper perspective, in order that we can prepare for the future.

"History will be the judge." How often we hear that phrase, yet those words perhaps have never been so apt as in the context of current world affairs. The events of the past five years have brought changes of such an unexpected and unpredictable nature that it almost defies comprehension. Certainly we are witnessing a new epoch in human history. The forces of freedom and democracy sweeping through the world have torn down the Berlin Wall, destroyed the communist stranglehold on Eastern Europe, and broken up the Soviet Empire. Perhaps in no other period of time have we seen such a large scale extension of the domain of human freedom and self-government.

All American citizens can take no small measure of satisfaction from the fact that our example of democratic self-government, our principles of freedom in religion, speech, and expression, and our generosity in sharing the blessings of liberty worldwide have helped motivate and channel the events taking place in Eastern Europe and the former Soviet Union. It would be well to recall, for example, that when Czechoslovak President Vaclav Havel spoke to a joint meeting of our Congress in 1990, he cited the writings of Thomas Jefferson and the Declaration of Independence for their influence upon the events taking place in his country.

Today it seems that we are continually reminded of how far short we as a nation have fallen from the ideals we espouse for others to emulate. Yet it is well to remember that in spite of our shortcomings the United States has always striven to be a beacon of freedom and liberty. The very concept of liberty has evolved and expanded considerably since the early days of our colonization. Those early settlers often sought freedom from religious or economic oppression for themselves, but then were not willing to extend similar liberties to other groups or peoples in the New World. The Puritan settlers of Massachusetts, for example, sought to build a "city upon a hill" whose shining example would reform what they believed were the corrupt religious practices of the Old World, but they persecuted other religious groups in their community. Yet the Puritan concept of mission bequeathed a legacy to the young nation. Ever since, Americans have been conscious of their mission to reform the world.

The Bill of Rights to the Constitution guaranteed religious liberty, and as a result religious diversity has flourished to the point that we now have over 350,000 churches of all denominations and sects in the United States. Over time the definition of mission changed from religious reformation to that of democratization, and this purpose has found expression in a number of ways. The Monroe Doctrine, for example, sought to preserve a sphere of liberty by closing the Western Hemisphere to further European colonization and exploitation. Abraham Lincoln saw the Civil War as necessary to preserve democracy and the Union, which he firmly believed was "the last, best hope of mankind." Woodrow Wilson argued that our role in World War I and his wish for our participation in the League of Nations were motivated out of an idealistic desire to make the world safe for democracy. In a similar fashion, Franklin Delano Roosevelt's Four Freedoms provided a purpose and a program for our sacrifices in World War II. We believe there is a Fifth Great Freedom—free enterprise—that can be added to the list of America's guiding principles. The United States led in founding and supporting the United Nations and its peacekeeping, humanitarian roles. In numerous other ways, from private philanthropy to organized relief efforts, the people of our nation have carried the mission of America to the world.

During the Cold War it may have seemed that our sacrifices, human as well as economic, were simply aimed at containing the spread of communism. But thanks to a communications revolution primarily pioneered by the United States in satellite telecommunications and microwave transmission, we have been able to plant the seeds of democracy worldwide. Our efforts through the Voice of America, the Peace Corps, the Agency for International Development, and the World Bank all helped demonstrate the virtues of democracy, self-government, and free enterprise. The developments in Eastern Europe and the Soviet Union did not happen in spite of us, but because of us. Our message and our mission have been heard and the response is taking place now for us to see and to influence.

A magnificent new book from CNN Reports: Seven Days that Shook the World: The Collapse of Soviet Communism chronicles the failed August coup against Gorbachev and its aftermath. The movement toward democratization in the former Soviet Union owes much to the example provided by the United States and our determined resistance to totalitarianism. This development was not without a high cost. There have been 125 wars and an estimated 40 million deaths since the end of World War II.

But lest we fall into the easy trap of self-congratulation, we must be aware that freedom and democracy are no panacea for all the ills of the world. They offer no magic wand to remove the stains of decades of authoritarian rule, or to cure the accumulated economic malaise of totalitarian planned economies. Nor is the success of democracy assured in these countries. The specter of counterrevolution, charismatic dictators, ethnic tension, boundary disputes, religious differences, and nationalistic strife all threaten to undo the work of the current generation. Democracy is a fragile thing. We need to recall Jefferson's words, "Eternal vigilance is the price of liberty."

Nor is the work of freedom nor the mission of America completed in the world or at home. Large numbers of people continue to live under harsh dictatorships. Cultural, ethnic, and religious differences still divide nations and peoples, and economic inequalities prevent the full realization of freedom and equality. I am reminded of the great historian Allan Nevins' definition of Lincoln's understanding of democracy. "Democracy," he wrote, "is a process, an unending struggle, a hard, grueling battle. . . Democracy is not a serene attainment; it is an incessant effort, marked by ignominious falls, heartbreaking defeats, and almost intolerable trials."

As a result of the changes of the past five years, the United States has emerged as the acknowledged world leader. The burden of leadership is a heavy and humbling one, and one that we need not share alone. The valiant role of our Armed Forces in the Gulf War and the cooperation and initiative taken by the United Nations point the way to the future. The outlines of the post-Cold War world are dim and difficult to perceive. Like democracy itself, the New World Order pronounced by President Bush will be a process of incessant effort. But just perhaps we can see a day when the mission of America becomes the mission of a changed world.

Our ideals are lofty, perhaps unattainable given the imperfection of human beings. Our failures have been many and tragic. But I think more and more of the wisdom of Abraham Lincoln, a man who was only too well acquainted with the difference between our ideals and our reality. Like Lincoln, I believe that guided by "the better angels of our nature" we should "do all which may achieve and cherish a just and lasting peace among ourselves and with all nations." Perhaps then history will judge that we, like Lincoln, met the challenge of our days.

One principal way in which we can meet the challenge of the present is to educate ourselves and the world about the history of our system of representative democracy. Commemorative events provide a meaningful opportunity to promote an informed understanding of American democracy, which is one of the charter responsibilities of the United States Capitol Historical Society. This year marks the one-hundredth anniversary of the Pledge of Allegiance to the Flag of the United States of America. Written by Francis Bellamy for the occasion of the World's Columbian Exposition in Chicago in 1892, the Pledge of Allegiance was officially recognized by Congress in 1945. Because the Flag is the preeminent symbol of American democracy, the Society has taken the leadership in seeking legislation to commemorate the Centennial of the Pledge of Allegiance. Two bills (HR2385 and S1087) have been introduced to authorize the minting of commemorative coins. One half of the total surcharges from the sale of these coins would be returned to the Treasury to reduce the national debt, and the other half would be used for educational programs that would help explain and interpret our system of representative democracy not only to our own citizens, but to all peoples of a changed world.

You can help the U.S. Capitol Historical Society meet the challenge and fulfill its educational mission by urging your Representative and Senators to become a cosponsor of the Pledge of Allegiance Commemorative Coin Bill (HR2385, S1087).

[The authors acknowledge the assistance of Executive Secretary Cornelius Heine, Vice President Joanne Hanson, Symposia Director Ronald Hoffman, and Historian and Editor Rebecca Rogers in writing this statement.]•

STEEL INDUSTRY GETS MUCH DESERVED RECOGNITION

• Mr. ROCKEFELLER. Mr. President, on March 31, the New York Times published—on its front page—a long overdue article: "An Industrial Comeback Story: U.S. Is Competing Again in Steel." For those of us who care about the steel industry and follow its fortunes closely, this is not news. We are well aware of the tremendous effort the industry has made over the past decade to restore its competitiveness, despite the handicap of having to deal with outrageous unfair trade practices in steel by most of our trading partners.

Over the years, I think it is fair to say that no industry has filed so many unfair trade cases—dumping and subsidies—as the steel industry, and no industry has won so many. As a result of their efforts, we have all learned a great deal about how dumping and subsidies distort the operation of the market and effectively export other nations' unemployment to the United States. And we have come to respect

the steel industry for its toughness in the face of these practices and its commitment to bringing them to a halt.

As a result of that commitment, and the determination of many of us in the Congress not to let this critical industry slip away, President Reagan and President Bush first instituted and then renewed a Voluntary Restraint Agreement [VRA] Program as a means of disposing of the many unfair trade cases that the industry had won and at the same time imposing some discipline on the market so that the industry would have time to restore its competitiveness.

As the New York Times article makes clear, Mr. President, that strategy worked. The American steel industry is now one of the most competitive in the world. Its primary measure of efficiency—man-hours per ton—is at a record low and better than virtually every other country. Record levels of exports provide visible evidence of our competitiveness.

It is also worth noting that this success has come without cost to consumers. Prices today are 35 percent lower in constant dollars than they were 10 years ago before the VRA's began. The domestic industry has become the low-cost producer and has passed its savings and efficiency on to its customers and ultimately to consumers.

While the article makes clear that the industry continues to have serious problems, the tremendous progress it has made under the VRA Program is worth noting.

At the same time, Mr. President, I want to express my regret at our failure to conclude negotiations on the proposed Multilateral Steel Agreement [MSA]. I am disappointed in that outcome but hardly surprised. In recent days the European Community's positions had come more outrageous, as they insisted on weaker language limiting subsidies and on more waivers for their own subsidy practices. Ultimately, their demands were unacceptable to the administration, the Congress, and the entire domestic industry.

That is unfortunate, as a strong and effective MSA would be our best means of restoring market discipline to the global steel industry. That failure, coupled with the President's unreasonable refusal to consider a further extension of the VRA's, leaves the industry exposed to the dumping and subsidization that has plagued this industry for years. It can exercise its legal rights and file unfair trade complaints, but that process is expensive and time consuming for all parties.

In the President's 1988 letter to Senator Heinz, he promised to continue the VRA's until a satisfactory multilateral agreement were in place to bring discipline to the market. He renewed the VRA's in 1989 and committed himself to reaching such an agreement. I give him credit for the effort, Mr. President, and I regret he has not succeeded. At the same time, I remind him of his 1988 promise not to abandon the domestic industry to unfair trade, and I call on him to redeem it. His promise has not been forgotten in steel-producing areas, and I have no doubt he will be reminded of it as he travels around the country this year.

Mr. President, I ask that the New York Times article be printed at this point in the RECORD.

The article follows:

[From the New York Times, Mar. 31, 1992]

AN INDUSTRIAL COMEBACK STORY: UNITED STATES IS COMPETING AGAIN IN STEEL

(By Jonathan P. Hicks)

The American steel industry, long a symbol of decay in industrial America, has undergone a transformation in the last decade that has drastically sharpened the industry's competitive position.

Now, after the Government has provided a decade of protection from imported steel, the Bush Administration has decided not to extend quotas on imported steel that expire today. The move reflects the industry's improved condition and the Administration's preference for using existing laws to fight what it sees as unfair trade practices.

American steelmakers have so improved their productivity that the industry now often rivals—and in ways outperforms—its competitors in Germany and Japan. Japanese auto makers, like Toyota, Honda and Subaru, are using American steel in their plans in the United States.

Thanks partly to the lower value of the dollar, foreign steel shipments into the United States have fallen in recent years to the point that they are below the limit the Government has set. And the industry's bellwether efficiency measure—the man-hours needed to produce a ton—is at a record level.

Exports, which in the last 20 years have rarely accounted for more than 2 percent of all the steel shipped from American mills, soared last year to 6.3 million tons, or about 8 percent. And customers contend that the quality of American steel is better than ever, comparable with that from foreign steelmakers.

QUALITY AND EFFICIENCY

"The steel made in the United States is equal in quality to steel made anywhere in the world now," said James M. Glazebrook, director of the General Electric Company's trading operation. "And the industry is now being recognized more and more throughout the world, not only for having top quality, but for being among the best in the world in efficiency. You could never have said that 15 years ago."

Trade protectionism gets some credit for the comeback of the big steelmakers, but so does domestic competition from low-cost nonunion mini-mills that pushed the big mills to change their ways. The value of the dollar played a big role, too. When the dollar was strong in the mid-80's, American producers recognized that they had to become more efficient to block inroads by imported steel. When the dollar later weakened, foreign steel prices rose and imports fell.

Over all, the effectiveness of protectionist measures is mixed. Protection has been a boon to some industries, like motorcycle makers, who have been rejuvenated after four years of tariffs on foreign makes, but it has backfired for the automobile industry, where Japanese manufacturers got around the import limits by building plants in the United States and capturing still more market share from Detroit.

The steel import quotas "have been an important help to the industry's recovery," said the Rev. William T. Hogan, a professor of economics at Fordham University and the author of a number of books on the steel industry. "The agreements have given them an opportunity to catch up." He added that the steel industry spent $23 billion in the 1980's to modernize plants and buy efficient equipment. Some of the money came in the form of joint ventures with Japanese and Korean steel companies. "Without the agreements," Father Hogan said, "we would have a high influx of imports, and I doubt they would have been able to invest as much."

The decision by the Administration, which was confirmed yesterday by Gary R. Edson, the general counsel for the Office of the United States Trade Representative, suggests that American trade negotiators and some steel industry executives would prefer to open the market to steel imports but would insist that foreign governments commit themselves to wiping out subsidies for foreign steelmakers.

TRYING TO CURTAIL RELIANCE ON QUOTAS

The Administration is negotiating in Geneva for a multilateral agreement with steel-producing nations, hoping to determine levels of imports through a more flexible policy centered not on import quotas but on restricting government subsidies.

"The foreign producers are not using their quotas, and demand in the United States is down," said John I. Griffin, president of the Maurice Pincoffs Company a Houston-based steel-trading company that buys both domestic and imported steel.

Mr. Griffin, who is also president of the American Association for International Steel, said the voluntary-restraint agreements that produced the steel quotas were "designed to give the American steel industry time to catch up with foreign steel." He added, "But the industry in the United States is certainly catching up, if it has not caught up already."

American steelmakers still have weapons for trade battles. They can file legal cases against foreign producers accusing them of selling steel below cost or of benefiting from government subsidies; several of these legal cases have already been prepared.

EXERCISING THEIR OPTIONS

"We have to do whatever we have to do to protest unfair trade practices," said Frank W. Luerssen, chairman and chief executive of Inland Steel Industries, the nation's fourth-largest steel company. Under the terms of the steel import limits, American steel companies had given up some rights to battle the pricing practices of foreign steel manufacturers.

Despite the emergency of big steel companies as more efficient, trimmer operations, they are still plagued by the effects of continued overcapacity. There is more steel than demand, and that has caused prices—and profits—to remain in the doldrums. In fact, a ton of the sheet steel that goes into cars is priced at about $440 now, compared with $504 in 1980. And while the lower cost of producing steel has meant that steelmakers have profited in good times—the six largest producers earned $1.2 billion in the robust economy of 1989—they have been ravaged by economic downturns and those same companies lost a combined $2.3 billion last year.

A PARTIAL COMEBACK AT A CLASSIC BIG MILL

Nowhere have the industry's changes been more pronounced than in Gary, Ind., where

the USX Corporation operates a sprawling plant along a five-mile strip on the shores of Lake Michigan. For decades, the mill operated by the company—formerly known as United States Steel—epitomized the vastness of big steel. Whatever steel product a customer desired could be manufactured here, from nails to railroad tracks to sheets for automobile hoods.

The Gary Works, or the Big Mill as it was known inside the company, is still the largest steel plant in North America, but it has shrunk considerably. At one time in the 1970's, more than 28,000 people worked here; today there are fewer than 8,000 employees. In earlier decades, the Gary plant housed everything from a hospital, a railroad and a cement plant to a factory that made bridge parts. But now, most of that has been closed or sold, scores of buildings are empty or were demolished and much of the site's 3,400 acres sit idle.

A SHRUNKEN PRODUCT LIST

The mill's production is now confined principally to two types of steel: flat-rolled steel used in automobiles and appliances, and plate steel used in construction and in heavy machinery.

What is made here, however, is produced more efficiently than ever. At the Gary Works, it takes 2.7 man-hours to produce a ton of steel, compared with a USX average of 3.6 and 7.1 manhours 10 years ago. The national average for the steel industry is about five hours a ton. With the opening last fall of a new caster that converts molten steel into slabs, the Gary plant now produces all its steel by the more cost-efficient continuous casting method rather than the conventional method of producing steel from ingots.

The big plant is primarily a maker of sheet used for automobiles and appliances, tin for food and beverage cans and plates for construction and ship-building.

LABOR AND MANAGERS MAKE ADJUSTMENTS

After a bruising labor dispute that shut the plant for six months in late 1986 and early 1987, relations between the union and management have become noticeably less hostile. A steelworker here is no longer confined to one specific duty, like pipefitting. Workers in the highly automated and computerized plant are likely to be assigned to teams to discuss their tasks and determine more efficient ways of working.

"I would say we've seen a complete turnaround from the way things used to be," said Cary B. Kranz, president of Local 1066 of the United Steelworkers union here. Mr. Kranz, whose father worked at United States Steel and was also president of the local, said that union members have a far greater role now in making decisions. "They now involve union people and make us feel that we are part of something," Mr. Kranz said. "They meet with us and they recognize that we have all the knowledge in the world within these gates. It's not happening as fast as we would like, but it is happening."

Analysts and steel industry historians suggest that the changes in Gary mirror the changes in the industry as a whole. The 5.3 man-hours per ton for the steel industry in the United States compares with 5.4 in Japan, and 5.6 in both Germany and Britain, according to statistics by the Bala-Cynwyd, Pa. And the American figures look even better when compared with 6.4 man-hours a ton in South Korea, 7.2 in Taiwan and 8.9 in Brazil.

GLOBAL FACTORS GET MORE EMPHASIS

In part, analysts attribute the changes in the mills to a new generation of steel managers whose views have been shaped by global competition in the steel business and a proliferation of joint ventures between American steel companies and partners from Japan and Korea. In fact, a total of $3 billion of foreign capital mostly from Japan and Korea has been invested in the American steel industry. Many American executives have been exposed to foreign steel companies' methods of operation and labor relations.

"Many American managers, particularly the younger ones, have started to criticize themselves now, rather than blindly defend themselves," said Kiichi Mochizuki, president of the United States arm of the Nisshin Steel Company of Japan. "And that is healthy. It is the first step to improvement. They are developing the courage to say that they have problems and that they need to be attacked."

While the large steel companies have scaled down, their smaller competitors, the mini-mills, have become far more significant challengers, having systematically usurped markets once dominated by big steel. These mini-mills, with names like Nucor, Birmingham Steel and Oregon Steel, typically operate with far lower costs because they melt scrap to produce steel and have largely nonunion work forces with wages about a third lower than those of the unionized steelworkers at the big mills.

BIG PLAYERS LEARN NOTHING IS SACRED

Mini-mill companies, too, are gradually changing the competitive balance of the industry. Once these smaller companies were confined to producing such lower-quality items as reinforcement bars for concrete used in highways and bridges and material for fences, wires and nails. Today, they have a virtual lock on items like beams that support buildings. And some are moving toward the big companies' bread and butter: the flat-rolled steel used in automobiles and appliance parts. As a result, big steel companies consider the mini-mills to be as much a competitive threat as foreign steel is, perhaps even more so.

"Nothing is sacred any more as far as the big integrated steel companies' monopoly," said John Jacobson, an analyst with AUS Consultants in Philadelphia. "Mini-mills had to get into different pastures to continue their growth, and flat-rolled steel is the new area of opportunity."

The importance of steel produced by these smaller steel companies has grown sharply. In 1980, the five largest steel producers accounted for more than 60 percent of all of the domestic industry's shipments. By 1990, that figure had dropped to slightly more than 40 percent. And mini-mills now account for about 21 percent of domestic consumption, slightly more than the 18 percent accounted for by imported steel.

Unlike big steel, mini-mills have weathered the current economic recession robustly. Last year, the six largest steel producers posted operating losses of about $27 for every ton of steel they shipped, nearly $1 billion. But the 10 largest mini-mill companies earned, on average, $10 a ton, or about $100 million.

Some in the industry contend that the big American steel producers will bounce back with vigor once the economy rebounds, noting that despite the improvement in efficiency, steel remains a highly cyclical business. "They will always have ups and downs," Mr. Jacobson said "But, because of the improvements among the big steel companies, their ups will be a little brighter, and they will be able to sustain themselves better during the down periods."•

DESALINATION

• Mr. SIMON. Mr. President, the New York Times recently published an article entitled "More Precious Than Oil, and Maybe as Volatile: Water Crisis Is Feared in the Middle East." As the title indicates, there is a growing awareness of the role water scarcity may play in igniting a conflict in the Middle East.

I believe desalination technology can be an important tool in reducing this potential for conflict. While ample desalination technology is available worldwide, affordable systems are not.

There is no question in my mind that the United States with its wealth of scientific and business talent can once again regain its leadership in this field, while simultaneously providing the means by which tensions can be reduced.

I ask that a copy of the article be included at the end of my remarks.

The article follows:

MORE PRECIOUS THAN OIL, AND MAYBE AS VOLATILE: WATER CRISIS IS FEARED IN THE MIDDLE EAST

(By Alan Cowell)

AMMAN, JORDAN.—As the Persian Gulf war exploded over issues of oil and honor and expansionism, another, more modest event occurred here: the rains came, fickle but abundant, greening pale deserts and offering a reminder that, in many parts of the Middle East, water is far more rare and precious than oil and could, one day, breed conflict of its own.

"We need not only military security, but economic security," Osama al-Baz, a senior adviser to President Hosni Mubarak of Egypt, said in Cairo the other day during a discussion of the postwar era. "And that also means questions of the environment, and the security of water supplies. Because if water becomes scarce, it could become a source of serious conflict throughout the region."

Like the drained audience after some epic drama, many in the Middle East are now blinking into the light, discovering that old realities of war and peace have simply been waiting to slip back onto their shoulders, easy as overcoats left at the cloakroom.

Now, as for many years, warnings abound that competition for water could breed conflict unless a new and unlikely spirit of tolerance comes to a region more familiar with calculations of absolute gain and loss. "Relative to the number of people in Jordan, Israel and the occupied territories," said Elias Salameh, a specialist at Jordan University, "there is not enough water. It's a zero-sum issue. Any gain for Arabs is a loss for Israel, and vice versa."

Even the briefest glimpse at the region's geography and demography shows why the issue is so fissile: populations are growing far more rapidly than aquifers can be replenished; rivers cross borders between states that put self-interest before sharing; rainfall, in many places, is scarce and capricious.

The deserts of the Arabian peninsula, for instance, are so vast and harsh that oil-rich nations like Kuwait and Saudi Arabia now depend on expensive desalting plants on the Persian Gulf. As the gulf war raged, one of the region's principal economic worries was that oil slicks in the gulf would damage Saudi desalting plants, robbing the kingdom of much of its fresh water. That has not hap-

pened, but Iraqi soldiers destroyed or disabled most of Kuwait's desalting capability. Significantly, some of the first ships to dock at Kuwait carried not the emirate's erstwhile imports of Gucci shoes and Louis Vuitton luggage, but water.

Competition for the water is all the sharper because of the technological and cost limitations that sharply restrict the options of the region's non-oil economies. "Desalination plants are only for the rich oil-producers," said one Israeli water expert. "Without oil money to pay for them, they are simply too expensive for the consumer."

DEEP WELLS, DEEP POCKETS

The economic aspects extend elsewhere. "The deeper you drill for water," said Dr. Salameh in Jordan, "the more expensive the process becomes. Ultimately, the water becomes too expensive" even for the drip-feed irrigation pioneered by Israel and imitated by other arid countries in the region, from Cyprus to Jordan.

Iraq itself is one of the most fertile of Arab countries—part of the ancient Mesopotamia, the land between the two rivers of the Tigris and Euphrates. But of its 170,000 square miles, Western experts say, only one-third is cultivable, and only one-third of that is irrigated. In one-third of the irrigated area, moreover, excessive use of fertilizers has salted the land with chemicals.

Farther north, on the Mediterranean coast, shoreline aquifers from Libya to the Gaza Strip are turning brackish because salt water from the sea is drawn in to replace the fresh water pumped out by humans.

And at the core of the Middle East's problems is population growth. Arab populations in Syria and Jordan are growing at rates close to 3 percent a year, while Israel bulges with the huge influx of Soviet immigrants.

Whatever their faith, however, all are reliant on the same complex of limited water supplies from the Jordan, Yarmuk and Litani rivers and aquifers that lie below the watershed between the occupied West Bank and Israel—waters that are not easily shared.

"Water is our life," Israel's right-wing Likud party declared as long ago as 1988, saying that since the occupied West Bank provided 40 percent of Israel's fresh water resources—a figure sometimes disputed—it made no sense to place it in the hands of potential enemies. That hardly seems an omen of peace or territorial concession.

But it is a matter of security. Locations and sizes of aquifers, the amount of water taken and for what purposes, are often treated as state secrets. Even the statistics that are available are often mistrusted.

In the entire region, only Egypt and Turkey have plentiful water. Yet Egypt, according to Western experts, fritters away the Nile through irrigation that uses too much water to produce too few crops. Turkey has alarmed its southern neighbors by damming the Euphrates and limiting its flow.

As the gulf crisis unfolded, rumors spread in Cairo that Iraq had stationed missiles in the Sudan, aimed at the Aswan High Dam—the great barrier in Upper Egypt that controls the Nile flow and thus dictates the whole rhythm of life along its banks. Cairo warned that any interference with the dam would be taken as an act of war.

And although Syria and Turkey were in the same allied camp during the gulf crisis, Damascus maintained support for rebellious Kurdish guerrillas in eastern Turkey. One reason: Turkey controls the headwaters of the Euphrates that flows on through Syria and Iraq—a crucial water source in Turkey. By supporting the Kurds, Damascus was telling Ankara to expect revenge for any restriction of the river's flow.

Yet it is in the region straddling the Jordan valley—the flash-point of the Arab-Israeli dispute—that water shortages are most acute and most laden with the emotive overtones of the conflict. Both Jordan and Israel are tapping underground aquifers for more water than can be replenished, Dr. Salameh said at the university here. Non-renewable water resources—known to specialists as fossil water—are rapidly being depleted.

TOO MANY PEOPLE

"The population is already too big for the water resources," Dr. Salameh said. By 1995, he said the situation will be critical.

Experts in both Israel and Jordan acknowledge that even if water were shared between them, there would not be enough. Jordan accuses Israel of diverting disproportionate amounts of fresh water from the Sea of Galilee into Israel's National Water Carrier—an aqueduct system that feeds Tel Aviv. A result, Jordanians assert, is that the Jordan River south of the lake is saline and unusable for irrigation. Between them, Israel and Jordan use so much of the river's water that the level of the Dead Sea is reportedly dropping. Palestinians in the occupied West Bank, moreover, say they are subject to Israeli limitations on the depth of their wells while Israel freely acknowledges that it draws fresh water from the same aquifers.

Talk has thus turned to grand and often unpredictable ideas. Turkey has offered what it calls a "peace pipeline," a $20 billion project to pump water from its Seyhan and Ceyhan rivers to more arid lands; without much hope, specialists in Israel and Jordan suggest that surplus Nile water be diverted to needier lands. This fall, under the auspices of the World Bank and United Nations Development Project, the President of Turkey and the Global Water Summit Initiative, a nonprofit research group, will sponsor a regional conference in hopes of encouraging cooperation.

Beyond that, the Middle East seems caught in one of its familiar conundrums: logic demands that people cooperate to solve potential crises; but such is the competition, fear and mistrust between them that continued hostility seems more probable.

"I do not think that the water problem in the while area can be solved without a proper peace agreement," said Dr. Salameh. "But that is obviously very difficult."•

THE DEPARTMENT OF ENERGY NUCLEAR WORKERS BILL

• Mr. GORTON. Mr. President, I also would like to express my support for the Department of Energy nuclear workers bill, and thank Senators GLENN and WIRTH for their work in developing this legislation.

In general terms, this bill is designed to protect workers and communities at Department of Energy defense nuclear facilities as many of the sites make the difficult transition from weapons production to site cleanup. These people sacrificed a great deal to maintain the U.S. nuclear deterrent throughout the cold war, and are now facing a very uncertain future. They deserve our support and assistance.

In Washington State, we are fortunate to some extent, as the Hanford community has already survived some of the most difficult portions of the transition from production to cleanup. The relationship between the Department of Energy and Hanford workers has been relatively good for the past several years, and our environmental restoration program is beginning to pick up momentum. There are, however, still problems that need to be addressed.

One of the most worrisome issues at Hanford has been DOE's announcement that it will install on environmental restoration and management contractor, or ERMC, at the Hanford site. This announcement has caused a great deal of anxiety amongst Hanford workers, who understandably are concerned that their wages, benefits, seniority, and working conditions may not be maintained in the transition from the current management and operations contractor to the ERMC. For this and other reasons I have asked the Secretary to delay the Hanford ERMC, and to include strong worker protection provisions when, and if, the Department does install an ERMC at the site. My efforts, however, involve only one site.

The legislation I am cosponsoring today will guarantee continuity of service for workers at all sites that will host an ERMC, and will obviate the need for a great deal of unnecessary wrangling between DOE and current management and operations contractor employees. The bill will also establish much needed health monitoring and health insurance services for certain DOE workers, and provide for better transition planning at all DOE sites.

I am pleased to join Senators WIRTH and GLENN in cosponsoring this legislation, and urge the Senate to act swiftly on the bill.•

INCOME-CONTINGENT STUDENT LOANS

• Mr. SIMON. Mr. President, it is unfortunate that neither the House nor the Senate versions of the Higher Education Act reauthorization would move toward making the Pell Grant Program an entitlement. This means that more and more students are going to rely on loans to finance their higher education—or they won't go at all.

I am not a great fan of loans, but we must ensure that Americans who want to continue their education have that opportunity. And if loans are going to be the type of aid that we provide, then it is especially important that we do everything we can to make the student loan program more fair, and more humane. I have joined with a number of my colleagues over the past several months to establish income-sensitive repayment plans for student loans, so that we aren't demanding payments from borrowers that are way out of line

with their income. This also helps to ensure that debt does not drive students into particular professions just so that they'll be able to pay off their loans.

An article in the Chronicle of Higher Education points out that the time is ripe to move to an income-contingent loan system. I ask that the article be printed in the RECORD.

The article follows:

[From the Chronicle of Higher Education, Mar. 18, 1992]

THE TIME HAS COME TO ESTABLISH INCOME-CONTINGENT STUDENT LOANS

(By Barry Bluestone and Jerome M. Comcowich)

"An invasion of armies can be resisted, but not an idea whose time has come." If Victor Hugo, the author of that statement, is correct, we may be about to witness the creation of a new federal student-loan program based on a model that educators and economists have been talking about for over 40 years.

The economists Milton Friedman, in 1945, and Robert Reischauer, some 20 years later, were among the first to suggest that direct government loans to students, with repayments keyed to the incomes that they earned after graduation, might be a better way for students to finance the costs of their postsecondary education than the current system of bank-financed, fixed-repayment loans.

Although the bill that the Senate passed recently to reauthorize the Higher Education Act does not include such a loan proposal, the Senate Finance Committee has approved a pilot program of direct, income-contingent loans at 500 colleges and trade schools, beginning in academic 1993-94.

In the House of Representatives, leaders of the Education and Labor Committee are considering a plan for direct loans as part of their version of the reauthorization of the Higher Education Act, although graduates' repayments would not be keyed to their income.

Nevertheless, we believe that universal, direct, income-contingent loans have several features that especially recommend them right now. First, such loans would be available to all students, regardless of family income, thus helping students from hard-pressed middle-income families, many of whom are presently excluded from existing federal programs. Second, the loans would be obtained directly from the federal government, bypassing the private banking system and thereby lowering the interest rates paid by student borrowers. Third, by tying loan recipients' repayments to their incomes, repayment would be flexible; it would be adjusted to the borrower's actual income each year.

By spreading repayments over as many as 25 years, by eliminating the interest subsidy paid by the government on guaranteed loans while borrowers are in school, and by virtually eliminating defaults because loan repayments would be made by payroll deductions paid to the Internal Revenue Service, such a program would be self-financing.

Flexible repayments, plus the use of payroll deductions, would save taxpayers as much as $3.5-billion a year in default payments. Eliminating the interest subsidy would save another $2-billion to $3-billion annually. At the same time, students would have a built-in "insurance" system so that whenever their incomes were temporarily low, their repayments would continue to fit their earnings.

The need for a new financing mechanism for postsecondary education is obvious. At the very time that schooling beyond high school is becoming more critical for individuals as well as for national economic growth, college costs have accelerated faster than the rate of inflation. The tax dollars available for loans and grants have by no means kept pace with the need. This is true for low-income families, but equally true for the middle class.

Anyone with college-age children can attest to the burden of college costs. The College Board reports that by 1991-1992, the cost to an in-state student of four years of college at a four-year public institution averaged over $25,000, including tuition and fees, room and board, and miscellaneous school expenses. The same education at a private four-year institution was over $50,000. At the elite schools, total expenses ran closer to $90,000. Yet, the amount of student aid available from the federal government under existing grant and loan programs has not kept up with these costs.

The largest of the federal loan programs, the guaranteed or Stafford Loan Program, provides a maximum of $2,625 per academic year for the first two years of undergraduate study and $4,000 for each subsequent year, up to a five-year maximum of $17,250. Hence, a student who takes out the maximum amount of Stafford loans over four years still must come up with an additional $11,750, on average, to attend a public university and at least $36,750 to go to a private institution.

The growing gap between college costs and available funds means students are in trouble. According to Kenneth C. Green of the Center for Scholarly Technology at the University of Southern California, the "sticker shock" of tuition and fees is forcing students to "buy down." Students who would have gone to private institutions in the past now are selecting public ones. Those who would have gone full time are forced to go part time. Some who would have selected four-year colleges are going instead to two-year schools, and more students from poor homes are going to vocational schools rather than to college—if they go anywhere at all. In a recent USA Today survey of high-school graduates, a third of the respondents indicated that they had delayed or indefinitely put off college because of the expense.

The only reason that college enrollments have not fallen precipitously in light of the growing gap between costs and aid is that colleges and universities are themselves assuming a greater share of the burden, providing more grants and scholarships out of their own revenue. A survey by the Higher Education Research Institute at the University of California at Los Angeles, "The American Freshman: National Norms for Fall 1990," noted that between 1979 and 1989, the proportion of freshmen receiving college-financed grants and scholarships increased from 11.3 to 20.3 per cent. Colleges are using part of the higher tuition that they are charging to subsidize low- and middle-income students, in order to help maintain cultural and social-class diversity in the classroom.

If direct, income-contingent loans would make it easier for students to finance their educations and save taxpayers money too, who could possibly oppose such a program?

Two distinctly different groups have lined up against such loans for two distinctly different reasons. Profit-oriented banks and service-oriented student-financial-aid administrators both have expressed opposition to direct, income-contingent loans.

Commercial banks generate more than $1-billion in profits each year from their student-loan portfolios. That profit is virtually assured because the banks are protected against defaults by government guarantees. Thus banks object to direct government loans because such loans would force them to give up a lucrative, risk-free market. Furthermore, those who are part of the vast bureaucracy that services the current array of loans—the specialized private and quasi-public student-aid-financing agencies in each state—also are resisting direct loans; they fear that if these loans are successful, their services will no longer be needed.

Some campus-based student-aid-administrators, on the other hand, oppose the loan proposal for a very different, though equally basic, reason. Based on their previous experiences with the government, they fear that the federal bureaucracy is incapable of running a large-scale loan program independent of the commercial banks. They suspect there will be too much red tape and that their jobs will become more onerous.

In responding to this concern, proponents of direct loans generally acknowledge that it would be absolute folly to initiate a new loan program without broadly involving financial-aid administrators when the program's rules and regulations are written. Also, as with other government innovations, Congress would be well advised to begin with a demonstration program, such as the plan the Senate Finance Committee approved, to make certain that any administrative problems are addressed and resolved before the program is expanded nationwide.

The implicit coalition between the banks and college financial-aid officers against direct, income-contingent loans does not bode well for helping students and their families cope with the increasingly higher costs of college. Getting the banks to support such a program will not happen, because of narrow self-interest. On the other hand, getting the support of financial-aid officers is absolutely essential to the passage of such a program. This can be done by involving them in developing the program's regulations and operating mechanisms.

Any program that is so good in theory for students, their families, colleges and universities, and American taxpayers should not be allowed to founder on bureaucratic grounds. That is why the practical administrative concerns of the college financial-aid community must be addressed at the very outset of any pilot program.

Direct, income-contingent loans provide the opportunity and structural framework for a renewed national commitment to financing college education in this country. We hope this idea's time finally has come.

(Barry Bluestone is professor of political economy at the University of Massachusetts at Boston and a senior associate at the John W. McCormack Institute of Public Affairs. Jerome M. Comcowich is associate specialist in the office of student services at the University of Hawaii at Manoa.)•

TRIBUTE TO CONNIE GUERRERO

• Mr. JOHNSTON. Mr. President, today I bring to the attention of my colleagues a very special teacher from Guam, Ms. Connie Guerrero. A teacher program specialist for the Guam Department of Education and former teacher at Simon Sanchez High School, Connie Guerrero is a recipient of the Close Up Foundation-Linda Myers

Chozen Award for Teaching Excellence in Civic Education. Ms. Guerrero is one of only four honorees to receive the first annual award from the Close Up Foundation for her outstanding contributions and leadership in civic education activities. She will be honored at a ceremony at the National Press Club on Monday, April 6, 1992.

The Linda Myers Chozen Award honors classroom teachers who have demonstrated outstanding leadership, innovation, and a commitment to fostering an understanding of the rights and responsibilities of citizens in a democratic society.

While Close Up's Pacific Island Program was in its beginning stages of development, Ms. Guerrero spearheaded an effort to ensure that students from Guam would be able to participate in a civic education program. Since that first trip to Washington, DC, in 1985, she has been a tireless organizer of islandwide activities that would help prepare teachers and students who were making the very long journey from Guam to Washington, DC, to learn how American democracy functions and to develop the interest, knowledge, and skills needed to participate effectively in the democratic process of government.

Ms. Guerrero's activities have not been limited to Close Up's Washington, DC, High School Program. She has sought ways to bring the Close Up learning experience to those in Guam who could not make the trip to Washington to see their government in action. Through her extraordinary efforts, Guam now has a Citizen Bee Program. The Citizen Bee is a national civic education program and academic competition that helps students in grades 9 through 12 improve their understanding of U.S. history, government, economics, geography, and current events.

Ms. Guerrero originated the idea and contributed lesson plans to the Close Up publication, Teaching for Active Citizenship: A Manual for Pacific Educators. She has also served as a representative of Guam's Department of Education at various Close Up activities focused on the Pacific islands and Freely Associated States.

Ms. Guerrero's efforts on behalf of civic education have extended beyond the classroom to include other age groups. She has reached out to develop intergenerational involvement in many of the local activities she has instituted in Guam. For example, her classroom community service requirement was so successful that several other teachers from various disciplines have instituted a community service requirement for their programs. Her community service program was applauded by everyone involved—the island's elders, the students, and their parents.

It is easy to see, Mr. President, that Connie Guerrero is an outstanding asset to all of the people of Guam. She is also a role model for teachers across the country and a very deserving recipient of the Close Up Foundation-Linda Myers Chozen Award.

ASSATEAGUE ISLAND NATIONAL SEASHORE

• Mr. SARBANES. Mr. President, I rise today to urge final approval of S. 1254, to expand the boundaries of Assateague Island National Seashore. The purpose of this legislation, which I developed and sponsored with Senator MIKULSKI and which has broad support in our congressional delegation, is to preserve and protect the national seashore for the benefit of future generations.

S. 1254 authorizes the National Park Service to acquire a 96-acre parcel of a 320-acre private estate immediately adjacent to the national seashore headquarters and planned Barrier Island Visitors' Center. The owner of the property, Mrs. Elizabeth Woodcock, is recently deceased, and her heirs are interested in selling the estate. I am deeply concerned that the sale and development of this property would threaten the integrity of the national seashore. First, it would result in a serious visual intrusion for the seashore and the planned Barrier Island Visitor Center. Second, I am concerned that development along the water would seriously threaten the area's water quality, habitat, wildlife. The ecosystem of Assateague Island and its coastal bays is extremely fragile and increased development would negatively impact on the park and its resources.

My bill was first approved by the Senate in October 1991 and sent to the House for consideration. Earlier this year, the measure was considered by the House Committee on Interior and Insular Affairs which made three changes to the bill—a technical correction; a provision allowing the National Park Service to accept, by donation, a conservation easement over the remainder of the Woodcock property; and a provision to improve the seashore's cooperative research program. I want to commend the distinguished chairman of the House Interior Subcommittee on National Parks and Public Lands, Mr. VENTO, for his constructive additions to the legislation. The bill was approved by the full House on March 24 and returned to the Senate for final disposition.

Mr. President, this legislation will provide additional protection for Assateague and help insure the integrity of the national seashore. It is supported by the National Park Service, the State of Maryland, the county commissioners of Worcester County, the Committee to Preserve Assateague Island and the Worcester County Citizens Coalition. I urge my colleagues to join me in supporting final passage of the legislation.•

FORT HUACHUCA: VALUE TO NATIONAL DEFENSE AND ARIZONA

• Mr. DECONCINI. Mr. President, this month marks the 115th anniversary of the founding of Fort Huachuca in Sierra Vista, AZ. For 35 years longer than Arizona has been a State in the Union, Fort Huachuca has played a vital role in the defense of our Nation.

Initially constructed as a post for the Buffalo Soldiers and Indian fighters in the days of the pioneers, the fort has a stirring place in the history of the Old West. It is Arizona's only surviving active Army post of those originally established during the 1870's. Fort Huachuca, the Indian name for "place of thunder," was the sight of Geronimo's surrender in August 1886. The Buffalo Soldiers assigned to Fort Huachuca joined Gen. John J. Pershing's 1916 expedition into Mexico.

Today, Fort Huachuca plays a major role as both employer and consumer in my home State of Arizona. It had an impact on 42 percent of Cochise County's jobs in fiscal year 1990 and expended over $473 million in the county that year. Nearly half the population of Sierra Vista consists of military retirees and their families.

Fort Huachuca also has had a significant impact on national defense. Army National Guard, Army Reserve, Marine Corps Reserve, and military schools and training areas contribute to the Reserve component force. Fort Huachuca is home to more than 40 commands, agencies, and activities representing the Army, Air Force, Marine Corps, and the Army and Air National Guard plus several other Federal agencies. With the issue of consolidation of the Information Systems Command, as well as the Intelligence School, at the fort now settled, the Army's commitment to making Fort Huachuca one of the premier intelligence and testing centers in the Nation seems clear. In fiscal year 1993 alone, the Army proposes spending over $51.5 million in military construction and base realignment projects—including much needed final repairs of the Libby Army Airfield.

Fort Huachuca consists of the Intelligence Center and School, the Electronic Proving Ground, the Information Systems Command, the Joint Interoperability Test Center, the Army Research Institute, and the Test and Experimentation Command Intelligence and Security Board. With the majority of the Nation's unmanned aerial vehicle testing—a major focus of the Defense Department for the battlefield of the future—now occurring in Sierra Vista, the future of Fort Huachuca is indeed bright.•

FEDERAL ARTS FUNDING

• Mr. GRAHAM. Mr. President, I received a letter last week from the Cultural Affairs Council of Dade County,

expressing their strong support for the National Endowment for the Arts.

Just as the Arts Endowment has played an essential role in supporting many of the Nation's finest arts endeavors, the Cultural Affairs Council is a critical element of the south Florida arts community.

The Miami area harbors some of the best artistic talent in the country, which is exhibited through the opera, the dramatic stage, the symphony, and a myriad variety of other venues. The many people who take advantage of all that creative energy can thank the Cultural Affairs Council, as well as the NEA, for their instrumental work to promote the arts.

At the request of the Cultural Affairs Council, I am pleased to ask that their letter of March 27 and the enclosed Miami Herald editorial be printed in the RECORD following my remarks.

The material follows:

CULTURAL AFFAIRS COUNCIL,
Miami, FL, March 27, 1992.

Hon. BOB GRAHAM
Miami, FL.

DEAR SENATOR GRAHAM: Enclosed please find an editorial which appeared in the Miami Herald on Thursday, March 26, 1992. The editorial superlatively expresses the urgent need to impress upon the White House the vital role the National Endowments for the Arts (NEA) plays in the preservation and the development of our nation's culture.

During the next few months, the National Endowment for the Arts 1993 appropriations hearings will be held. On behalf of the hundreds of cultural organizations which the Metro-Dade Cultural Affairs Council represents, and all the thousands of artists—not to mention the hundreds of thousands of audience members who support South Florida's vibrant cultural community so vigorously—we look to you to provide the visionary leadership which will be required to sustain the great work and leadership of the NEA.

The voices of those who fully understand the extraordinary value of the NEA must be heard. Please help us enlighten the members of Congress. We ask that you submit the attached Herald editorial to the Congressional Record on behalf of the Cultural Affairs Council. Thank you for your support.

Sincerely,

PAULINE WINICK,
Chairman.
MICHAEL SPRING,
Executive Director.

[From the Miami Herald, Mar. 26, 1992]

BUSH, THE UNARTFUL DODGER

Credit Patrick J. Buchanan with one primary victory. He intimidated the White House into forcing John E. Frohnmayer's resignation as chairman of the National Endowment for the Arts. Mr. Buchanan focused his attacks on a handful of NEA grants to artists whose works many Americans consider morally offensive.

In his swing through the South, Mr. Buchanan used the grants to portray President Bush as a supporter of pornography. Rather than respond forcefully to Mr. Buchanan's scurrilous charges, an affrighted White House looked for a sacrificial goat. Mr. Frohnmayer was it.

By many accounts, the NEA chairman had done a credible job at a minuscule agency that arouses the worst instincts of some great Washington demagogues. Mr. Frohnmayer responded eloquently to his detractors this week, likening some of them to Nazi Germany's officials.

When he was hired two years ago, some in the arts establishment at first regarded Mr. Frohnmayer as an instrument of the NEA's enemies. If they couldn't kill the agency, they would use the new chairman to ensure that only "acceptable" work got grants. Initially Mr. Frohnmayer was cautious about making controversial decisions. But pretty soon he allowed the NEA's peer review process to weigh heavily, as it should, in the great process. He took flak from both sides.

Undeniably, under Mr. Frohnmayer and previous chairmen, the NEA has supported work that many people would view as superior—and work that was tasteless, or shocking, or downright mediocre.

Still, the NEA was not established to provide support to universally acclaimed artists; they do quite well without it. Rather, the NEA was set up to foster experimentation, and to support small arts groups that would not have a shot at commercial sponsorship or local funding. From these experiments will come works that are fresh, that endure—and some that offend or find no audience, so they fall.

It can't be otherwise if the NEA is to nurture the freedom that undergirds all artistic progress. That freedom mustn't fall hostage to White House cowardice or Pat Buchanan's philistinism.•

NOMINATION OF DANIEL GOLDIN TO BE NASA ADMINISTRATOR

• Mr. GORE. Mr. President, yesterday, the Senate voted to confirm Daniel S. Goldin to be Administrator of the National Aeronautics and Space Administration. I am pleased that Mr. Goldin's nomination was expeditiously considered and approved by the Senate to ensure continued leadership of our space program, as today is Admiral Truly's last day as NASA Administrator.

Let me say at the outset that I was very impressed with Mr. Goldin at our confirmation hearing last week. He asserted that he intends to be in charge of NASA, not merely its caretaker. I believe him.

He also provided very specific, direct answers to questions by members of the Commerce Committee on issues ranging from the future direction of the space program to the importance of individual and technical programs. With a career that encompasses some 30 years of working with a number of advanced space systems, he comes to this job with extensive managerial and technical skills.

Mr. President, he will need them. For Dan Goldin is not walking into an easy assignment. NASA needs strong guidance. It needs leadership to establish clear goals for its future and it needs effective management to achieve those goals. As Administrator, Dan Goldin is now charged with ensuring continued accountability in the civil space program. And, perhaps most importantly, NASA must remain a source of inspiration to the Nation.

At this very moment, American astronauts are in the Space Shuttle *Atlantis* performing one of the first Mission to Planet Earth flights, gathering valuable data about the global environment. This important mission symbolizes the way in which our work in space can improve our life on Earth and, in fact, the Earth itself. There is great opportunity for NASA, under Dan Goldin's leadership, to contribute to a better life for all as we move into the next century.

Mr. President, I wish Mr. Goldin the best of luck in this new position. I look forward to working with him as NASA and the Congress work to chart the future of our civil space program.•

CIVILIAN CONSERVATION CORPS

• Mr. SASSER. Mr. President, I rise today to pay tribute to the Civilian Conservation Corps on the 59th anniversary of its founding. The participants in this New Deal program made an unparalleled contribution to our Nation and left a legacy of parks, forests, and recreational areas many of which still exist today.

The CCC, which was founded in April 1933, coupled the need to put unemployed young men to work and the need to conserve the Nation's natural resources. During the program's 9-year life, the Federal Government employed over 3 million men on an extensive variety of conservation projects across the United States. At the program's peak in 1937, there were over 502,000 corpsmen working in 2,500 camps in all 48 States, Hawaii, Alaska, and Puerto Rico.

Corpsmen enlisted for 6-month periods, lived in camps or companies of 200 men, and were paid $30 per month—$25 of which was sent directly home to their families. The average participant was 19 years old, had only an eighth grade education, and was so underfed that he gained 11 pounds during his first 3 months in the program. If the program's sole purpose was to help young men support their families, the CCC would have accomplished a great deal and would have been a tremendous success.

But, Mr. President, the CCC had another goal—that of conservation and restoration of America's natural resources. Between 1933 and 1942, enrollees hand-planted over 2 billion trees, built nearly 3,500 fire lookout towers and spent roughly 6 million man-days extinguishing fires. In addition to these remarkable feats in forestry, corpsmen also completed projects in erosion control, pond dam construction, soil conservation, and disaster relief assistance.

The legacy of this work lives on in the dam and archbridge of native stone in the Cumberland Mountain State Park in my home State of Tennessee—the largest all-masonry structure built by the CCC. It also can be seen in the Red Rocks Park Amphitheater in Colo-

rado, the water tower at Mother Neff State and national parks across the country. No CCC works, however, have probably gotten as much public use as those in the Great Smoky Mountains National Park.

I am proud of the many accomplishments the CCC made during its 9-year existence, and it is no accident that this public works program was perhaps the most widely accepted and popular of the New Deal programs, even among those who generally opposed the Roosevelt administration. The hard work, dedication, and many successes of the CCC participants provide us a shining example of the American spirit, and they showed us that we as a united Nation can work together, face any peril, and succeed.

Mr. President, I know I join all my Senate colleagues in expressing our sincere gratitude and thanks to the alumni of the CCC on the 59th anniversary of their commitment and efforts on behalf of our country. It is my hope that their legacy and spirit will be passed on to our young people for generations to come.●

ORDERS FOR TOMORROW

Mr. FORD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:45 a.m., Thursday, April 2; that following the prayer, the Journal of the proceedings be deemed approved to date, and the time for the two leaders be reserved for their use later in the day; that there then be a period for morning business not to extend beyond 1:30 p.m. with Senators permitted to speak therein for up to 5 minutes each, with the following Senators recognized for the time limits specified: Senators DASCHLE and WOFFORD, up to 45 minutes total, Senator GRASSLEY for up to 1 hour, Senator BUMPERS for up to 15 minutes, and Senators CONRAD, REID, GORTON, and LEVIN for up to 10 minutes each.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

RECESS UNTIL TOMORROW AT 9:45 A.M.

Mr. FORD. Mr. President, as per the previous order, I now ask unanimous consent that the Senate stand in recess until 9:45 a.m. tomorrow.

There being no objection, the Senate, at 9 p.m., recessed until Thursday, April 2, 1992, at 9:45 a.m.

NOMINATIONS

Executive nominations received by the Senate April 1, 1992:

EXECUTIVE OFFICE OF THE PRESIDENT

WADE F. HORN, OF MARYLAND, TO BE DEPUTY DIRECTOR FOR DEMAND REDUCTION, OFFICE OF NATIONAL DRUG CONTROL POLICY, VICE HERBERT D. KLEBER, RESIGNED.

THE JUDICIARY

CHARLES A. BANKS, OF ARKANSAS, TO BE U.S. DISTRICT JUDGE FOR THE EASTERN DISTRICT OF ARKANSAS VICE G. THOMAS EISELE, RETIRED.

ALFRED V. COVELLO, OF CONNECTICUT, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF CONNECTICUT VICE A NEW POSITION CREATED BY PUBLIC LAW 101-650, APPROVED DECEMBER 1, 1990.

CAROL E. JACKSON, OF MISSOURI, TO BE U.S. DISTRICT JUDGE FOR THE EASTERN DISTRICT OF MISSOURI VICE WILLIAM L. HUNGATE, RETIRED.

IRENE M. KEELEY, OF WEST VIRGINIA, TO BE U.S. DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF WEST VIRGINIA VICE A NEW POSITION CREATED BY PUBLIC LAW 101-650, APPROVED DECEMBER 1, 1990.

JEROME B. SIMANDLE, OF NEW JERSEY, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF NEW JERSEY VICE A NEW POSITION CREATED BY PUBLIC LAW 101-650, APPROVED DECEMBER 1, 1990.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT 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

GEN. HANSFORD T. JOHNSON, [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. ROBERT D. BECKEL, [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. CHARLES A. MAY, JR. [redacted], UNITED STATES AIR FORCE.

IN THE 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 lieutenant general

LT. GEN. JOHN T. MYERS [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 lieutenant general

LT. GEN. MICHAEL F. SPIGELMIRE [redacted] U.S. ARMY.

IN THE COAST GUARD

THE FOLLOWING REGULAR OFFICER OF THE U.S. COAST GUARD TO BE A MEMBER OF THE PERMANENT COMMISSIONED TEACHING STAFF OF THE COAST GUARD ACADEMY AS AN INSTRUCTOR IN THE GRADE OF LIEUTENANT COMMANDER:

RICHARD B. GAINES

THE FOLLOWING REGULAR OFFICERS IN THE U.S. COAST GUARD TO BE MEMBERS OF THE PERMANENT COMMISSIONED TEACHING STAFF OF THE COAST GUARD ACADEMY AS INSTRUCTORS IN THE GRADE OF LIEUTENANT:

MICHAEL A. ALFULTIS
LUCRETIA A. FLAMMANG
GEORGE REZENDES
JONATHAN C. RUSSELL

THE FOLLOWING REGULAR AND RESERVE OFFICERS OF THE U.S. COAST GUARD ARE NOMINATED TO BE PERMANENT COMMISSIONED OFFICERS IN THE GRADES INDICATED:

To be lieutenant commander

GARY E. HIATT
JON S. KELLAMS
CHARLES D. DAVIS
CHAD T. JASPER
DENNIS A. HOFFMAN
ERICH R. STARN
JASON LYUKE
NONA M. SMITH
ROBERT D. HENTZ
JOHN F. MALONEY
JAY A. ALLEN
LAURENCE B. WILLIAMS
JOHN E. BORIS
MELISSA A. BULKLEY
JAMES E. MALENE
WILLIAM R. KELLY
JOSE A. NIEVES
DONNA L. PERRY
RONALD H. NELSON
TIMOTHY A. FRAZIER
RAYMOND D. HUNT
KIMBERLY A. HOON
THOMAS G. FAVREAU
PETER D. CONLEY
PETE V. ORTIZ, JR.
JOSEPH B. KOLB
MARY J. SOHLBERG
DAVID C. HOARD
WILLIAM P. GREEN
DALE A. BOUFFIOU
CRAIG T. HOSKINS
CHARLES JENNINGS
JAMES H. WHITEHEAD, III
ROBERT G. GARROTT
KENNETH V. FORDHAM
SCOTT A. BUTTRICK
JERE B. HARPER
KELLY L. KACHELE
ALVIN D. YATES
JAN R. PROEHL
MICHAEL L. WILLIAMS
JOHN M. DANAHER
CHRISTOPHER B. ADAIR
DAVID W. SPRUNT, JR.
JOSEPH M. GALE
BARRY J. WEST
MATTHEW A. DUBEN
ELVIS F. THOMAS
GLENA T. SANCHEZ
ROBERT J. HENNESSY
DEAN L. FIRING
KEITH M. SMITH
STEPHEN E. LALONDE
WILLIAM L. STINEHOUR
DAVID J. GALLISATH
DONALD F. POTTER, JR.
DOUGLAS M. GORDON
RICHARD N. EAST
ROBERT D. KIRK
SAMMY D. BROOK
WILLIAM M. DRELLING
JIM L. MUNRO, JR.
DREW J. TROUSDELL
DARCY D. GUYANT
RICHARD K. WOOLFORD
SCOTT B. VARGO
TIMOTHY A. ORNER
LARRY D. BOWLING
MARK D. WALLACE
JOHN E. HURST
ROBERT P. YEREX
BRETT A. CONTENT
FRANK G. DELEON
KEITH D. BOUNDS
MICHAEL J. NEWELL
ERIC J. BERNHOLZ
THOMAS M. BAGOT
KEITH T. BRADLEY
PAUL A. TITCOMBE
DAWAYNE R. PENBERTHY
MATTHEW C. STANLEY
KEVIN D. CAMP
GARY L. BRUCE
KEVIN M. BALDERSON
PERRY S. HUEY
KEVIN P. FROST
ROD D. LUBASKY
PHILLIP ISON
SCOTT W. BORNEMANN
JOHN E. LUDLUM
ROBERT C. WILSON
CHARLES O. ELLIS
BRIAN P. HALL
DAVID S. RANNEY
RONALD J. HAAS
PETER A. STEIN
MARK A. STAFFORD
JAMES P. MCLEOD, JR.
CYNTHIA L. STOWE
JAMES W. CROWE
RICKY HAWKINS
JANET R. FLOREY

To be lieutenant (junior grade)

DAVID C. HARTT
ERIC V. WALTERS
JEFFREY A. REEVES
THOMAS E. CAFFERTY
KATHRYN A. STEARNS
JOHN E. SOUZA
JOSEPH P. KELLY
JEFFERSON R. QUINN
DOUGLAS E. WEST
ROGER R. LAFERRIERE
RONALD L. HENSEL
COREY J. JONES
JOHN J. DOLAN
LEONARD C. GREIG, III
RICHARD T. GATLIN
STEVEN W. POORE
ROBERT S. YOUNG
MICHAEL J. BOSLEY
SAMUEL SHORT, JR.
TIMOTHY J. HEITSCH
ANTHONY J. VARAMO
DAVID A. WALKER
STEWART M. DIETRICK
ROBERT J. GONZALEZ
ARTHUR R. THOMAS, JR.
MICHAEL R. PATTERSON

BARRY O. ARNOLD
ARTHUR K. KAISER
ALAN W. CARVER
DAVID L. HARTLEY
GARY E. BRACKEN
THOMAS TARDIBUONO
TIMOTHY K. GRIMES
MICHAEL A. MEGAN