SENATE—*Wednesday, July 1, 1992*

(Legislative day of Tuesday, June 16, 1992)

The Senate met at 8:55 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

The PRESIDENT pro tempore. Today's prayer will be offered by guest chaplain Rabbi Shmuel M. Butman, director, Lubavitch Youth Organization, Brooklyn, NY.

Rabbi Butman.

PRAYER

The guest chaplain, Rabbi Shmuel M. Butman, director, Lubavitch Youth Organization, Brooklyn, NY, offered the following prayer:

Let us pray:

We thank you, dear God, for Your kindness and benevolence in granting us, through the Constitution of the United States of America, this unique land of freedom, in which we can live as one nation under Your guidance.

The reverend leader of world Jewry, Rabbi Menachem M. Schneerson, the Lubavitcher, Rebbe, shlita, always speaks of the United States of America as a "government of mercy," which endeavors to grant all of its citizens a life of freedom and democracy.

When I prayed before this body last year, I thanked You, dear God, in the spirit of the teachings of the Rebbe, for these blessings and asked for Your continuous benevolence toward this great country, and, in particular, toward the Senate of the United States.

Now, Almighty God, the Lubavitcher Rebbe needs Your blessings for a speedy and complete recovery. The Rebbe's followers have now instituted a mitzvahthon, a campaign to encourage people, of all ages and of all faiths, to do an extra good deed every day to hasten the Rebbe's recovery.

May You consider, dear God, my prayer today in this spirit.

The Rebbe has called this year—5752 in the Jewish calendar—"The Year of Miracles In Everything."

We have, indeed, seen these miracles as democracy begins to flourish in Eastern Europe and as the values so cherished in this Hall are embraced by a growing number of people throughout the world.

The Rebbe says that the reason we have seen so many miracles, and are constantly witnessing miracles in our everyday lives, is due to the fact that You, Almighty God, are preparing the world for the miracle of miracles, the final redemption.

We ask You, dear God, to give us the strength to precipitate that process and the inspiration to do an additional good deed each day. In this spirit, dear God, I would like to take this opportunity to put a dollar bill, on which the words "In God We Trust" are imprinted, into this pushke—into this charity box.

This charity box reminds us all that we have an obligation not only to ourselves and to our families, but also, indeed, to our neighbors and to society in general.

Help us, dear God, to convey this message of charity and of the final redemption to all of the people of the United States, and to all peoples throughout the world.

Almighty God, in Your infinite wisdom, You have established the Members of the Senate, of this Senate, as the custodians of honesty and decency, justice and peace for all people of the United States, and—through the United States as the moral superpower—for all the people of this planet.

We pray, dear God, that You continue to bestow Your benevolence upon all of the Members of this body. May they merit, dear God, to have a "year of miracles in everything" in their communal, national, and international endeavors, as well as in their own private lives.

Let us say, amen.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. KOHL). Under the previous order, the leadership time is reserved.

FEDERAL HOUSING ENTERPRISES REGULATORY REFORM ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 2733, which the clerk will report.

The legislation clerk read as follows:

A bill (S. 2733) to improve the regulation of government sponsored enterprises.

The Senate resumed consideration of the bill.

Pending:

Seymour (for Nickles) Amendment No. 2447, to propose an amendment to the Constitution of the United States to require that the budget of the United States be in balance unless three-fifths of the whole of each House of Congress shall provide by law for a specific excess of outlays over receipts and to require that any bill to increase revenues must be approved by a majority of the whole number of each House.

CLOTURE MOTION

The PRESIDING OFFICER. The clerk will report the second motion to invoke cloture.

The 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 do hereby move to bring to a close debate on amendment No. 2447, the Seymour-Nickles amendment:

Bob Dole, Strom Thurmond, John Seymour, Phil Gramm, Steve Symms, Don Nickles, John H. Chafee, Pete V. Domenici, Malcolm Wallop, Frank H. Murkowski, John McCain, Trent Lott, Larry E. Craig, Dan Coats, Al Simpson, Orrin G. Hatch, Mitch McConnell, Ted Stevens.

The PRESIDING OFFICER. The time from now until 10 a.m. is equally divided and controlled by the Senator from West Virginia [Mr. BYRD] and the Senator from California [Mr. SEYMOUR].

Mr. SEYMOUR addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. SEYMOUR. Mr. President, I yield myself 5 minutes.

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

Mr. SEYMOUR. Mr. President, we have continued this debate on the need for a constitutional amendment to balance the budget because it has been a healthy discourse. I would like this morning, Mr. President, to take a little longer view and determine what this debate is really all about. We will take a longer look to try to get some insight as to why this amendment is so important, or is it just a political charade, as some would say.

I want to take a longer view, Mr. President, because I have always believed that our responsibility here in the U.S. Senate, or in any office that you are elected to, is to not think so much of yourself and your generation, but to think of your decisions in terms of their impact and import to generations to come.

If in fact we continue this addicted binge of deficit spending and an ever-spiraling national debt, which some have statistically calculated at $720,000 per minute, it is no wonder that the national debt will have doubled in the short lifetime of our young son Barrett, who turns 10 soon.

So let us view the long-term effect of inaction. I am going to refer to the U.S. General Accounting Office report on budget policy entitled "Prompt Action Necessary To Avert Long-Term Damage to the Economy."

There is nothing political about the economy, Mr. President. We end up paying the price for these deficits in

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

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the form of slow economic growth. This report says that if current spending and revenue patterns continue, the deficit could reach 20.6 percent of our gross national product by the year 2020, over 20 percent, one-fifth—$1 out of every $5.

If, on the other hand, Mr. President, we were to balance the budget by 2001, per capita income grows 36 percent by that same year, 2020, compared to taking no action today. And if we were so bold as to create a small surplus of just 2 percent in the year 2005, real per capita income would grow 40 percent by the year 2020.

If we take a look at our recession and wonder why it is dragging on, and on, and it is so slow to recover, part of the problem is that there is not enough capital to go around. We all bemoan the credit crunch, and the inability of established businesses to get loans to expand and create more jobs, or the inability of entrepreneurs to obtain the necessary capital to float their ideas, take risks, and create jobs and new enterprises in this country.

Well, when you look at the pot from which capital comes, Mr. President—let us call it the net national savings pot—what happens to that savings. It is used by the private sector—individuals and businesses to invest in homes, business expansion, in short—our future. Well, Mr. President, it is rather shocking, but in the year of 1990, the Federal deficit, the interest on the Federal deficit took 58 percent of all the dollars in that pot; 58 percent of our net national savings went to service the national debt, interest alone. And we already know that next year, interest on the national debt will represent the single largest expenditure in our entire budget. How can we have a growing economy whose lifeline is capital; how can we have a growing economy that needs capital, when, in fact, 58 cents out of every dollar saved is going to pay the interest on the national debt? The answer is simple: It is obvious we cannot sustain long-term economic growth.

So it is very important, Mr. President, that we address this last cloture vote in a positive way, and see if we can find three more Senators than we had last evening who will vote "aye" on the constitutional amendment to balance the budget.

Mr. President, I yield the floor.

Mr. BYRD. Mr. President, I yield myself such time as I may require.

Mr. President, what are the arguments that the supporters of the constitutional amendment on a balanced budget are making?

One, they say that, "It will enforce discipline." Mr. President, no amendment in the Constitution will give Members of the Congress and the President courage. We may as well have a constitutional amendment mandating that the President and elected officials on Capitol Hill "shall have spine by the year 1998." Courage comes from within. It cannot be legislated or constitutionally mandated from without.

Are we mice or are we men? We know what the problem is, and there is plenty of blame to go around as to what caused it and who caused it. Why hide behind a constitutional amendment, saying we have to have a constitutional amendment on a balanced budget to give us spine, to make us men, so that we will no longer be mice.

That is pure poppycock. If we do not have the courage to stand up for what is right, if we do not have the courage to stand up for what is best for our people and for our country, no constitutional amendment will ever give us that courage, that spine, that discipline.

The next argument is that "The people want it; 77 percent of the people want it." Mr. President, 77 percent of the people want fiscal responsibility. They want to do something about the fiscal problems facing our country. Seventy-seven percent of the people have not had the opportunity to study this constitutional amendment, to read it, to hear it debated, to read the Federalist papers, to read the Constitution, to read the history of England. They depend upon us to do the right thing. And yet 77 percent of the Members of this Senate, I would daresay, have not read the Constitution in a long time. Seventy-seven percent of the Members of this Senate have not read the Federalist papers in a long, long time. That would be my guess.

People want responsibility on the part of the President. He has the responsibility to lead, and the people want their elected representatives in Congress to do their duty.

That is what the people want.

Ask the people if they want to cut Social Security. Seventy-seven percent will not answer that question with "yes." Ask the people if they want their taxes increased. The 77 percent will dwindle quickly. Ask the people if they want to cut veterans' compensation, veterans' pensions, Medicare, Medicaid, various other entitlements and mandatory items. Do they want those cut? We will get all kinds of answers if the people are given options.

To say that 77 percent of the people want this constitutional amendment is a hocus-pocus statement. Few people know what is in the amendment; few Senators really know what is in this amendment. And I daresay no Senator knows what the ramifications will ultimately be for the country if this amendment were to be added to the Constitution. So let us not depend upon the polls in this instance to give us the true judgment of the people on whether a constitutional amendment on the balanced budget is the proper course in dealing with budget deficits.

Then there is the argument that "congressional spending" is responsible for deficits. Those who use that argument never mention the S&L bailout. They never mention the fact that total congressional appropriations since 1945 through last year, are less than the total appropriations requests made by all of the Presidents during those years, 1945–91. Let me state the figures.

All of the Presidents, beginning with 1945 through last year, have requested a total in appropriations of $11,710,201,833,552. That is the total of the appropriations requests by the Presidents. Now, how much did Congress appropriate in all of the regular appropriations bill, the supplementals, and the deficiencies? The Congress appropriated $11,521,432,604,188 during that period.

I say to Senator NICKLES, subtract what Congress appropriated from what those Presidents requested, and here is the answer: $188,769,229,364. Congress has appropriated that much less in these 45 years than the Presidents have requested.

Now, away with this political bunk that the problem lies solely with congressional spending. I have heard Senators on the other side of the aisle all day yesterday and in the days preceding, while this amendment has been before the Senate, stand up and blame the budget deficits on congressional spending. Just read David Stockman's book. It lays out a major part of the root causes.

Mr. President, there are too many Members of this body who want to shift power away from the legislative branch to the Chief Executive of this country. The Chief Executive is not elected directly by the people. He is elected by the electors, who in turn are elected by the people.

But the Members of the two Houses are elected directly by the people. And yet there are those who, day after day, month after month, come on this floor and advocate what in reality is a shift of power from the legislative branch to the President. Whose power is being shifted when the legislative branch's power is shifted to the President? It is the people's power. This is the people's branch.

Article I of the Constitution refers to the legislative branch. Article II to the President. Article III to the judiciary. The people's branch. The Members of the other body, the House, have to stand for reelection every 2 years and Senators every 6 years. They are close to the people.

When we speak of the "power over the purse," we are talking about the power of the people over the purse, exercised through their elected representatives in this body and in the House.

Mr. President, how much time have I consumed?

The PRESIDING OFFICER. The Senator has 18½ minutes remaining.

Mr. BYRD. I thank the Chair. I have 18½ minutes remaining.

The PRESIDING OFFICER. Yes.

Mr. BYRD. I thank the Chair.

So, Mr. President, it is not just congressional spending that is responsible for the deficit. What about the S&L bailout? And what about the fact that the Presidents send up the budgets? The 1921 Budget and Accounting Act requires the President to send up a budget. Let us read what the 1921 Budget and Accounting Act, as amended, says.

The President shall recommend in the budget appropriate action to meet an estimated deficiency when the estimated receipts for the fiscal year for which the budget is submitted and the estimated amounts in the Treasury at the end of the current fiscal year available for expenditure in the fiscal year for which the budget is submitted, are less than the estimated expenditures for that year.

The President shall recommend in the budget appropriate action to meet an estimated deficiency when the estimated receipts for the fiscal year are less than the estimated expenditures.

Now, that puts the monkey right on the back of the President of the United States, and he has not met that responsibility. He has not recommended action, appropriate action, to meet the decision. If someone says, "Well, he has." Well, how? What has he recommended? More borrowing? That is what he has recommended. More borrowing. Let the President bear that responsibility which is set forth in the act.

Mr. President, this balanced budget amendment is ice cream laced with arsenic. It is an apple with a razor blade inside. I know we all have read these horrifying stories about children on Halloween being given apples with razor blades inside. Well, that is what this is: An apple with a razor blade inside. It is Kool Aid sweetened with strychnine. It is a flat admission that we cannot make the tough decisions that we should make, and it is an admission that we, as leaders in this body, have collectively thrown our hands in the air and given up, along with the President.

Mr. President, it is a strange phenomenon when we note that every Member on the Republican side of the aisle, down to the last individual, votes in lockstep with all the other Members on this issue. Now, that should indicate the political significance of this amendment, how it is viewed by the Republican Party in this Senate and in the White House.

I know what some Members on the other side have said to me privately in days past. Not every one of those Members who sit on that side of the aisle really support this amendment. But when it comes to voting, they vote to the very last person in support of a balanced budget amendment.

Now things like that just don't happen by accident. That is obviously a party position and, in my opinion, that position puts party ahead of this institution, because this institution is going to suffer, the Constitution will suffer with its separation of powers and checks and balances, and the Nation ultimately will suffer.

In my opinion—and I can only judge by the vote which is solid and by what Members have said to me privately—in my opinion, that is putting politics, that is putting political party ahead of the Nation.

Now, many of the Members believe sincerely that this is what we ought to do, and they are not putting party ahead of the country. But I cannot believe, with that kind of solid phalanx, that party politics is not a very key factor here.

Mr. President, I think the Democratic Party is a great party and has served the country a great deal, but never would I put my party, the Democratic Party, ahead of this institution or ahead of the Constitution, ahead of the country, or ahead of my own personal conscience. That is my credo.

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

The PRESIDING OFFICER. Eleven minutes and 50 seconds.

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

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Oklahoma.

Mr. NICKLES. Mr. President, how much time do I have remaining on this side?

The PRESIDING OFFICER. Twenty-two minutes and 30 seconds.

Mr. NICKLES. Mr. President, I ask the Chair to notify me after 5 minutes.

Mr. President, first, I wish to compliment the Senator from West Virginia. I appreciate a person with convictions. I appreciate a person with courage and a person that is willing to fight for what he believes in. I happen to disagree with him on this particular fight on this particular issue.

I wish that the debate had not boiled down last night to the political side, because I think it is very important that we vote on a balanced budget amendment. As this Senator has stated time and time again, I wanted to vote on this amendment for years, going back to the eighties, and we have voted on it. We actually passed it in 1982 and passed it in 1986, and this is the first serious debate we have had on this since 1986. I think it is important that we pass it and I think we need to.

I am going to get into a little bit of the reason why I think we need to. The reason is, I think, fairly self-evident; the fact that this year we are looking at a deficit of $350 to $400 billion, that the total debt has just ballooned and will cross a total debt level of $4 trillion. That is the equivalent of $16,000 for every man, woman, and child in the United States.

I do not think we can continue that path. I do not think it is right. I do not think it is feasible. I do not think it is right for the future generations to inherit this enormous debt load to where they have to spend such a greater and greater percentage of their resources just paying off interest of the debt that we have accumulated.

Mr. President, I have been looking at some of the facts, and I want to go into facts. We have heard so much rhetoric, I think maybe it would be wise to stick to facts this morning. I will just give you an example.

In looking at the year that we are in right now, calendar year 1992, through the month of May, I will tell my colleagues that revenues have grown a very low amount, 1.2 percent. They are up over last year, but not by much. But I will also tell my colleagues that spending has increased by 7.5 percent, about five times the rate of growth of revenue. So spending continues to escalate. And I will tell my colleagues it is not just so far this year, but let us look back to 1990, 1991, and so on.

You will see that, to give just a little data, in 1988, the total deficit was $155 billion. This year, it is estimated to be $368 billion. You might ask yourself why. I will tell my colleagues that revenues have grown every year from 1988 through 1992, revenues have grown rather significantly from about—well, let us get the figures. In 1988 revenues were $909 billion, and they have escalated to over $1.083 trillion for this year.

The problem is, from 1988, outlays have increased from $1.064 trillion in estimated outlays to $1.455 trillion. In other words, Mr. President, I will give the percentage increases. Revenues have increased since 1988, 9 percent, 4 percent, 2 percent, and 3 percent, but outlays have increased 8 percent, 9 percent, 6 percent, and 10 percent.

So, outlays have been growing every year at a much faster rate of growth than revenues. We can spend the money faster than we bring it in. That is in spite of the fact that we had a big tax increase in 1990. So outlays continue to escalate at a far faster rate of growth than revenues.

I know my friend from West Virginia is aware of this because he knows figures probably better than most, but most of the very rapid rate of growth in spending is in the so-called entitlement areas.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. NICKLES. I will be happy to yield.

Mr. BYRD. I am glad he said that. Many Members leave the impression that all Government spending is from appropriated moneys and that it is "pork." But as the Senator has pointed out, the real growth in Government

spending has been in the entitlements and mandatory items. We should also mention foreign aid, the savings and loan bailout, military spending, and interest on the debt. But I am happy that we have had the opportunity here to correct that misimpression on the record, namely, that it is all congressional spending that has caused the huge deficits. I would also add the 1981 Reagan tax cut as a major contributor to the deficits.

Congress and the Presidents joined in passing the legislative measures that created the entitlements and mandatories. That is a responsibility to be shared by both. It is not just Congress by itself.

Mr. NICKLES. I appreciate it.

The PRESIDING OFFICER. The Senator has used 5 minutes.

Mr. NICKLES. Mr. President, I yield myself an additional 3 minutes.

Mr. President, I will put this chart in the RECORD, but it will show the growth in spending in every category, including the domestic categories that Senator BYRD has mentioned, defense categories—but I might mention defense is actually declining—international the last couple of years has grown at 2.1, 2.6 percent; domestic discretionary is 7 percent, 9 percent; Social Security is 6.7 percent. I am just talking about the 1992 figure. Net interest is 2.4 percent.

But here is the real growth.

Medicaid in 1992 is 30 percent over the previous year, and the previous year was 27 percent growth as well; food stamps, 18.7 percent, the previous year 24.7 percent; AFDC, that is family support, that is 12 percent this year, 11 percent the year before; Medicare, 12.3 percent in 1992 and 1991, 6.3 percent.

Mr. President, this is just the start.

If we looked at all the bills that are pending, there is $22 of spending increases for every dollar of spending cuts that is proposed for Congress. In other words, everybody who comes to the Appropriations Committee—and I happen to serve on that committee—we get 100 requests for additional spending. Almost no one says, hey, let us rescind this money, let us not spend this money. The demand on Congress to spend more money than we are taking in is enormous. I think we need a constitutional amendment to make us not spend any more than we take in.

Senator BYRD said a lot of people do not know what is in this amendment. I ask unanimous consent to again have it printed in the RECORD.

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

(See exhibit 1.)

Mr. NICKLES. But it says Congress shall not spend more than it takes in. It says we can waive it in case of war; it says we can waive it with a 60-percent vote of both Houses. But it says we will not spend more than we take in. It will limit the growth in the amount of money we spend.

I think this chart shows we need that type of limitation, we need that type of discipline.

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

EXHIBIT 1

(Purpose: To propose an amendment to the Constitution of the United States to require that the budget of the United States be in balance unless three-fifths of the whole of each House of Congress shall provide by law for a specific excess of outlays over receipts and to require that any bill to increase revenues must be approved by a majority of the whole number of each House)

Strike all after the enacting clause and insert in lieu thereof the following:

"That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid for all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"'ARTICLE —

"'SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

"'SECTION 2. The limit on the debt of the United States held by the public shall not be increased unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"'SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year in which total outlays do not exceed total receipts.

"'SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"'SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"'SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"'SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principle.

"'SECTION 8. This article shall take effect beginning with fiscal year 1998 or with the second fiscal year beginning after its ratification, whichever is later.'"

The PRESIDING OFFICER. Who yields time? The Chair recognizes the Senator from California [Mr. SEYMOUR].

Mr. SEYMOUR. Mr. President, I yield 5 minutes of our time to the distinguished Senator from Arizona [Mr. MCCAIN].

The PRESIDING OFFICER. The Chair recognizes the Senator from Arizona [Mr. MCCAIN] for 5 minutes.

Mr. MCCAIN. Mr. President, I would again like to congratulate the distinguished chairman of the Appropriations Committee for a cogent, enlightening, historical debate as we have had several times on issues of this nature. But I would especially like to congratulate him for clearing up a bone of serious contention here.

The Senator from Maine last night said, "But I urge all Members of the Senate to help us end this charade as quickly as possible." I quote from page S. 9245 of the Senate RECORD.

I appreciate very much the chairman of the Appropriations Committee absolutely repudiating the statement of the majority leader made on the floor of the Senate last night.

The majority leader of the Senate stated that it was a charade, a waste of time, that it had nothing to do with the balanced budget amendment, that the vote was purely political, and I am so pleased that the chairman of the Appropriations Committee should state time after time that this may be one of the most serious votes ever cast in the history of this body. And, it has everything to do with a balanced budget amendment, and it has everything to do with fiscal responsibility.

However, I want to point out to my friend, the chairman of the Appropriations Committee, you cannot have it both ways. You cannot have it both ways.

The Senator cannot steadfastly believe in the statements he has made time after time, only the legislature has the power of the purse; only the legislature has access to the pockets of the people—and then put the blame and responsibility on the executive branch for deficits. It cannot be done. It cannot be done.

You either believe that the power of the purse rests with the legislature, a power the chairman of the Appropriations Committee has so zealously guarded for all these years, and successfully I might add, against assaults by people like me who seek passage of the balanced budget amendment, the line-item veto, and the reversal of the obscene rule that we have in this body that requires 60 votes to lower your taxes and 51 to raise them, or you incorrectly believe that it rests with the executive.

You cannot have it both ways. You either agree that this legislature has the power, as the chairman of the Appropriations Committee has so eloquently stated, and assume the responsibility, or you agree that the executive branch should be given some role in controlling what happens here.

I want to point out again, we sit here in this body, in this city, thinking somehow that we can do business as usual; that somehow the American people are not disgusted, dismayed, and frustrated to an unprecedented degree, at least according to polls. Mr. Presi-

dent, 80 percent of the American people today think we are on the wrong track, the wrong track. Seventeen percent of the American people approve of what the Congress of the United States is doing—that is an all-time low for approval with an all-time high in frustration and anger.

What are we going to do when we turn down the balanced budget amendment? And, by the way, we know that has been decided by the vote cast last night. We will continue with business as usual—business as usual, in Washington, DC, and the Congress of the United States.

Mr. President, I suggest that we are not responding to the will of the people. Those charts over there show the dramatic growth, not only in spending but far more importantly, they show how we have accumulated in a few short years a $4 trillion debt which is a debt of $16,000 for every man, woman, and child in America.

We cannot blame it on the executive branch. We cannot blame it on the American people. We cannot blame it on the States. The buck stops here and the bucks have left here and continue to leave here in an ever-increasing flow. It has become a torrent. We will pass on an unconscionable legacy of debt to future generations of Americans. For us to suggest that we can address the health care issues, the competitiveness issues, the productivity issues, and so many other issues that face the future of this country, and at the same time pay 17 cents interest, or 18 cents or 19 cents interest out of every single Federal tax dollar, just to pay interest on the national debt, is foolishness. It is foolishness.

Yes, we can get the deficit under control without again increasing taxes because we have proven that increasing taxes does not reduce the deficit. In the last 30 years we have raised the American people's taxes 56 times and balanced the budget once! In fact virtually every time we raise taxes—there is a strange occurrence—increases in taxes have only led to increases in deficits. That is a historical fact.

So I hope that we will understand, as the distinguished appropriations chairman has said, that this is a critical vote. It is a crucial vote and one of the utmost importance. There is no possible way that any Member of this body could say they are in favor of the balanced budget amendment to the Constitution and vote against cloture.

The PRESIDING OFFICER. Who yields time? The Chair recognizes the Senator from California [Mr. SEYMOUR].

Mr. SEYMOUR. Mr. President, how much time do we have remaining on our side?

The PRESIDING OFFICER. Nine minutes and 10 seconds are remaining.

Mr. SEYMOUR. Thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. BYRD. Mr. President, how much time does the Senator from Maryland wish?

The PRESIDING OFFICER. There are 11 minutes and 50 seconds remaining.

Mr. SARBANES. Will the chairman yield me 3 minutes?

Mr. BYRD. I yield 3 minutes to the Senator from Maryland.

The PRESIDING OFFICER. The Senator from Maryland [Mr. SARBANES] is recognized for 3 minutes.

Mr. SARBANES. Mr. President, I want to address one specific issue. The proposal for a balanced budget amendment fails to make any allowance for a capital budget.

I just heard my distinguished colleague from Arizona talk about competitiveness and productivity as important issues. You cannot divorce them from an investment strategy for the United States, and you cannot have an investment strategy if you do not have a capital budget.

This proposed balanced budget amendment makes no allowance for a capital budget. The analogy is used to the States and the argument is made that the States have balanced budgets, why should not the National Government have a balanced budget? The States do not keep their budget accounting on the same basis. The States have capital budgets that are not balanced. In fact, the capital budgets are funded by borrowing. They are not subject to the balancing requirement. Many of the States balance the operating budget but not the capital budget.

This balanced budget amendment is an invitation to underinvest in the U.S. economy because it makes no allowance for an investment strategy. In fact, if you applied this rule which the distinguished Senator from Oklahoma was enunciating, that you will not spend more in any one year than you take in to individuals in this country, only a tiny proportion of the American people would own a home, or own a car, or own a major durable good, because every one of them borrows in order to make that purchase of that capital asset and then they pay it off in subsequent years. And it is all seen as a very prudent financial strategy.

Under this balanced budget amendment, one of its most damaging consequences would be a failure to separate investment spending from spending for current consumption.

Today's capital investment increases the rate of growth in the economy, yielding a bigger stream of future income. Because of that enhanced future income, it makes economic sense to finance some portion of capital investment with borrowed funds. This balanced budget amendment does not recognize the important economic distinction between consumption and investment spending.

The Capitol Hill newspaper, Roll Call, has a major section on infrastructure this very week. It says: "Inadequate public facilities are damaging private productivity. What must be done?" It talks about our lack of investment in infrastructure. And then it says:

At Heart of Government's Infrastructure Failure: The Lack of a Capital Budget.

Infrastructure matters to any nation that wants a productive and competitive economy, for it underpins most private economic activities.

The trucks and cars of private business operate on public roads. Planes depend on airports. Public facilities provide the water, waste and sewage treatment used by most private establishments.

The State governments have an investment strategy. They have a capital budget, and the capital budget is not included in determining whether they have balanced their budget because they fund the capital budget by selling bonds and borrowing the money. There is no allowance in this balanced budget amendment that is before us for that aspect of an investment strategy, and the consequence, of this balanced budget amendment failing to recognize this economic distinction would be to worsen the serious problem we now have from our low investment rating.

The PRESIDING OFFICER. Time has expired.

Mr. SARBANES. I thank the chairman for yielding me the time.

The PRESIDING OFFICER. Who yields time?

Mr. SEYMOUR. Mr. President, I yield 2 minutes to the distinguished Senator form Missouri [Mr. BOND].

The PRESIDING OFFICER. The Chair recognizes the Senator from Missouri [Mr. BOND] for 2 minutes.

Mr. BOND. Mr. President, I appreciate the courtesy of my colleague from California.

I came here from State government. State government has a requirement in its budget: We cannot borrow money without a vote of the people for a specific project. That requirement in the Constitution forced the government of my State, Republican and Democrat, executive and legislative, to work together to avoid deficits, and we faced some very difficult crises.

There is nothing like having a wall to be backed up against to give you a stiff spine, and having watched this body in the last 5 years, I can tell you there is a need for spine. We have put before this body proposals which would end the deficit before the beginning of the next century. We received 28 votes; 66 voted the other way. We are in bad need of spine. The balanced budget is one way of getting there. We have to do something to stop this runaway deficit spending.

Yesterday, I heard our distinguished appropriations chairman say if the President will say we need to cap entitlements, then we would go along. The

President said that this morning on national television. I think we need a framework in which we must get serious about reducing the deficit.

Right now, the interest on that debt is equal to almost all of the spending we have for discretionary programs. Whether it is children's care, or agriculture, or highways, or science, or education, or health, every dollar we spend in an appropriated account is matched by a dollar that goes into interest.

What we are doing is running up the bill on the credit card that we are going to leave for our children to pay. It has been called fiscal child abuse. We are sticking it to the next generation. This is an intergenerational transfer of wealth.

We need to have a mechanism to force us to act to control this runaway spending. We will have to answer to our children if they come into the productive periods of their lives in the next century and find that their tax dollars go to pay interest. We can ruin the economy as well as ruining the budget of the Federal Government if we do not do something. The balanced budget is a first step. It is not the whole solution.

I urge my colleagues to support cloture so that we can go forward and achieve a balanced budget.

Mr. President, the State of Missouri has a balanced budget requirement, and it is amazing what kind of backbone that can provide when the temptation to borrow and spend hits. We don't have it here and contrary to what anyone's chart, graph, or turn of phrase may be—finding the 50 stiff spines to do something about the deficit has proved impossible thus far.

Some may argue, and in fact do argue, that deficit spending is not so bad as it stimulates the economy in the short term and can be financed over the long term by a now growing economy. If you like this plan you call it the spending investment, and hope no one catches on.

Unfortunately, this sort of thinking never seems to recognize there comes a time to start paying off the debt accrued, rather than just adding to it.

The Federal debt is now nearly $4 trillion, or approximately $14,000 for every man, woman, and child in the country. If we were like an American family, we would be looking for ways to cut costs, cancel certain plans, etcetera, in order to start paying off principal—not simply interest.

Everyone with a credit card has experienced a time or two when their credit card bills came and they could only afford to pay the minimum—while at the same time watching with great dismay as the interest charges were adding up faster than the minimum payment was paying down.

That is where the Federal Government is right now. Paying only the minimum, piling up the debt, and not really thinking twice about it.

That is why we now spend more on net interest on the debt than every other Federal program of Federal responsibility except for two: defense and Social Security.

We spend more on interest than on children's health. More than on veterans' programs. More than on highways, bridges, and mass transit. More than on education. More than on agriculture, science, space, or cancer research.

In fact, Mr. President, we spend more on interest payments than we do on all those programs combined.

The net interest payment on the debt alone in the current fiscal year will be $201 billion. This is only slightly less than the $215 billion that the Government spends on all domestic discretionary programs combined. These are very important programs and include everything from education and child care, to highways, mass transit, to health research and soil conservation. What is now occurring is that the interest payments on the debt are rapidly becoming not only the fastest growing but the largest Federal expenditure.

That money is not buying us anything. We are not providing any services; we are not providing research; we are not constructing anything with that money. It is simply lost paying for the borrowings of the past. Congress is doing what millions of American households are trying to avoid doing, and that is paying only the minimum on our credit card while we watch our unpaid balances getting larger and larger.

The big difference is that Uncle Sam has no credit card limit. So when Congress and the administration spend and spend, the debt just keeps piling up. If we keep our current pace, we could be spending more on interest than domestic discretionary spending as soon as next year, if not 1994. That means that for every dollar spent on education, or highways or child care, a dollar will be going to pay for spending decisions of the past. In short, when we should be looking to the future, we will be spending our precious resources paying for the past.

Mr. President, allowing the interest payment portion of our budget to become larger and larger, means we have fewer and fewer funds to spend on our priorities and fulfilling our Nation's unmet needs. That is why I have come to the conclusion that we cannot wait any longer to attack the deficit.

And that is why I support this balanced budget amendment.

Uncle Sam does not have any limit on his credit card, and if nothing else, the BBA would finally put a limit on his card.

I have only been here 5 years, but in that time I have seen budgets come and go, budget summits come and go, Presidents come and go, while the budget deficit gets larger every year.

Mr. President, I believe it is time to act, and that is why I support the balanced budget amendment.

Everyone knows the costs of entitlements and mandatory spending is rising too fast for our economy to sustain. We are forced to borrow from our Nation's pension funds. We are borrowing from the Germans, the Japanese, and the British.

We are borrowing from the Social Security trust fund, the highway trust fund, and the airport trust fund—and if we do not control the growth rate of entitlements, we will not be able to pay these trust funds back, and that means we will not meet our obligations to our pension funds or anyone else for that matter.

To sit back now and say, lets wait until next year is to continue to cheat all the other programs which compete for the Federal dollar not once, but twice. First by squeezing programs such as education, child care, or immunizations because of ever increasing interest payments; then squeezing them again by diverting more and more resources to runaway entitlements.

This means that every year the portion of the dollar available for children gets smaller and smaller, and the bill left for them to pay when they become taxpayers becomes larger and larger. This cannot be allowed to continue.

Mr. President, if it takes a tool such as this amendment or a cap on entitlement funding to get Congress to act, well, I am all for it. Let us at least get started.

I have been told this is political poison—well, maybe so. But we just cannot continue like this year after year, pretending there is no problem, waiting for that grand moment when we're ready to act, all the while silently sacrificing this country's future.

For the sake of our country and our children, let us at least get started.

Mr. SEYMOUR. Mr. President, I yield 2 minutes to the Senator from Maine [Mr. COHEN].

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. Mr. President, last evening a chart was displayed on the Senate floor indicating a dramatic increase in the deficit under President Reagan and now President Bush. I would like to go back to that time in which President Reagan took office.

As I recall, there was about a 13 percent inflation rate at that time, and a 21-percent interest rate. We knew we had a hollow Army and a hemorrhaging Navy. President Reagan did, indeed, propose a drastic cut in taxes. As I look at the record, I see there were some 37 Democrats who voted for those tax cuts; 79 percent of the Democrats voted for those tax cuts. So to place the blame of the deficit solely upon the

Reagan-Bush administration I think ignores the co-conspirator role played by the Democrats in the Senate at that time.

Mr. President, the chairman of the Appropriations Committee has suggested that somehow either the White House or Senator DOLE is orchestrating Republican support for this amendment. Let me indicate for the record, I have never received one call from the White House. I rarely receive calls from the White House, but I received none on this. I received no call from the Senator from Kansas. He has not called me once to urge me to vote for this particular amendment. I came to my conclusion on my own that we simply could not afford to continue doing business as we have been.

I think the chairman of the Appropriations Committee is correct that this amendment will not give us one additional ounce of courage. It will not. It will not diminish our cowardice by one ounce. It will simply make it more difficult for us to avoid and evade our responsibility.

I will give one example of how we evade that responsibility. When the bill came up to provide aid on an emergency basis to the cities of Los Angeles and Chicago, the President requested around $500 million. The Senate, however, came back with a request of nearly $2 billion and not one penny was taken or suggested to be taken from another program to pay for this emergency aid. We simply said add it on to the deficit.

This amendment should pass, and I hope that it will make it more difficult for us to engage in the sort of fiscal irresponsibility we saw with the original emergency aid bill. I urge my colleagues to vote for cloture so we may ultimately vote on the balanced budget amendment.

The PRESIDING OFFICER. Who yields time?

Mr. SEYMOUR addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. SEYMOUR. Mr. President, I yield 2 minutes to the Senator from Texas [Mr. GRAMM].

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

Mr. GRAMM. Mr. President, I thank our dear colleague from California for his leadership on this issue.

If last night's vote is any indication, then we are not going to win on this cloture motion. I would like to make two points about that.

First of all, I would like to express my frustration that we appear to have 10 Members of the Senate who cosponsored the balanced budget constitutional amendment or who voted for the resolution earlier this year saying Congress ought to adopt a balanced budget amendment to the Constitution who voted against the balanced budget amendment to the Constitution yesterday.

I do not know how democracy can work when people say one thing and then do another and they are not held accountable.

When Jefferson said the price of liberty is eternal vigilance, he was not talking about vigilance against the British coming over the water or the Indians coming over the mountain. He was talking about vigilance against Government which does not fulfill its promise.

So I hope the American people are watching this debate. I hope they are taking names. I hope they are keeping records because we cannot make America work when 10 people cosponsor legislation or vote for resolutions saying it should be passed and then in the moment of truth vote against the amendment itself.

Finally, this whole argument about courage, this whole argument about dealing with issues is a phony argument. The Constitution was written because people did not trust the Government. Our Government has proven that it cannot and will not deal with the deficit. Only a constitutional amendment can make it do that.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. SEYMOUR addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. SEYMOUR. Mr. President, I yield the remainder of our time to the distinguished minority leader from Kansas, Mr. DOLE.

The PRESIDING OFFICER. The Senator is recognized.

Mr. DOLE. Mr. President, I thank my colleague from California, Senator SEYMOUR.

What we need to do on this side is get from 56 to 60 today. That ought to be easy. As was just pointed out by the Senator from Texas, there is an honor roll here of Members who said one thing and voted another way. If they just get back on the honor roll and vote the way they said they would on April 9 or when they cosponsored a balanced budget amendment, we will have 66, at least 66, maybe 67. Then we will be back under cloture on the amendment itself, and I think in the next day or two we could probably find a couple more votes.

We have 3 Members who are hospitalized, and I think a couple of those might be able to make it and that would give us 67, 68, and we only need 67.

So I just make a plea to those Members who may have not understood that they had voted one way after they said they were going to vote another way.

Now, that is not fatal around here, but I think the American public does check our voting record from time to time, and they should check them more. That would help reduce spending also and there would be a bigger turnover.

But as I count those who have either cosponsored or voted for the Nickles-Bond amendment on April 9, we would have 70 votes. That is 70 percent of the Senate. That is bipartisan. That is almost half the Democrats. And not all the Republicans were cosponsors, although they are voting with us on procedural votes.

So I would just urge my colleagues at this moment of truth—and this is the moment of truth—that they go back and take a look at how they voted in April and whether or not they cosponsored this amendment as at least two did who voted the other way last evening and come back home, come back and vote with us, give us cloture, and we will send this to the House of Representatives.

I heard an argument last night we cannot do anything because the House will turn it down.

Mr. President, I ask unanimous consent that I may proceed for 2 minutes and that the vote be delayed from 10 to 10:02.

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

Mr. SARBANES. Mr. President, could the distinguished chairman also have an additional 2 minutes in that case?

Mr. DOLE. Sure.

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

Mr. DOLE. I certainly understand the commitment on the other side. The distinguished President pro tempore, my friend from West Virginia, Senator BYRD, feels very strongly we are making a mistake. But on the other side, to those who feel just as strongly, whether it is the Senator from Oklahoma, the Senator from California, the Senator from Texas, the Senator from Maine, the Senator from Missouri, the Senator from Arizona, others who have spoken this morning, this is a legitimate question. This is probably the most important issue we have taken up this year.

Now, maybe those of us who support a balanced budget amendment are wrong. I have said myself if I had a choice between a balanced budget amendment and a line-item veto, I would take the line-item veto because I think you could have almost an immediate impact.

But having said that, I share the view just expressed by the Senator from Maine. It is going to make it more difficult for us, particularly those who vote for the balanced budget amendment, to go back home and say well, I voted for the balanced budget amendment but it did not really mean anything. So I voted for the spending; I increased the deficit; I took it away from your children or your grandchildren.

In my view, we take an oath to support the Constitution. And if this

amendment is agreed to and we take that oath, then we are going to be duty-bound or we are going to be out of bounds. We are going to be thrown out of this place by the voters, as we should.

So I would make one last plea to this honor roll, the honor roll of those who have cosponsored the amendment and then voted the other day, of those who voted one way on April 9 for a balanced budget amendment, said we shall have a balanced budget amendment who last night voted the other way.

There is still time for redemption and it can come in the next 10 minutes. I will not list the names. I will leave that up to the people who want to check our voting records and put these names together. But they are geographically spread around the country. I think maybe some may not have understood the vote on April 9 or maybe some did not understand the cosponsorship or may have forgotten it. I am certain they understood it because they are all, in this case, men of great intellect and they are friends of mine.

So help us out. Let us take this next step. Maybe it is the last step. Let us take this next step. Let us take it today. Let us send this back to the House, and I think this time of the 12 who switched over there, at least 6 or 7 would switch back, and that is all we would need to get this to the States for ratification.

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

The Senator from West Virginia is recognized.

Mr. MITCHELL addressed the Chair.

Mr. BYRD. Mr. President, how much time remains on each side?

The PRESIDING OFFICER. The Senator from West Virginia has 8 minutes and 20 seconds.

Mr. BYRD. Mr. President, my good friend, the able minority leader, and he is my good friend—I have worked with him for years and I have tremendous respect for him—talks about saying one thing and doing another, and he refers in that context to a vote on April 9 which was on a sense-of-the-Senate amendment or some such which had no legal, no binding effect and really meant nothing. But he talks about how someone may have voted a certain way on April 9 on a sense-of-the-Senate amendment and then voted differently last night and today.

How about just going back to yesterday, Mr. President? We do not have to go back to April 9. What about those who spoke for a balanced budget amendment and then turned right around yesterday and voted against the Byrd amendment?

Now, every Member on the other side did just that; they voted against the Byrd amendment, which would have required action now, not in 1988, not in the year 2000, not in the year 2001, not after Mr. Bush's next term—if he is reelected. And he has said he will do whatever it takes to be reelected. Not after his next term but now. What about that?

We had the test last night on the Byrd amendment, and it separated those who want to do something now from those who want to delay, who want to continue the status quo, who want to let this President and Congress off the hook.

Mr. President, in closing, let me say that Senator NICKLES has been a very honorable Senator in this debate. He has been a gentleman and has conducted himself in a very fine way. And the Senator from California [Mr. SEYMOUR], has, likewise, been most gentlemanly.

We do not agree. But that comes with the work here. But I do want to compliment him. I think it has been a high level of debate in most respects, and in most cases from the other side.

So we have come down now to the key vote on cloture.

Mr. President, this is a test of this body—this vote on cloture. And, as I have said before, it is the most important vote in my career—that is the way I see it—in 40 years on this Hill, because I regard this institution, the U.S. Senate, exactly as William Ewart Gladstone spoke of it: "that remarkable body, the most remarkable of all the inventions of modern politics."

I do not want to see this body weakened. I think this amendment can very well weaken it to its foundations.

There are those Senators who, in supporting a constitutional amendment, have quoted Jefferson, who was not at the Constitutional Convention. Jefferson was in France. Let us talk about Madison, the Father of the Constitution, and his reference to the Senate, Federalist Paper No. 63. He said:

> * * * there are particular moments in public affairs when the people, stimulated by some irregular passion * * * or misled by the artful misrepresentations of interested men, may call for measures which they themselves will afterward be the most ready to lament and condemn.

He said:

> In these critical moments—

Here is the core of what he said—

> In these critical moments—

Such as the issue we are discussing here, the constitutional amendment on a balanced budget—

> In these critical moments, how salutary will be the interference of some temperate and respectable body of citizens * * * in order to suspend the blow meditated by the people against themselves, until reason, justice, and truth can regain their authority over the public mind?

Madison was talking about the Senate. And this Senate right now is, I think, playing preeminently the part that Madison and the constitutional Framers meant for it to play when passions seem to be getting the upper hand. He went on to say in Federalist Paper No. 63:

> What bitter anguish would not the people of Athens often have escaped if their government had contained so provident a safeguard against the tyranny of their own passions.

That is what the Senate is doing now, protecting the people from the tyranny of their own passions as expressed by some of their representatives in this body.

He said:

> Popular liberty might then have escaped the indelible reproach of decreeing to the same people the hemlock on one day, and statues on the next.

Mr. President, Aaron Burr killed Alexander Hamilton in a duel on July 11, 1804.

How many minutes do I have left?

The PRESIDING OFFICER. The Senator has 1½ minutes.

Mr. BYRD. Mr. President, after Burr killed Alexander Hamilton, Burr sat not in that chair, but in the old Senate Chamber in 1805, and presided over the impeachment trial of Samuel Chase. He presided with such dignity and fairness that even his worst enemies commended him. After the trial was over, he addressed the Senate for the last time. These were some of his words, after which he walked out of the Senate, and never again returned. But mark them:

> This House is a sanctuary; a citadel of law, of order, and of liberty; and it is here—it is here, in this exalted refuge; here, if anywhere, will resistance be made to the storms of political phrensy and the silent arts of corruption; and if the Constitution be destined ever to perish by the sacrilegious hands of the demagogue or the usurper, which God avert, its expiring agonies will be witnessed on this floor.

Mr. President, that is the weight that I give to this upcoming vote after 34 years in this body, after voting many times on cloture, after seeing many great issues come before this body.

This is the most important cloture vote that I shall have ever cast and I am not going to be a party to the diminishment of the authority, honor, and stature of "that remarkable body, the most remarkable of all the inventions of modern politics."

I urge Senators to vote against cloture.

The PRESIDING OFFICER. All time has expired.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Mr. President, I ask unanimous consent that I may be permitted to use part of my leader time to make a brief statement.

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

Mr. MITCHELL. Mr. President, Members of the Senate, in just a few minutes the Senate will be able to end this charade, will be able to end nearly a week of wasted time, and return to serious legislative business. This amendment had no chance of being enacted from the moment the House of Representatives voted to defeat it. Every-

body in the Senate knew that. Everybody in the Senate understood that.

Notwithstanding that certainly, we have been required to endure this waste of time because, under the Senate rules, any Senator can offer any amendment any time he or she wants and can debate the matter for as long as he or she wants.

But let no member of the public be fooled or misled by what has occurred here. This is a political exercise, an effort to create material, 30-second packed television spots in the fall campaign. This has nothing to do with the deficit. Many of those who most loudly proclaim this balanced budget amendment vote over and over again to increase the deficit.

They vote over and over again against measures to reduce the deficit. Being unwilling to cast the difficult votes necessary to actually reduce the deficit, they want to be able to say that they have done something about the deficit by voting for this amendment, which will, as we all know, by its very terms, not take effect for 6 years at the earliest, and possibly not for 8 or 10 years.

Does any American citizen believe that the deficit is such a minor problem that we ought to wait 6, 8, or 10 years before we address it, and in the meantime, permit those who loudly proclaim their support for this amendment to go on voting to increase the deficit, to go on voting for measures to increase the deficit?

It is a phony amendment, a phony argument, and a phony exercise. We ought to give it a prompt and decent burial, and then go on to serious business.

I yield the floor.

Mr. DOLE. Mr. President, I just wanted to comment on the cloture vote, very briefly. There is no doubt about it, a clear majority in the Senate would like to have voted on the amendment itself—56 to 39 is a substantial vote. I can count at least three absentees: Senator HELMS, Senator SANFORD, and Senator ROTH. That brings it up to 59, almost cloture. Then, as I said, we had the honor roll of those who were for a balanced budget amendment and voted against it. That would have made it 69 or 70. So it is a clear indication and statement made and votes made in the past, about 70 percent of the Senate have indicated they wanted a balanced budget amendment. They are almost up to the American people; 77 percent of the American people say they want a balanced budget amendment.

But this is the end of the debate for the year. I hope that next year there will be recognition again that we need to address this very important problem. I share the view expressed by the Senator from West Virginia. I think it is the most important vote many of us have made for a long time around here. It was not a charade. It was a very important vote. I thank my colleagues on both sides for what I thought was good debate in most instances.

I am not entirely happy with the result. The Senate has spoken. The Senate has indicated a majority support a balanced budget amendment but to get there we have to get cloture and then to get there we have to get 67 votes. We are not quite there yet, but we would be there had everyone voted the way they indicated they might vote had they had the opportunity.

I thank the Senator for yielding.

Mr. BYRD. The Senator is welcome.

Mr. President, my reference to my most important vote was the vote on cloture.

Mr. President, I, too, would like to call attention to an honor roll. That seems to be very much in vogue today. I want to call attention to the following honor roll: The majority leader, Senator MITCHELL of Maine; the senior Senator from Maryland [Mr. SARBANES]; the senior Senator from Colorado [Mr. WIRTH]; the senior Senator from Washington [Mr. ADAMS]; the senior Senator from New York [Mr. MOYNIHAN]; the junior Senator from North Dakota [Mr. CONRAD]; and the senior Senator from California [Mr. CRANSTON].

These are names of Senators who have spoken throughout the debate. Some spoke at greater length than others, but, nevertheless, I have chosen those names for the honor roll, and especially the name of the majority leader, who helped to organize the effort and who stood with us all the way.

Now, this is not the entire list of names that should be on the honor roll. There are others on the honor roll, those who did not speak but who voted for the Byrd amendment last evening and those who voted against cloture on both occasions. All of them are on my honor roll. I think they will be on the Senate's honor roll as history records this event. They voted to do something now—those who voted for the Byrd amendment last night. They voted to do something now, not 6 or 8 years from now or 10 years from now. They voted to require the President and the Congress to work together. They voted to require the President to send up a plan this year which would lead to a balanced budget in 5 years. They voted not to postpone the matter until after the next administration, possibly after the next two administrations. And so they are on the honor roll.

Mr. President, it did not take courage to vote for this constitutional amendment or for cloture. That was the easy way out. That was the painless way out. That was the political way out. That was passing the cup, as Jesus said in Matthew, when he spoke to his Heavenly Father and asked, if it be possible, that the cup pass from him.

These Senators who have stood against this constitutional amendment are not against balancing the budget. They recognize the pain and the sacrifices that will be involved in bringing the budget deficits under control. Voting for the Byrd amendment was a difficult vote, as was the vote against cloture, and taking a strong stand against the constitutional amendment.

The other side wanted a constitutional amendment, they said, to give Senators spine and to give the President spine. The Senators who stood against that constitutional amendment demonstrated spine. That took courage, and so they are on the honor roll.

Mr. President, I thank those on my side who voted their consciences, and who cast the hard votes. I thank them. I commend them. I have no doubt there were men and women on both sides who voted their consciences. I again congratulate Mr. NICKLES and Mr. SEYMOUR, the offerors of the amendment. I congratulate them for the high level of debate, for their courtesies, which were unfailing.

In closing, let me congratulate the Senate overall. Once again the Senate has demonstrated that it has courage.

This vote, as I will look back on it in whatever years the Lord may let me live, will be viewed by me, as I have already indicated, the most important vote of my career up to this time. Once again I saw the Senate rise to the occasion and demonstrate courage. The character and the vision that the Senate has in the past demonstrated on the great issues of the day, and throughout the years of its existence, were demonstrated once again. And it gives me renewed comfort and confidence in this institution and renewed hope for our country to know that there will always be men and women who will be willing to take a difficult stand and vote their consciences, vote for what is right, as they see it, and put the good of this country ahead of party politics and what would benefit their political careers.

So I close with words which express that enthusiastic hope for the future of our country; and the confidence and belief that the Senate, in all of its former glory, has once again risen to the stature that its framers intended it to have in great moments of decision. I close with lines from Longfellow's "The Building of the Ship."

Thou, too, sail on, O Ship of State!
Sail on, O Union, strong and great!
Humanity with all its fears,
With all the hopes of future years,
Is hanging breathless on thy fate!

We know what Master laid thy keel,
What Workmen wrought thy ribs of steel,
Who made each mast, and sail, and rope,
What anvils rang, what hammers beat,
In what a forge and what a heat
Were shaped the anchors of thy hope!

Fear not each sudden sound and shock,
'T is of the wave and not the rock;
'T is but the flapping of the sail,
And not a rent made by the gale!
In spite of rock and tempest's roar,

In spite of false lights on the shore,
Sail on, nor fear to breast the sea!
Our hearts, our hopes, are all with thee,
Our hearts, our hopes, our prayers, our tears,
Our faith triumphant o'er our fears,
Are all with thee,—are all with thee!

Mr. LAUTENBERG. Mr. President, I strongly oppose the Nickles amendment.

Let me say at the outset that I share the very deep concern underlying the amendment. Our deficit is out of control, and the response of the President and Congress has been grossly inadequate. The American people are frustrated and angry about that, and I share that anger—particularly when I look at the huge levels of defense spending that are included in the recently approved budget resolution. Not to mention wasteful projects like the superconducting super collider, the space station, the B–2 bomber, star wars, and a whole variety of ridiculous agriculture subsidies to wealthy agribusinesses.

So, yes, Mr. President, we Americans have every right to be angry about the deficit, and the waste that contributes to it.

Unfortunately, Mr. President, the balanced budget amendment is not a magic bullet that will kill the deficit. I only wish it were.

But the President and the Congress should be honest with the American people. This is a gimmick. It is designed to win votes this November, not to cut a dime of spending or close a single tax loophole.

Mr. President, the fraudulent nature of the amendment is only one of many criticisms I have. These include—

The straitjacket that will exacerbate economic downturns and potentially lead us back to another depression.

The threat to Social Security, and to domestic needs, from education to health to law enforcement.

The threat to the full faith and credit of the United States, and the higher taxpayer costs that would entail.

Mr. President, the list of problems with this amendment is long. I will not repeat them all. Others have explained the problems well.

But I'm concerned that perhaps the most obnoxious problem with this amendment has not received adequate attention.

Mr. President, while the supporters of a balanced budget amendment do not like to advertise this fact, their proposal is likely to become a back door way to impose substantial tax increases on ordinary Americans. Painful, agonizing tax increases. Imposed by an elite group of unelected officials who are completely unaccountable to the public.

Let me back up for a minute, Mr. President, and explain what I mean.

The balanced budget amendment, of course, is intended to encourage the Congress and the President to agree on measures to eliminate the deficit. But what happens if the two branches disagree? What happens if, notwithstanding the amendment, the budget is not in balance?

The answer, most likely, is that the courts eventually would step in to implement the constitutional requirement. That could mean not only cuts in Social Security, Medicare, and other Federal benefits, but substantial tax increases.

Now, Mr. President, some proponents of a balanced budget amendment may say that is not their intent. But the courts will not be able to rely on such claims, first, because there is disagreement among supporters on that point. In fact, the sponsor of the leading proposal for a balanced budget amendment has said that if the President and the Congress could not agree on a balanced budget, a district court could enforce the amendment through a tax increase.

Most important, Mr. President, is the language of the amendment itself. There is nothing in the amendment that precludes the courts from enforcing its provisions, and, in fact, the courts' power to interpret and enforce the Constitution has been well-established since the famed case of Marbury versus Madison. That long-established power is not likely to be relinquished. In fact, without judicial enforcement, the balanced budget amendment itself could be reduced to a meaningless scrap of paper.

So, Mr. President, the threat of judicial taxation under a balanced budget amendment is not hypothetical. It is very real.

And that is not just my opinion, Mr. President. Legal experts of all political stripes agree.

For example, Harvard Law Prof. Lawrence Tribe has testified that, "Judicial enforcement of the proposed balanced budget amendment * * * would necessarily plunge judges into the hear of the taxing, spending, and budgetary process."

Similarly, the conservative former Supreme Court nominee, Robert Bork, who also opposes the balanced budget amendment, has warned that the amendment could lead to tax increases mandated by unelected judges. In his words, "the judiciary would have effectively assumed a considerable degree of control over the fiscal affairs of the United States. * * * That outcome cannot be desired by anyone, including the courts."

Mr. President, over 200 years ago, this country was born after citizens were burdened with stiff tax increases imposed by distant, elite rulers who did not represent the people, and who were unaccountable to the people.

The rallying cry of our oppressed forefathers was clear and compelling. And that same rallying cry applies to this radical and dangerous amendment.

No taxation without representation.

No taxation without representation.

Mr. President, it is bad enough that ordinary Americans are now paying an unfair portion of the tax burden. But what will their tax rates look like after unelected judges get their hands on the Tax Code? It is a scary thought.

After all, the judiciary is the branch of Government that, by design, is most insulated from the public. Judges are not selected because they represent the interests of ordinary Americans. They are selected because of their legal skills.

One has to wonder—how many of this elite group of judges really understand the enormous pressures facing ordinary Americans? How many know what it is like to struggle to pay your bills, save for your children's education, and keep your head above water?

In fact, Mr. President, judges may be the individuals most insulated from the realities of day-to-day life in America today. After all, judges are the only Americans who are constitutionally guaranteed lifetime employment. The Constitution itself assures them that they need never worry about their next paycheck. They need never worry about being laid off in a recession. They need never worry about being fired by an unreasonable boss.

Mr. President, are these the people who should be deciding whose taxes will be raised, and by how much? Are these the people who should have the final say over whether middle class Americans can afford a steep tax hike? Are these lawyers the right people to decide whether the wealthy are paying their fair share?

Of course not, Mr. President. Of course not. To suggest otherwise is to advocate a radical shift in power. A shift away from the people. And to an elite group of unelected judges. It is fundamentally antidemocratic and wrong.

Mr. President, the proponents of the balanced budget amendment may think they are scoring a few easy political points today. But if this amendment is ever adopted, they may be in for an unpleasant surprise.

Because if you think the American people are angry today, just wait. Wait until they get hit with a huge tax increase by some district court judge who they have never heard of, never voted for, and who they will never be able to vote out of office. The reaction will make the famous Boston insurrection look like a real tea party.

Mr. President, maybe some people in other countries would gladly pay taxes imposed by unelected rulers. But we Americans have spilled our blood many a time to avoid that fate. And we are not going to accept it now.

It is not the American way. And it never will be.

Mr. President, there is enormous public cynicism about Congress today. And, in this case, the cynics are right. The balanced budget amendment is a crass political gimmick.

But it is a dangerous gimmick that, if approved, could undermine the democratic foundation of our Nation, and allow unelected judges to impose huge tax increases on ordinary Americans.

I say: no taxation without representation.

No taxation without representation.

I urge my colleagues to reject the Nickles amendment.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the clerk will report the motion to invoke cloture.

The bill 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 do hereby move to bring to a close debate on amendment No. 2447, the Seymour-Nickles amendment:

Bob Dole, Strom Thurmond, John Seymour, Phil Gramm, Steve Symms, Don Nickles, John H. Chafee, Pete V. Domenici, Malcolm Wallop, Frank H. Murkowski, John McCain, Trent Lott, Larry E. Craig, Dan Coats, Al Simpson, Orrin G. Hatch, Mitch McConnell, Ted Stevens.

CALL OF THE ROLL

The PRESIDING OFFICER. By unanimous consent, the quorum call has been waived.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the Seymour amendment, No. 2447 to S. 2733, shall be brought to a close?

The yeas and nays are required.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. PELL (when his name was called). Mr. President, on this vote I have a pair with the distinguished Senator from New Jersey [Mr. BRADLEY]. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I, therefore, withhold my vote.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] and the Senator from North Carolina [Mr. SANFORD] are necessarily absent.

On this vote, the Senator from Rhode Island [Mr. PELL] is paired with the Senator from New Jersey [Mr. BRADLEY]. If present and voting, the Senator from New Jersey would vote "nay" and the Senator from Rhode Island would vote "yea."

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. ROTH] are absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "yea."

The PRESIDING OFFICER (Mr. REID). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 56, nays 39, as follows:

[Rollcall Vote No. 136 Leg.]

YEAS—56

Bond	Garn	Murkowski
Boren	Glenn	Nickles
Breaux	Gorton	Packwood
Brown	Graham	Pressler
Bryan	Gramm	Reid
Burns	Grassley	Robb
Chafee	Hatch	Rudman
Coats	Hatfield	Seymour
Cochran	Heflin	Shelby
Cohen	Hollings	Simon
Craig	Jeffords	Simpson
D'Amato	Kassebaum	Smith
Danforth	Kasten	Specter
Daschle	Kohl	Stevens
DeConcini	Lott	Symms
Dixon	Lugar	Thurmond
Dole	Mack	Wallop
Domenici	McCain	Warner
Durenberger	McConnell	

NAYS—39

Adams	Ford	Metzenbaum
Akaka	Fowler	Mikulski
Baucus	Gore	Mitchell
Bentsen	Harkin	Moynihan
Biden	Inouye	Nunn
Bingaman	Johnston	Pryor
Bumpers	Kennedy	Riegle
Burdick	Kerrey	Rockefeller
Byrd	Kerry	Sarbanes
Conrad	Lautenberg	Sasser
Cranston	Leahy	Wellstone
Dodd	Levin	Wirth
Exon	Lieberman	Wofford

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Pell, for

NOT VOTING—4

Bradley	Roth
Helms	Sanford

The PRESIDING OFFICER. On this vote, the yeas are 56, the nays are 39. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the motion was rejected.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from California is recognized to withdraw his amendment.

Mr. SEYMOUR. Mr. President, in accordance with the unanimous-consent agreement, I withdraw my amendment.

So the amendment (No. 2447) was withdrawn.

Mr. CRANSTON. Under section 501 of the bill, the Director is required to implement the housing provisions of title V in a manner consistent with specified sections of the GSE's charter Acts. What is the effect of this requirement?

Mr. RIEGLE. Those sections of the GSE's charter acts specify that it is one of the purposes of each enterprise to provide special assistance to low- and moderate-income families in obtaining mortgage credit, with a condition that such activities should, in the aggregate, provide a reasonable economic return to the enterprise. The bill requires the Director to formulate housing goals and approve or disapprove of any required housing plans under title V in a manner consistent with that condition.

Mr. CRANSTON. On what basis would the Director be expected to evaluate whether the economic returns are reasonable?

Mr. RIEGLE. The Director should consider the expected returns to such activities in light of the rates of return on equity of other financially sound businesses and institutions that provide similar services; the returns of other business, generally; and the adequacy of the enterprise's overall rate of return.

Mr. CRANSTON. Does that mean the returns expected on activities to assist low- and moderate-income families would be positive?

Mr. RIEGLE. Yes; the expected aggregate returns, over time, on such activities should be positive, but should not be expected to be as great as the overall rates of return on equity that the enterprises have experienced in recent years.

Mr. President, I ask unanimous consent to insert into the RECORD a letter from the Administrative Conference of the United States stating that the bill currently under consideration if fully consistent with the conference's recommendation for GSE regulatory reform.

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

ADMINISTRATIVE CONFERENCE
OF THE UNITED STATES,
Washington, DC, June 2, 1992.

Steven B. Harris, Esquire,
Staff Director, Senate Committee on Banking, Housing, and Urban Affairs, Washington, DC.

DEAR MR. HARRIS: As you requested, this Office has reviewed the provisions of S. 2733, as reported out of the Senate Committee on Banking, Housing and Urban Affairs. See Federal Housing Enterprises Regulatory Reform Act of 1992, S. Rep. 102–282 (102nd Cong., 2d Sess. 1992).

As you know, the Administrative Conference of the United States is an independent agency of the U.S. Government established for the purpose of promoting improvements in the efficiency, adequacy and fairness of procedures by which federal agencies conduct regulatory programs, administer grants and benefits, and perform related government functions. In light of its statutory mandate, the Conference examined the various procedural aspects of the workings of government-sponsored enterprises (GSEs). Based on that examination, it issued Recommendations 91–6, which I enclose.

The recommendation had four primary elements. First, the Conference believed that each GSE should be supervised by a federal agency for safety and soundness. Second, such agency should have the necessary powers to perform its supervisory tasks, includ-

ing the ability to examine a GSE's financial condition and set and enforce appropriate risk-related and minimum capital requirement. Third, the supervising agency should develop and maintain risk ratings of each GSE. However, the Conference concluded that the agency should involve itself in GSE management only if an institution's risk profile warrants such involvement. Finally, the Conference recommended that any federal agency responsible for supervising GSE safety and soundness should develop through notice-and-comment rulemaking, suitable guidelines for invoking its supervisory and enforcement powers. In our judgment, the provisions of S. 2733, if enacted, would implement ACUS Recommendation 91-6, Improving the Supervision of the Safety and Soundness of Government-Sponsored Enterprises, (1 CFR §305.91-6 copy attached), insofar as the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation are concerned.

I must mention that the Conference did not address a range of structural and substantive issues that have been resolved by S. 2733, such as the placement of the regulator (the Office of Federal Housing Enterprise Oversight) within the executive branch, the relationship to the Secretary of the Department of Housing and Urban Development, the agency's litigation authority, or the elements of effective risk-related and minimum capital requirements. As you are aware, the Department of Justice has raised concerns regarding a number of these matters and would recommend that the President veto the bill if passed in its current form. The Conference's recommendations regarding procedure and process issues did not address the matters of concern to the Department, on which the Conference takes no position.

Sincerely,

GARY J. EDLES,
General Counsel.

CAPITAL STANDARDS

Mr. METZENBAUM. I would like to ask the distinguished chairman of the committee and the manager of the bill about the authority of the Director of Federal housing enterprise oversight to raise the minimum capital standard contained in section 202. On June 23, in response to my question, you said on this floor that the Director did indeed have the authority to set the required ratios above the minimum levels contained in section 202 if necessary to protect the health and security of an enterprise and that it is important that the Director act in those circumstances. Since that time, I have learned that some Senators may have a different view about the Director's authority. I would like to be assured by the chairman of the committee and the manager of this bill that the Director has authority to raise capital standards, if necessary.

Mr. RIEGLE. The distinguished Senator from Ohio is absolutely correct in his understanding. Section 202 contains minimum capital standards. The director cannot set the actual ratios required of an enterprise below these statutory minimums. The language of section 202 expressly states that the capital ratios specified therein are minimum ratios, thereby implying that the regulator can prescribe higher levels so long as they are not less than the minimums contained in section 202.

Under section 102 of the bill, the Director is given the duty to ensure that the enterprises are adequately capitalized and operating safely in accordance with this act and the Charter Acts. Under section 103(a)(1) of the bill, the Director is authorized to issue regulations concerning the financial health and security of the enterprises, including the establishment of capital standards. There is no way the Director can discharge these responsibilities unless he or she has the authority to prescribe capital standards to be met by the enterprises.

Unless the legislation specifically and affirmatively prohibits the Director from establishing required capital ratios, it must be assumed that the Director has that authority in order to discharge his or her duties assigned under section 102. I can assure the Senator from Ohio that there is no such prohibition in the legislation before us. Such a prohibition would be a marked departure from the general pattern of financial regulation legislation enacted by the committee over the years. Clearly, the committee and the Congress have not seen fit to establish a ceiling on the ability of the bank regulators to prescribe capital ratios. If the committee had intended to preclude the Director from setting the required capital ratios an enterprise must maintain, it would have done so with clear and unambiguous language. The only constraint on the Director's authority is that the required capital ratios cannot be set below the minimum levels contained in section 202.

Mr. METZENBAUM. I have heard it argued that before the Director can raise the minimum standards in section 202, he would first have to recommend to the Congress that the law be changed. Is that correct?

Mr. RIEGLE. I can see where there might be some confusion on this point. If the Director believed the minimum statutory ratios contained in section 202 should be raised, he or she would obviously have to seek a change in the law. A Director might believe an increase in the statutory minimum ratios contained in section 202 to be necessary if he or she concluded that they were clearly inadequate under all foreseeable circumstances. If the Congress were to so raise the statutory minimum ratios in section 202, it would establish a new and higher floor applicable to the Director's discretionary authority to prescribe capital ratios. However, there is nothing in the legislation that would preclude the Director from setting the required ratio above the minimum ratios currently contained in section 202 without further legislation. If the circumstances that gave rise to the need for higher ratios changed, the Director could then reduce the required capital ratios, but not lower than the minimum ratios contained in section 202.

Mr. METZENBAUM. I thank the chairman of the committee and manager of the bill for his clarification. I have one more question. I notice that section 103 was modified by you to delete the phrase "risk-based" from the authority of the Director to issue regulations to establish capital standards. Would the chairman explain the significance of his amendment?

Mr. RIEGLE. May I say to the Senator from Ohio, the reason for deleting this phrase was to remove any uncertainty that the Congress intends that the Director have the authority to issue regulations establishing both minimum capital standards under section 202 and risk-based capital standards under section 201, as well as any other regulations concerning the financial health and security of the enterprises. As the bill was reported, it might have been erroneously construed that the Congress intended for the Director to have the authority to issue regulations only affecting the risk-based capital standards. By deleting the phrase "risk-based", we remove any such possible misinterpretation that we are intending to confine the Director's authority only to the risk-based capital standards.

Mr. METZENBAUM. I thank the chairman and manager.

Mr. KOHL. Mr. President, 99 percent of what we do in this body involves taxpayer dollars. Ninety-nine percent of what we do is spend the hard earned money of our constituents on programs for the public's present good or investments for the country's future good.

Our Government has grown so large and so complex that I believe politicians often forget this simple fact: We are working with our people's money here. We have an obligation to treat our public spending and investment as seriously and carefully as if we were spending or investing our own last dollar.

We did not follow this rule during the 1980's when we insured the shaky S&L industry, deregulated it, and then had to bail it out. And now we're in danger of repeating that mistake with our haphazard supervision over the government sponsored enterprises Fannie Mae and Freddie Mac.

Frankly, it is difficult to get many people, outside the Banking Committee, interested in the issue of GSE regulation. It sounds dry; it's hard to understand what the GSE's do or how they operate; and they aren't losing money right now. If it ain't broke, why fix it?

The answer is simple: There is 900 billion of taxpayer dollars on the line. That is the amount of unfunded liability in Fannie Mae and Freddie Mac right now.

And were these institutions to fail, it would be taxpayers on the hook.

Though the GSE's liabilities are not explicitly guaranteed by the Government, the market believes, and history has proved, that the Government will back those liabilities in the case of a GSE failure.

You would think that with almost $1 trillion in taxpayer dollars on the line, we would be watching these two GSE's carefully. You would think that we wouldn't repeat the mistake we made with the S&L industry—that we wouldn't provide Federal insurance without strict safety and soundness regulation.

Well, if you think that, you think wrong.

Currently, the Federal Government does almost nothing to oversee Fannie Mae and Freddie Mac for safety and soundness. The Department of Housing and Urban Development has oversight of Fannie Mae and Freddie Mac but has never done a financial audit of Fannie Mae and has never successfully promulgated a regulation for Freddie Mac.

HUD presently has only six, part-time employees regulating these two GSE's $900 billion in complex secondary market liabilities. Reports by the Government Accounting Office, the Department of the Treasury, and the Congressional Budget Office all found HUD's regulation unsatisfactory and, all three of these groups recommended removing regulatory authority over Freddie Mac and Fannie Mae from HUD.

HUD's abysmal management track record aside, I do not believe that the agency responsible for promoting housing can also be asked to regulate for financial safety and soundness. HUD faces an inescapable and unresolvable conflict between fostering financial safety and soundness in the GSE's and encouraging them to invest in low income housing—an inherently risky endeavor.

Even HUD agrees that it should not be in charge of ensuring the financial health of these two enterprises. In a September 16, 1991, American Banker article, HUD Deputy Secretary Alfred A. DelliBovi admitted that HUD did not have the skill to police the GSE's sophisticated bond market operations. DelliBovi candidly stated: "We don't win if the taxpayer loses."

It is clear that the taxpayer wins if the regulation of GSE's is moved out of the overburdened, underqualified HUD.

The Banking Committee's bill goes a long way toward doing this. It sets up a safety and soundness regulator for Fannie Mae and Freddie Mac that is an office within HUD—but an independent office that doesn't have to answer to the HUD secretary.

Frankly, I would have preferred to take the GSE regulator out of HUD altogether. I had intended to offer an amendment that would have removed the regulation of Fannie Mae and Freddie Mac from HUD and put it in the hands of a three member board. The board was composed of a chairperson appointed by the President and confirmed by the Senate, the Secretary of HUD, and the Secretary of the Treasury. The Board would have provided serious and balanced regulatory guidance to Fannie Mae and Freddie Mac—guidance warranted by the huge taxpayer-backed liabilities held by these two institutions.

My approach is supported by the general Accounting Office, National Taxpayers Union, and Consumer Federation of America.

In July of last year, the Subcommittee on Government Information and Regulation, which I chair, held a hearing on the regulation of GSE's. All of the witnesses at our hearing—GAO, the Treasury Department, and Mr. Thomas Stanton, a renowned expert on the GSE's—testified in favor of the sort of approach contained in my amendment.

I have decided to hold off offering my amendment in favor of a sense-of-the-Senate resolution that Chairman RIEGLE has graciously accepted. This resolution says that the GSE bill reported out of conference must include the establishment of a regulator for GSE safety and soundness that is independent of HUD. Though I believe my three member board is the best way to achieve this, I am willing to accept any proposal that fits this general description.

I cannot stress how important it is that we create an effective regulator for Fannie Mae and Freddie Mac—now, before the first tax dollar is lost. The way to do that is to get the regulators away from HUD, and away from the conflict between promoting housing and protecting taxpayer dollars. The Banking Committee has made a good start toward that end, and I look forward to the strong finish in the bill that emerges from conference.

I don't want to be down on this floor 5 years from now apologizing for losing taxpayer dollars that we could save today. I urge by colleagues to vote for this bill, and to support a conference report that includes a strong, independent regulator for Fannie Mae and Freddie Mac.

THE BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

Mr. CRAIG. Mr. President, I rise to try and wrap up several issues that have been raised in the debate on the Balanced Budget Amendment over the last few days.

RECOGNITION

This amendment will not go away after this last procedural vote today. It will be back because sending this amendment to the States for ratification is the right thing to do, because the people demand it, and because of the leadership of many exceptional individuals and organizations. There are too many who have made signal contributions, inside and outside of this body, to recognize here. But I will sound just a few, brief notes of recognition here.

I want to acknowledge the tireless and longstanding leadership of the former President pro tempore, the distinguished Senator from South Carolina [Mr. THURMOND]; the principal sponsor of Senate Joint Resolution 18, the chairman of the Constitution Subcommittee, Mr. SIMON; and my House colleagues CHARLIE STENHOLM, BOB SMITH, and TOM CARPER, with whom I wrote the predecessor legislation to this year's House Joint Resolution 290 and Senate Joint Resolution 298.

I also want to acknowledge the leadership of the Balanced Budget Amendment Coalition, chaired by the National Taxpayers Union and very capably coordinated by Mr. Al Cors, which has brought together groups from all over the country dedicated to fiscal responsibility and economic growth. I would like to include in the RECORD a recent letter to the Senate from the coalition, along with a list of coalition members, and so I ask unanimous consent.

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

[The Balanced Budget Amendment Coalition, June 5, 1992]

AN OPEN LETTER TO MEMBERS OF THE U.S. SENATE

The undersigned organizations urge you to vote for and support the Balanced Budget Amendment, S.J. Res. 18, as originally sponsored by Senators Simon, Thurmond, DeConcini, Hatch, Heflin, Simpson, and Grassley.

S.J. Res. 18 has broad bipartisan support (31 total Senate cosponsors) and certainly holds the greatest potential for Senate passage. This measure cleared the Senate Judiciary Committee last year on an eleven to seven vote, and is expected to be scheduled for floor consideration on or before June 5.

The need for this Constitutional Amendment has become obvious. Last year's federal budget deficit reached a record high of $269 billion. This year's deficit is estimated at an incredible $400 billion and FY '93 is presently expected to produce a deficit in excess of $350 billion.

Together, FY '91, '92, and '93 will add a total of $1 trillion in new federal debt. This shocking achievement contrasts sharply with the fact that it took 200 years for the federal government to accumulate the first $1 trillion in national debt.

We can no longer afford to postpone the passage of an effective Constitutional restraint on federal debt. In FY '93 alone, the cost of financing a $4 trillion plus national debt will exceed $315 billion in interest payments, the largest single expenditure in the federal budget. The time for action is now.

S.J. Res. 18 is a sound amendment that has evolved through years of work by the principal sponsors. It provides the Constitutional strength to make balanced federal budgets the norm, rather than the rare exception (once in the past 30 years), and it offers the proper flexibility to deal with national emergencies.

S.J. Res. 18 is also designed to make raising federal taxes more difficult. It would require a majority of the whole number of both

houses of Congress—by roll call vote—to enact any tax increase. This adds accountability as well as an appropriate focus on spending restraint.

Unless action is taken now, federal debt and deficits will continue to cripple our economy and mortgage our children's future. For those important reasons, we urge you to pass S.J. Res. 18, the Balanced Budget Amendment.

Sincerely,

National Taxpayers Union.
National Cattlemen's Association.
Associated Builders & Contractors.
American Farm Bureau Federation.
Concerned Women for America.
Americans for a Balanced Budget.
American Legislative Exchange Council.
International Mass Retail Association.
National American Wholesale Grocers Association.
Independent Bakers Association.
National Independent Dairy Foods Association.
Irrigation Association.
Motorcycle Industry Council.
American Supply Association.
American Machine Tool Distributors.
American Tax Reduction Movement.
National Lumber & Building Material Dealers Association.
National Truck Equipment Association.
Door & Hardware Institute.
Steel Service Center Institute.
American Association of Boomers.
National Grange.
U.S. Federation of Small Businesses.
Associated Equipment Distributors.
Beer Drinkers of America.
Truck Renting and Leasing Association.
American Bakers Association.
National Association of Homebuilders.
National Association of Plumbing-Heating-Cooling Contractors.
American Subcontractors Association.
Howard Jarvis Taxpayers Association (CA).
Connecticut Taxpayers Committee.
Alliance of California Taxpayers & Involved Voters (ACTIV).
Citizens for Limited Taxation (MA).
United Taxpayers of New Jersey.
Citizens Against Higher Taxes (PA).
North Carolina Taxpayers Union.
Texans for Limited Taxation.
National Taxpayers Union of Ohio.
Iowans for Tax Relief.
Hands Across New Jersey.
National Taxpayers United of Illinois.
Tax Accountability '92 (IL).
Angry Taxpayer Action Committee (IL).
Northwest Ohio (Toledo) Taxpayer Action Network.
Cleveland Taxpayer Action Network (OH).
Alameda County Waste Watchers (CA).
Taxpayers United of Minnesota.
Texas Association of Concerned Taxpayers (TACT).
West Virginia State Taxpayer Action Network.
El Paso Voters Coalition (TX).
Akron Taxpayers Alliance (OH).
San Jose Family Taxpayers Outreach (CA).
Taxpayers United for the Michigan Constitution.
Taxpayers United for Assessment Cuts (MI).
Delaware Taxpayer Mobilization Corps.
Floridians for Tax Relief.
Macomb County Taxpayers Association (MI).
Florida State Citizens Against Government Waste.
Tax PAC, Inc. (NY).
Westchester Taxpayers Alliance (NY).
South Carolina Association of Taxpayers.

MODIFICATION TO THE LANGUAGE

Mr. CRAIG. Last night, I heard the concern raised by one Senator that the language of the amendment brought to the floor by the Senator from Oklahoma [Mr. NICKLES] is different from Senate Joint Resolution 18 as reported by the Judiciary Committee.

Mr. President, it is not exactly a revolutionary idea that legislation continues to evolve some after being reported by a committee. That is why we have the right to offer amendments on the floor. In this particular case, it is particularly perplexing that such a concern would be raised.

On June 9, the principal sponsors and supporters of both the leading versions of the amendment at that time, Senate Joint Resolution 18 and House Joint Resolution 290/Senate Joint Resolution 298, wrapped up a series of meetings held to find common ground between those already very compatible versions. Our hope was that we could reach a consensus in advance and avoid a possible killer-conference upon passage by both bodies. Not only did we reach an agreement, but I think most—and possibly all—of the participants believe we improved on both versions.

The leading House sponsors accepted Senator HEFLIN's language on serious military threats; the Senate supporters accepted the requirement of a three-fifths vote on a debt limit—a provision similar to one adopted twice before on the floor of the Senate; and both sides accepted the new section 6, providing for enforcement and implementation; and a more realistic effective date, fiscal year 1998 at the earliest, was added.

In other words, the bipartisan, bicameral consensus language improved on the workability of the House version and improved on the enforceability of the Senate version. Were there changes? Yes. In fact, they were all improvements. Even so, the original two versions were not so far apart.

We do not ever doubt the statements made by another Senator, nor should we. But I must confess that I cannot imagine how any Senator who supported the earlier version could have difficulty with the version now before us. As the Senator from Oklahoma pointed out last week, this is the Stenholm-Simon amendment; it is also the Thurmond-Hatch-Craig, and the DeConcini-Heflin, and the Smith-Snowe-Michel, and the Carper-Moody-Kennedy, and the Gramm-Domenici amendment, and that of others, as well.

To make sure the record is clear, I ask unanimous consent that a side-by-side comparison of the language of these three versions be printed in the RECORD.

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

H. J. Res. 290 / S. J. Res. 298 (as introduced)	S. J. Res. 18 (Report No. 102–103)	Bipartisan, Bicameral Consensus June 9, 1992
Section 1. Prior to each fiscal year, the Congress and the President shall agree on an estimate of total receipts for that fiscal year by enactment of a law devoted solely to that subject.[1] Total outlays for that year shall not exceed the level of estimated receipts set forth in such law, unless three-fifths of the whole number of each House of Congress shall provide, by a rollcall vote, for a specific excess of outlays over estimated receipts.	Section 1. Total outlays of the United States for any fiscal year shall not exceed total receipts to the United States for that year, unless Congress approves a specific excess of outlays over receipts by three-fifths of the whole number of each House on a rollcall vote.	Section 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over estimated receipts by a rollcall vote.
Section 2. The limit on the debt of the United States held by the public shall not be increased unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.	Section 2. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that year in which total outlays do not exceed total receipts.	Section 2. The limit on the debt of the United States held by the public shall not be increased unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.
Section 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year in which total outlays do not exceed total receipts.	Section 3. Any bill to increase revenue shall become law only if approved by a majority of the whole number of each House by a rollcall vote, unless such bill is approved by unanimous consent.	Section 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year in which total outlays do not exceed total receipts.
Section 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.	Section 4. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect.	Section 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.
Section 5. The provisions of this article may be waived for any fiscal year in which a declaration of war is in effect.	Section 5. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House of Congress, which becomes law.	Section 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security, and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.
Section 6. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.	Section 6. Total receipts shall include all receipts of the United States except those derived from borrowing. Total outlays shall include all outlays of the United States except those for repayment of debt principal.	Section 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.
Section 7. This article shall take effect beginning with fiscal year 1995[2] or with the second fiscal year beginning after its ratification, whichever is later.	Section 7. This article shall take effect beginning with the second fiscal year beginning after its ratification.	Section 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.
		Section 8. This article shall take effect beginning with fiscal year 1998 or with the second fiscal year beginning after its ratification, whichever is later.

[1] In S.J. Res. 298: "Prior to each fiscal year, an estimate of total receipts for that fiscal year shall be determined by enactment of a law.—"
[2] "1997" in S.J. Res. 298.

CLARIFICATION AS TO ENFORCEMENT LANGUAGE

Mr. CRAIG. Mr. President, speaking of the new section 6, last night, the Senator from Maryland [Mr. SARBANES] stated that this language is the same as enforcement language in the 14th amendment, which, he said, has spawned hundreds of lawsuits.

First, I believe the Senator was in error and I want to help him to be clear on the differences between the two very different enforcement clauses; and, second, I want to note that the argument he made is misdirected.

Section 6 of the bipartisan, bicameral consensus balanced budget amendment states that, "Congress shall enforce and implement this article by appropriate legislation * * *," while the 14th and several other amendments have language to the effect that, "Congress shall have the power to enforce * * *."

I included in the RECORD last week a section-by-section analysis of the balanced budget amendment, including a thorough discussion of the differences between these two approaches. For the convenience of readers of the record of this debate, I ask unanimous consent that a relevant excerpt from that analysis be printed in the RECORD at this point.

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

Section 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

This section requires the adoption of legislation necessary, appropriate, and reasonable to enforce and implement the Balanced Budget Amendment. There is no need—and arguably it would be a bad idea—explicitly to foreclose the possibility of judicial interpretation or enforcement. However, this language further tilts presumptions of such responsibilities toward extremely limited court involvement. This language also is intended to prevent the possibility of an interpretation that could shift the current balance of power among the branches in favor of the Executive.

Detailed analysis:

"*The Congress shall enforce and implement* . . ." differs from clauses included in several other amendments that state, "The Congress shall have power to enforce . . . ." This latter clause has been employed only where there was concern that the question could arise as to whether Congress had the power to pre-empt state laws or constitutions or was venturing impermissibly beyond its constitutionally enumerated powers and into the rights reserved to the states or the people.

Here, no such question of pre-emption is conceivable. Congress clearly has the power to enforce and implement this Article, under the "necessary and proper" clause in Article I, Section 8, which states: "The Congress shall have Power . . . To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof."

This section creates a positive obligation on the part of Congress to enact appropriate implementation and enforcement legislation. As a practical matter, this language simply requires what is evitable and predictable. It is a simple statement that, however well-designed, a constitutional amendment dealing the subject matter as complicated as the federal budget process needs to be supplemented with legislation. It is a means of owning up to the truth in the arguments made by many Members of Congress—both supporters and opponents—that Members must expect to do more than cast this one vote to pass this one amendment, to ensure that deficits are brought down and, ultimately, eliminated.

The inclusion of a positive obligation to legislate does not make the Article more difficult to enforce, nor is it without precedence in the Constitution. Article I, Section 2, Clause 3 provides: "Representatives and direct Taxes shall be apportioned among the several States . . . according to their respective Numbers, which shall be determined by . . . [an] actual Enumeration . . . made within three Years . . . and within every subsequent Term of ten Years, in such Manner as they shall by Law direct. . . ." The critic who today asks, "What if Congress just doesn't enact implementing and enforcing legislation?" would be the counterpart of the critic who might have asked in 1787, "What if Congress just doesn't authorize or appropriate for a Census, if, in their own self-interest, they don't want the current apportionment to be changed?" In this case, it manifestly would be in Congress' own best interest to enact legislation ensuring a complete and clearly-defined budget process consistent with the Balanced Budget Amendment.

Mr. CRAIG. Mr. President, I also point out that, one of the main reasons for the occurrence of the litigation to which the Senator from Maryland has referred is the fact that a hundred years of legislation enacted under the Civil War civil rights amendments explicitly provide for court remedies. When we write legislation implementing and enforcing the balanced budget amendment, we can make sure that the opportunity for court action is just as limited as we want it to be.

THE DEBT LIMIT VOTE AND ENFORCEABILITY

One of the numerous reasons this amendment will not draw the courts into the budgeting process is the inclusion of section 2, providing that a statutory limit on the amount of Federal debt held by the public can only be raised upon a three-fifths vote of both bodies of Congress.

The ranking member of the Budget Committee, the Senator from New Mexico [Mr. DOMENICI], accurately and cogently pointed out last night that this provision effectively makes the amendment self-enforcing, and that section 6 and section 2 in combination will ensure that the legislative branch loses none of the power of the purse to the executive or the judiciary.

The President pro tempore expressed concern over section 2 because bills to raise the current statutory debt limit rarely receive the votes of 60 percent in either body. That is exactly right. That is why the provision is in the amendment. That is why it will provide such effective self-enforcement.

Every debt-limit vote is dreaded. And sometimes the cost of passing a debt-limit bill is the attachment of a legislative rider. That is how we got Gramm-Rudman-Hollings enacted into law. But we do pass every debt-limit bill, because the consequences are so potentially serious if we do not. What section 2 does is take the consequences of failing to raise the debt limit and extending those same consequences to a failure to balance the budget.

What a novel idea, Mr. President, that running deficits should have a consequence. Now, certainly deficits already have economic consequences, but those are so diffuse and so far in the future, and there is so little accountability as to how they come about, that there is no meaningful, assignable, political consequence for deficits.

Section 2 changes that: It gives us timely, procedural, and political consequences. Bitter consequences, and that is how it should be.

And, taken together, all the provisions of the amendment give us the accountability that is now lacking: The President must submit balanced budgets. Congress cannot allow deficits without voting for them. And then both branches, and particularly the administration and the congressional leadership, which always prefer "clean debt-limit bills, will face the bitter task of trying to round up supermajorities to pass those debt-limit bills and to fend off amendments supported by 40-percent-plus-one of the members in either body.

Actions and consequences, Mr. President, that is what this amendment is about, and that is an appropriate procedural safeguard to enshrine in the Constitution.

So, I agree that the President pro tempore has accurately portrayed the daunting task of passing debt-limit bills and the consequences of failing to do so. Under our amendment, that daunting task and those serious consequences will appear every time the budget is not balanced. That will motivate the President to propose and the Congress to enact balanced budgets. That is what makes our amendment self-enforcing. The President pro tempore has offered a correct analysis on this point and, in doing so, has made our point for us.

OPPONENTS CANNOT HAVE IT BOTH WAYS

Among the few Senators who have spoken in opposition to the balanced budget amendment, some have criticized it as a straightjacket on the economy and some have derided it as unenforceable and riddled with loopholes. Seriously, folks, it is not possible to have an amendment that is both too flexible and not flexible enough at the same time. Increasingly, as we have fine-tuned the amendment itself, built an ever more substantial legislative record around it, and seen support for the amendment grow ever more broad-based, such arguments are

the last resort of those few who would oppose an amendment of any design. And as our fiscal situation has deteriorated, we are finding that virtually all of those who still oppose a balanced budget amendment do so because they are opposed to achieving a balanced budget.

Opponents cannot take two extreme positions—citing loopholes and inflexibility—and argue them with consistence. On the other hand, those of us who have worked on shaping the amendment can have it both ways, because our efforts have met in the middle.

This bipartisan, bicameral consensus version of the amendment is responsive to reasonable concerns and reservations raised over the years. It focuses on accountability and is procedurally enforceable—in essence allowing the democratic process to work more perfectly, and more the way the original framers of the Constitution intended. We have walled the courts out of the budget writing and tax raising process. The waivers or exceptions allowed involve supermajority votes that, under serious enough circumstances, are not unattainable. The language has been worked and reworked and polished so that it truly is constitutional in its substance and in the care taken in its drafting.

ON THE CONSTITUTION AND THE INSTITUTION OF THE SENATE

The President pro tempore has spoken eloquently and movingly over the past days about the nature of, and his devotion to, both the Constitution and the institution of the Senate. And he is second to none in his learned and earnest devotion to both.

It has been my experience, Mr. President, that all 100 of us in this body, and all 540 of us in both bodies, sincerely aspire to such standards. I do not know of one colleague who holds the constitution in less than the greatest esteem or takes his or her legislative responsibilities lightly.

That is one more reason I believe the balanced budget amendment will work. I do not believe one committee chair, one Senator, one Representative, or any President, will thumb his or her nose at the Constitution when we finally add the balanced budget amendment to it. We are not going to create 10-year-long fiscal years or privatize our Nation's defense or contract out the Social Security system.

And if the Nation's elected officials really were that determined to run huge deficits and accumulate still more astronomical sums of debt to pass on to our children, then the days of the republic are numbered, with or without any constitutional provision, no matter what we do.

But I have more faith in our system that that, and more faith in how seriously Congresses and Presidents take their constitutional responsibilities.

I have worked on this amendment for 10 years. It is because of my faith in our system; because of my earnest, deep concern that the fiscal processes of our system of representative democracy are in grave disrepair; my considered belief that the balanced budget amendment is what is needed to restore our system to robust health; and my eagerness to see the people and their State legislatures take part in the great constitutional debate certain to accompany ratification; that I have committed that time and effort to passing this amendment.

(At the request of Mr. MITCHELL, the following statement was ordered to be printed in the RECORD:)

• Mr. BRADLEY. Mr. President, as deeply divided as Members are over a constitutional amendment mandating a balanced budget, the debate we are having today is not about substance. We all agree that we cannot afford to continue to accumulate the biggest budget deficits in our history. And we all agree on the problem. The problem is that Congress and the President—in our desire to meet the many needs of the American people—find it easier to expand programs and to cut taxes than to eliminate programs and to increase taxes.

But the debate we are having today is not about which programs to cut, about how to stop the unchecked growth of entitlement spending, about whether and how to increase taxes; the debate today is about process. If a decade of procedural fixes to the deficit has shown us anything, it has shown us that such fixes are no substitute for leadership. They may even be counterproductive by allowing us to appear to be doing something while still ducking the tough issues. The plan truth is that the Senate already has all of the procedures it needs to reduce deficits. It simply lacks the will.

Mr. President, the debate we should be having—that I believe we must have—is over the role of the Federal Government in the post-cold-war world. We should be facing up to the tough choices that a $4 trillion national debt will force upon us.

I recently requested, along with Senator DOMENICI, a report from the General Accounting Office looking at the long-term damage to the economy cause the deficit. GAO's conclusions were alarming. If we continue on our current spending and revenue paths, the deficit could reach 20 percent of GNP by the year 2020 and net annual interest costs could rise to over a trillion dollars. GAO noted that the deficit will continue to slowly erode our investment base, condemning us to slow growth and stagnant income and jeopardizing our children's way of life. If we fail to return to fiscal sanity, we risk making the United States a second-rate economic power.

But the flip-side is also true. The payoffs to deficit reduction are large. While deficit reduction means denying ourselves immediate gratification, it also means an economy which is growing twice as fast over the next 20 years. The GAO report shows that the best long-term growth strategy which this Congress and administration could pass would be a sustainable program to reduce the deficit. Compared to taking no action, real per capita income could be 36 percent higher in 2020 were we to balance the budget by the year 2001. Getting to that point, however, will take unprecedented leadership.

Unfortunately, Mr. President, the amendment we are debating today is simply a substitute for leadership. Before taking this route, we would do well to remind ourselves of why we were elected. John Locke in the Second Treatise of Civil Government stated, "* * * the legislative cannot transfer the power of making laws to any other hands; for it being a delegated power from the people, they who have it cannot pass it over to others."

Under our Constitution, it is the Congress that is vested with the power to make all laws, and it is our job as Senators to make decisions about these laws and live with the implications of these decisions. We cannot—as individual Senators or a body—delegate this power to others.

But this is exactly what we are being asked to do here today—delegate our authority to decide Federal spending priorities. Although no one is even clear just how such an amendment would be enforced, passage of this amendment would clearly shift power to the judicial branch who must interpret the constitutionality of government action and to a minority of Congress who could effectively block action due the requirement for a three-fifths vote to override the amendment.

The irony is that nothing in the Constitution stands in the way of a balanced budget. We can have a balanced budget whenever enough Members of Congress are ready to vote for one. If we are a body agree that deficits should be reduced, then we as a body should take the responsibility for making the necessary decisions and live with the consequences.

I am also concerned that such a amendment will deepen our recessions. A long-standing belief behind our economic policies has been the ability of fiscal spending to moderate our cyclical downturn. We have many programs in place that operate as automatic stabilizers. These programs—such as unemployment insurance, food stamps, and AFDC—assist those people who are most directly affected by a sagging economy. Under the proposed constitutional amendment, unless 60 Senators agreed, these automatic stabilizers would have to be curtailed or other programs sacrificed to keep them going during economic downturns. Forcing discretionary cuts or tax increases in

years when recession reduces tax receipts would be ill-advised.

Mr. President, since the adoption of our Constitution in 1789, the amendment process has been used very sparingly. Twelve of the 26 amendments protect the rights of individuals, including the Bill of Rights, the prohibition of slavery and the guarantee of due process and equal protection. Five of the twenty-six amendments extend the right to vote. Seven of the twenty-six amendments deal with how our Government should be structured: judicial power, the electoral college, the income tax, popular election of Senators, et cetera.

Of the 26 amendments enacted, all but 2 have been drafted to correct a flaw in the original structure of the Constitution or to protect the fundamental rights of American citizens. The only two exceptions are the amendments which were passed to establish Prohibition and then to repeal it.

Prohibition—established by the 18th amendment and repealed by the 21st amendment—was a scar on the face of our Constitution. Its proponents screamed, "Keep us from drinking!" only to find there was not the will equal to the words.

Mr. President, I find a parallel between the prohibition amendment and the balanced budget amendment. Proponents of this amendment scream, "Keep us from spending!" only to find that there must be the will to equal the words.

And without that will, the amendment will make little difference. If our experience with Gramm-Rudman and the budget agreement has shown anything, it has shown the ability of Congress to get around rules meant to limit deficits. If we are unwilling to make unpopular votes, the amendment will result in placing more programs off-budget, mandating more expenditures by the States, and playing more tricks with revenue and expenditure estimates. And to the extent that we are putting false promises into the Constitution, we are demeaning our most important public document, the foundation of our democracy.

Mr. President, rarely have I seen Congress held in such low esteem by the country as it has been this year. The American people have lost faith that their Congress will be able to make the tough choices required for leadership. Nor will a lengthy debate over an amendment which the House has already rejected improve our image with the American people.

I believe the time has come to regain the trust of the American people. The discussion today proves that there is a broad consensus behind reducing the deficit. We should build on that consensus by initiating a bipartisan debate on just what it will take to reach a balanced budget.

There is no magic formula for reducing the deficit. We have two basic options. We can reduce spending, or we can raise taxes. The final answer will likely be some mixture of both.

In order to have credibility with the American people, Congress must first cut back obsolete and inefficient discretionary spending. These cuts must come from both the defense and domestic sectors. But that alone is unlikely to be enough. The projected deficit for 1993 is $237 billion. Even if we cut all of our nondefense discretionary spending, we still would not be close to a balanced budget.

The fact is that we have built in deficits into our budgets. Mandatory outlays have risen from 5.9 percent of our GNP in the 1960's to 14.4 percent today. In fiscal year 1993, mandatory spending will be fully half of Federal outlays. And these costs will keep growing unless we do something to control them. GAO estimates that interest payments will rise to 13.4 percent of our GNP by 2020 in the absence of serious deficit reduction. Social Security and Medicare are predicted to increase from 6.7 percent of GNP to 11.2 percent of GNP. In other words, if we fail to act, 1 out of every 4 dollars our Nation produces in 2020 will be recycled back into entitlements. If we are to be honest, we should admit to the American people that true deficit reduction will require controls over entitlement spending. We can't begin the balanced budget debate by leaving one-half of Government spending off of the table.

We should also be discussing new sources of revenues. I think on this score, we have basically three options. We could rely upon base-broadening by eliminating the loopholes which remain in our Tax Code. We could raise rates, particularly on the wealthiest in our society. Or we could increase taxes on consumption.

Mr. President, the bottom line is that we have to decide just what it is that we owe to the future. By running deficits, we have been acting as if we owe no obligation at all to the future. Traditionally, Americans have thought otherwise. We have seen ourselves in a stream of Americans, with ties to each other across time. We have agreed with Edmund Burke, who saw society as a "partnership not only between those who are living, but between those who are dead, and those who are to be born." Otherwise, "The whole chain and continuity of the commonwealth would be broken. No one generation could link with the other."

Instead of wasting time with balanced budget amendments, let's get onto the job of fashioning real deficit reduction. One of the great tasks for this and the next Congress will be to define—in terms of specific policies and spending priorities—what such a partnership across time should mean. The first step should be to stop arguing about process and start debating substance. If the American people are to be prepared for the sacrifices necessary to put us back on a track toward long-term growth, their elected leaders must be candid in their description of the problem and forthcoming in their discussion of possible solutions.

Leadership cannot come from Congress alone. Our Presidential candidates need to lay out—in detail—their plans for deficit reduction by October 1. This will enable Americans to decide on the best approach for America's future. And it will serve as a mandate for the new administration. Whoever is elected President in November will have to present each Congress man and woman with the vote of his or here lifetime—a program to balance the budget, invest in our future, and restore economic growth. And when that time comes, I hope that each Senator here will think about the contract we must make with our children—to provide them with the same opportunities that our parents provided us.●

The PRESIDING OFFICER. Under the previous order, the clerk will read the bill for the third time.

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

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

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

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass? The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] and the Senator from North Carolina [Mr. SANFORD] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. ROTH] are absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "nay."

The result was announced—yeas 77, nays 19, as follows:

[Rollcall Vote No. 137 Leg.]

YEAS—77

Adams	Cranston	Hatch
Akaka	D'Amato	Hatfield
Baucus	Danforth	Heflin
Bentsen	Daschle	Hollings
Biden	DeConcini	Inouye
Bingaman	Dixon	Jeffords
Bond	Dodd	Johnston
Boren	Exon	Kassebaum
Breaux	Ford	Kasten
Bryan	Fowler	Kennedy
Bumpers	Garn	Kerrey
Burdick	Glenn	Kerry
Byrd	Gore	Kohl
Cochran	Graham	Lautenberg
Cohen	Grassley	Leahy
Conrad	Harkin	Levin

Lieberman	Packwood	Seymour
Lott	Pell	Shelby
Mack	Pryor	Simon
McConnell	Reid	Simpson
Metzenbaum	Riegle	Specter
Mikulski	Robb	Warner
Mitchell	Rockefeller	Wellstone
Moynihan	Rudman	Wirth
Murkowski	Sarbanes	Wofford
Nunn	Sasser	

NAYS—19

Brown	Durenberger	Smith
Burns	Gorton	Stevens
Chafee	Gramm	Symms
Coats	Lugar	Thurmond
Craig	McCain	Wallop
Dole	Nickles	
Domenici	Pressler	

NOT VOTING—4

Bradley	Roth
Helms	Sanford

So the bill (S. 2733) was passed, as follows:

S. 2733

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Federal Housing Enterprises Regulatory Reform Act of 1992".

(b) TABLE OF CONTENTS.—

SEC. 2. FINDINGS AND PURPOSES.

The Congress finds that—

(1) the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation (as set forth in section 301 of the Federal National Mortgage Association Charter Act and section 301 of the Federal Home Loan Mortgage Corporation Act), and the Federal Home Loan Banks have important public purposes;

(2) because the continued ability of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation to accomplish their public purposes is important to providing housing in the United States and the health of the Nation's economy, more effective Federal regulation is needed to reduce the risk of failure of the enterprises;

(3) given their current operating procedures, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation pose a low financial risk to the Federal Government;

(4) the securities issued by such enterprises are not backed by the full faith and credit of the United States;

(5) the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation have an affirmative obligation to facilitate the financing of affordable housing for low- and moderate-income families in a manner consistent with their overall public purposes, while maintaining a strong financial condition and a reasonable economic return; and

(6) the Federal Home Loan Bank Act should be amended to emphasize that providing for financial safety and soundness is the primary mission of the Federal Housing Finance Board.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) AFFILIATE.—Except as provided by the Director, the term "affiliate" means any entity that controls, is controlled by, or is under common control with an enterprise.

(2) CAPITAL DISTRIBUTION.—

(A) IN GENERAL.—The term "capital distribution" means—

(i) a dividend or other distribution in cash or in kind made with respect to any shares of or other ownership interest in an enterprise, except a dividend consisting only of shares of the enterprise;

(ii) a payment made by an enterprise to repurchase, redeem, retire, or otherwise acquire any of its shares, including any extension of credit made to finance an acquisition by the enterprise of such shares; or

(iii) a transaction that the Director determines by order or regulation to be in substance the distribution of capital.

(B) EXCEPTION.—A payment made by an enterprise to repurchase its shares for the purpose of fulfilling an enterprise obligation under an employee stock ownership plan that is qualified under section 401 of the Internal Revenue Code shall not be considered a capital distribution.

(3) DIRECTOR.—The term "Director" means the Director of the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development.

(4) ENTERPRISE.—The term "enterprise" means—

(A) the Federal National Mortgage Association and any affiliate thereof; and

(B) the Federal Home Loan Mortgage Corporation and any affiliate thereof.

(5) EXECUTIVE OFFICER.—The term "executive officer" means, with respect to an enterprise, the chairman of the board of directors, chief executive officer, chief financial officer, president, vice chairman, any executive vice president, and any senior vice president in charge of a principal business unit, division, or function.

(6) LOW INCOME.—The term "low income" means—

(A) in the case of owner-occupied units, income not in excess of 80 percent of area median income; or

(B) in the case of rental units, income not in excess of 80 percent of area median income, with adjustments for smaller and larger families, as determined by the Secretary.

(7) MODERATE INCOME.—The term "moderate income" means—

(A) in the case of owner-occupied units, income not in excess of area median income; or

(B) in the case of rental units, income not in excess of area median income, with adjustments for smaller and larger families, as determined by the Secretary.

(8) MORTGAGE PURCHASES.—The term "mortgage purchases" includes mortgages purchased for portfolio or securitization.

(9) NEW PROGRAM.—The term "new program" means any product or program for the purchasing, servicing, selling, lending on the security of, or otherwise dealing in, conventional mortgages that—

(A) is significantly different from products or programs that have been approved under this Act or that were approved or engaged in by an enterprise before the effective date of this Act, or

(B) represents an expansion, in terms of the dollar volume or number of mortgages or securities involved, of products or programs above limits expressly contained in any prior approval.

(10) OFFICE.—The term "Office" means the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development.

(11) SECRETARY.—The term "Secretary" means the Secretary of Housing and Urban Development.

SEC. 4. EFFECTIVE DATE.

Except where otherwise specified, the effective date of this Act shall be the date of the initial appointment of the Director.

TITLE I—SUPERVISION AND REGULATION OF THE ENTERPRISES

SEC. 101. ESTABLISHMENT OF THE OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT.

(a) ESTABLISHMENT.—There is established in the Department of Housing and Urban Development an Office of Federal Housing Enterprise Oversight.

(b) DIRECTOR.—

(1) IN GENERAL.—The Office shall be under the management of a Director who shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals who—

(A) are citizens of the United States,

(B) have a demonstrated understanding of financial management or oversight, and

(C) have a demonstrated understanding of mortgage security markets and housing finance.

(2) LIMITATION.—An individual may not be appointed as Director if the individual has served as an executive officer or director of an enterprise at any time during the 18-month period preceding the nomination of such individual.

(3) COMPENSATION.—The Director shall be compensated as prescribed in section 5313 of title 5, United States Code.

(4) TERM.—The Director shall be appointed for a term of 5 years.

(5) VACANCY.—A vacancy in the position of Director shall be filled in the same manner as the original appointment.

(6) SERVICE AFTER THE END OF THE TERM.—A Director may serve after the expiration of the term for which the Director was appointed until a successor has been appointed.

(c) EFFECTIVE DATE.—Subsection (a) shall take effect on the date of enactment of this Act.

SEC. 102. DUTIES OF DIRECTOR.

(a) PRIMARY DUTY.—The primary duty of the Director shall be to ensure that the enterprises are adequately capitalized and operating safely in accordance with this Act and the charter Acts.

(b) OTHER DUTIES.—The Director shall also ensure that the enterprises carry out the public purposes of their respective charter Acts.

SEC. 103. AUTHORITY OF DIRECTOR.

(a) AUTHORITY EXCLUSIVE OF THE SECRETARY.—The Director is authorized, without the review or approval of the Secretary, to—

(1) issue regulations concerning the financial health and security of the enterprises, including the establishment of capital standards;

(2) develop and propose to the Secretary any other regulations necessary and proper to carry out this Act and ensure that the purposes of the charter Acts are accomplished;

(3) establish annual budgets, financial reports, and annual assessments for the costs of the Office;

(4) examine each enterprise's financial and operating condition;

(5) determine capital levels of the enterprises;

(6) undertake administrative and enforcement actions under this Act;

(7) appoint conservators for the enterprises;

(8) monitor and enforce compliance with housing goals under this Act;

(9) conduct research and financial analysis;

(10) submit annual and other reports required under this Act; and

(11) perform such other functions as are necessary to carry out this Act and ensure that the purposes of the charter Acts are accomplished.

(b) AUTHORITY SUBJECT TO THE SECRETARY'S REVIEW.—Except as provided in subsection (a), the Director may issue any regulations necessary to carry out this Act and ensure that the purposes of the charter Acts are accomplished, including regulations—

(1) concerning the housing finance missions of the enterprises, including the affordable housing and other housing provisions under title V of this Act; and

(2) to establish and monitor compliance with fair lending requirements;

subject to the Secretary's review and approval.

(c) DELEGATION OF AUTHORITY.—The Director may delegate to employees of the Office any of the functions, powers, and duties of the Director, as the Director considers appropriate.

(d) INDEPENDENCE IN PROVIDING INFORMATION TO CONGRESS.—The Director is not required to obtain the prior approval, comment, or review of any officer or agency of the United States before submitting to the Congress any recommendations, testimony, or comments if such submissions include a statement indicating that the views expressed therein are those of the Director and do not necessarily represent the views of the Secretary or the President.

(e) APPROVAL OF NEW PROGRAMS.—

(1) IN GENERAL.—The introduction of a new program by an enterprise pursuant to its charter Act shall be subject to prior approval by both the Secretary and the Director, except as provided in paragraph (5).

(2) APPROVAL PROCEDURE.—Not later than 45 days after submission of the request for approval of a new program or notice under paragraph (5)(A), the Secretary and the Director shall approve the new program or transmit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a report explaining why the new program has not been approved. The 45-day period may be extended for one additional 15-day period if the Secretary or the Director requests additional information from the enterprise, but the 45-day period may not be extended for any other reason. If the Secretary and the Director fail to transmit the report within the 45-day period or 60-day period, as the case may be, the enterprise may proceed as if the new program had been approved.

(3) APPROVAL BY THE DIRECTOR.—

(A) IN GENERAL.—The Director shall approve a new program unless the Director determines that the program would risk significant deterioration of the financial condition of the enterprise.

(B) UNDERCAPITALIZED INSTITUTIONS.—If an enterprise is undercapitalized, the Director shall approve a new program only if the Director determines that the program will likely improve or not worsen the financial and capital condition of the enterprise.

(4) APPROVAL BY THE SECRETARY.—The Secretary shall approve a new program unless the Secretary determines that the program is not authorized by the relevant charter Act or would have a deleterious effect on housing finance.

(5) SPECIAL APPROVAL PROCEDURE FOR AN ADEQUATELY CAPITALIZED ENTERPRISE.—

(A) NOTICE.—If an adequately capitalized enterprise plans to introduce a new program, it shall submit a written notice to the Secretary and the Director.

(B) APPROVAL BY THE DIRECTOR.—A new program submitted by an enterprise in accordance with subparagraph (A) shall not be subject to approval by the Director.

(C) APPROVAL BY THE SECRETARY.—Within 20 business days after submission of the notice, the new program shall be deemed approved unless the Secretary determines that there is a substantial probability that the program is not authorized by the relevant charter Act or would have a deleterious effect on housing finance, in which case the Secretary shall inform the enterprise, by written notice, that the new program has not been approved under this paragraph, and the procedures of paragraph (2) shall apply.

(D) EFFECTIVE DATE.—This paragraph shall become effective on the date final regulations establishing the risk-based capital test are issued under section 201(e).

(E) TRANSITION PERIOD.—For the purposes of this paragraph, the capital classification of an enterprise shall be determined without regard to section 204(c).

(6) HEARING.—If the Secretary or the Director does not approve a new program, the Secretary or the Director, as the case may be, shall provide the enterprise with a timely opportunity to review and supplement the administrative record in an administrative hearing.

SEC. 104. PERSONNEL.

(a) IN GENERAL.—

(1) DIRECTOR'S POWERS.—The Director may appoint and fix the compensation of employees and agents necessary to carry out the functions of the Director and the Office.

(2) COMPENSATION.—

(A) EXCLUSION FROM GENERAL SCHEDULE PAY RATES.—Employees other than the Director may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates.

(B) COMPARABILITY OF COMPENSATION WITH FEDERAL BANK REGULATORY AGENCIES.—In fixing and directing compensation under paragraph (1), the Director shall consult with, and maintain comparability with compensation at, the Federal bank regulatory agencies.

(b) DEPUTY DIRECTOR.—

(1) IN GENERAL.—The Office shall have a Deputy Director who shall be appointed by the Director from among individuals who—

(A) are citizens of the United States,

(B) have a demonstrated understanding of financial management or oversight, and

(C) have a demonstrated understanding of mortgage security markets and housing finance.

(2) LIMITATION.—An individual may not be appointed as Deputy Director if the individual has served as an executive officer or director of an enterprise at any time during the 18-month period immediately preceding the nomination of such individual.

(3) POWERS, FUNCTIONS, AND DUTIES.—The Deputy Director shall—

(A) have such powers, functions, and duties as the Director shall prescribe, and

(B) serve as acting Director in the event of the death, resignation, sickness, or absence of the Director, until the return of the Director or the appointment of a successor under section 101.

(c) FEDERAL AGENCIES.—

(1) IN GENERAL.—With the consent of any executive agency, independent agency, or department, the Director may use information, services, staff, and facilities of such agency or department on a reimbursable basis, in carrying out the duties of the Office.

(2) DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.—The Director shall reimburse the Department of Housing and Urban Development for reasonable costs incurred by the Department that are directly related to the operations of the Office.

(d) OUTSIDE EXPERTS AND CONSULTANTS.—Notwithstanding any provision of law limiting pay or compensation, the Director may appoint and compensate such outside experts and consultants as the Director determines necessary to assist the work of the Office.

(e) EQUAL OPPORTUNITY REPORT.—Not later than 180 days after the effective date of this Act, the Director shall submit to the Congress a report containing—

(1) a complete description of the equal opportunity, affirmative action, and minority business enterprise utilization programs of the Office; and

(2) such recommendations for administrative and legislative action as the Director may determine to be appropriate to carry out such programs.

SEC. 105. FUNDING.

(a) ANNUAL ASSESSMENT.—The Director shall levy an annual assessment on the en-

terprises sufficient to pay for the estimated expenses of the Office.

(b) ALLOCATION OF ANNUAL ASSESSMENT TO THE ENTERPRISES.—

(1) AMOUNT OF PAYMENT.—Each enterprise shall pay to the Director a proportion of the annual assessment made pursuant to subsection (a) that bears the same ratio to the total annual assessment that the total assets of each enterprise bears to the total assets of both enterprises.

(2) TIMING OF PAYMENT.—The annual assessment shall be payable semiannually on September 1 and March 1 of each year.

(3) DEFINITION.—For the purpose of this section, the term "total assets" means the sum of—

(A) on-balance-sheet assets of the enterprise, as determined in accordance with generally accepted accounting principles;

(B) the unpaid principal balance of outstanding mortgage backed securities issued or guaranteed by the enterprise that are not included in subparagraph (A); and

(C) other off-balance-sheet obligations as determined by the Director.

(c) RECEIPTS FROM ANNUAL ASSESSMENTS AND THE SPECIAL ASSESSMENT.—Office receipts derived from the annual assessments and the special assessment levied upon the enterprises pursuant to subsection (f)—

(1) shall be available to the Director for expenses necessary to carry out the responsibilities of the Director relating to the enterprises; and

(2) shall be used by the Director to pay the expenses necessary to carry out the responsibilities of the Director relating to the enterprises.

(d) DEFICIENCIES DUE TO INCREASED COSTS OF REGULATION AND ENFORCEMENT.—The semiannual payments made pursuant to subsection (b) by any enterprise that is not adequately capitalized may be increased, as necessary, in the discretion of the Director to pay additional estimated costs of regulation and enforcement.

(e) SURPLUS.—If any amount paid by an enterprise remains unspent at the end of any semiannual period, such amount shall be deducted from the annual assessment required to be paid by that enterprise for the following semiannual period.

(f) INITIAL SPECIAL ASSESSMENT.—The Director shall levy on the enterprises an initial special assessment, allocated pursuant to subsection (b)(1), to cover the startup costs of the Office, including space modifications, capital equipment, supplies, recruitment, and activities of the Office in the first year. Each enterprise shall pay its portion of the initial special assessment no later than 10 days after the date the assessment is made.

(g) BUDGET AND FINANCIAL REPORTS FOR THE OFFICE.—

(1) FINANCIAL OPERATING PLANS AND FORECASTS.—Before the beginning of each fiscal year, the Director shall provide to the Secretary and the Director of the Office of Management and Budget a copy of the Office's financial operating plans and forecasts.

(2) REPORTS OF OPERATIONS.—As soon as practicable after the end of each fiscal year and each quarter, the Director shall submit to the Secretary and the Director of the Office of Management and Budget a copy of the report of the results of the Office's operations during such period.

(3) VIEWS OF THE SECRETARY.—On an annual basis the Secretary shall provide the Congress with comments on the plans, forecasts, and reports required under this subsection.

(4) INCLUSION IN THE PRESIDENT'S BUDGET.—The annual plans, forecasts, and reports required under this subsection shall be included in the Budget of the United States in the appropriate form, and in the Department's congressional justifications for each fiscal year in a form determined by the Secretary.

(5) AUDIT.—

(A) IN GENERAL.—The Comptroller General shall audit the operations of the Office in accordance with generally accepted Government auditing standards. All books, records, accounts, reports, files, and property belonging to or used by the Office shall be made available to the Comptroller General.

(B) FREQUENCY.—Audits shall be conducted annually for the first 2 years following the effective date of this Act and as appropriate thereafter.

SEC. 106. INFORMATION, RECORDS, AND MEETINGS.

For purposes of subchapter II of chapter 5 of title 5, United States Code, the Office and the Department of Housing and Urban Development shall, with respect to activities under this Act, be considered agencies responsible for the regulation or supervision of financial institutions.

SEC. 107. REGULATIONS.

In promulgating regulations relating to the financial health and security of an enterprise, the Director shall—

(1) consult in the development of such regulations with the Secretary, the Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System; and

(2) provide copies of proposed regulations to the Secretary, the Secretary of the Treasury, and the Chairman of the Board of Governors of the Federal Reserve System for their review and comment, which comments shall be in writing and made a part of the record.

SEC. 108. SAVINGS PROVISION.

Any rule or regulation promulgated prior to the effective date of this Act by the Secretary pursuant to the Federal National Mortgage Association Charter Act or the Federal Home Loan Mortgage Corporation Act shall remain valid unless they are modified, terminated, superseded, set aside, or revoked by operation of law or in accordance with law.

SEC. 109. ANNUAL REPORT OF THE DIRECTOR.

Not later than June 15 of each year, the Director shall submit to the Secretary and to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a written report which shall include—

(1) a description of the actions taken, and being undertaken, by the Director to carry out this Act;

(2) a description of the financial condition of each enterprise, including the results and conclusions of the annual examinations of the enterprises;

(3) an assessment, in accordance with section 508, of the extent to which each enterprise is achieving its public purposes; and

(4) any recommendations for legislation.

SEC. 110. FINANCIAL REPORTS AND EXAMINATIONS.

(a) FINANCIAL REPORTS.—

(1) IN GENERAL.—Each enterprise shall provide to the Director annual and quarterly reports of financial condition and operations which shall be in such form, contain such information, and be made on such dates, as the Director may require.

(2) CONTENTS OF ANNUAL REPORT.—Each annual report shall include—

(A) financial statements prepared in accordance with generally accepted accounting principles;

(B) any supplemental information or alternative presentation that the Director may require; and

(C) a report signed by the enterprise's chief executive officer and chief accounting or financial officer, that assesses, as of the end of the enterprise's most recent fiscal year—

(i) the effectiveness of the enterprise's internal control structure and procedures; and

(ii) the enterprise's compliance with designated safety and soundness laws.

(3) ANNUAL INDEPENDENT AUDITS OF FINANCIAL STATEMENTS.—

(A) AUDITS REQUIRED.—Each enterprise shall have an annual independent audit made of its financial statements by an independent public accountant in accordance with generally accepted auditing standards.

(B) SCOPE OF AUDIT.—In conducting an audit under this subsection, an independent public accountant shall determine and report on whether the financial statements—

(i) are presented fairly in accordance with generally accepted accounting principles; and

(ii) to the extent determined necessary by the Director, comply with such other disclosure requirements as may be imposed under paragraph (2)(B).

(4) CERTIFICATION OF QUARTERLY REPORTS.—

(A) DECLARATION.—Quarterly reports shall contain a declaration by an officer designated by the board of directors of the enterprise to make such declaration that the report is true and correct to the best of his or her knowledge and belief.

(B) ATTESTATION.—The correctness of the quarterly report shall be attested by the signatures of at least 3 of the directors of the enterprise other than the officer making the declaration required by paragraph (4)(A). Such attestation shall include a declaration that the report has been examined by them and to the best of their knowledge and belief is true and correct.

(5) REVIEW OF AUDITS.—The Director, or at the request of the Director or any Member of Congress, the Comptroller General of the United States, may review any audit of a financial statement conducted under this subsection. Upon request of the Director or the Comptroller General, an enterprise and its auditor shall provide all books, accounts, financial records, reports, files, workpapers, and property that the Director or the Comptroller General considers necessary to the performance of any review under this subsection.

(6) ADDITIONAL AND SPECIAL REPORTS.—The Director may require additional reports from an enterprise, in such form and containing such information as the Director may prescribe, on dates fixed by the Director, and may require special reports from an enterprise whenever, in the Director's judgment, such reports are necessary for the Director to carry out the purposes of this Act.

(b) EXAMINATIONS.—

(1) FREQUENCY OF EXAMINATIONS.—The Director shall conduct a full-scope, on-site examination of each enterprise whenever the Director determines that an examination is necessary, but not less than once every 12 months, to determine the condition of the enterprise and for the purpose of ensuring its financial health and security.

(2) EXAMINERS.—The Director is authorized to contract with any Federal banking agency for the services of examiners and to reimburse such agency for the cost of providing the examiners.

(3) TECHNICAL EXPERTS.—The Director is authorized to contract for the services of such technical experts as the Director determines necessary and appropriate to provide temporary or periodic technical assistance in an examination.

(4) POWER AND DUTY OF EXAMINERS.—Each examiner shall make a full and detailed report to the Director of the financial condition of the enterprise examined.

(5) LAW APPLICABLE TO EXAMINERS.—The Director and each examiner shall have the same authority and each examiner shall be subject to the same obligations and penalties as are applicable to examiners employed by the Federal Reserve banks.

(6) ADMINISTRATION OF OATHS AND AFFIRMATIONS; EVIDENCE; SUBPOENA POWERS.—In connection with any investigation, examination of an enterprise, or administrative proceeding, the Director shall have the authorities conferred by section 308.

(7) PRESERVATION OF RECORDS BY PHOTOGRAPHY.—

(A) IN GENERAL.—The Director may cause any record, paper, or document to be copied or photographed, in a manner that complies with the minimum standards of quality approved for permanent photographic records by the National Institute of Standards and Technology.

(B) DEEMED AS ORIGINALS.—Such copies or photographs, shall be deemed to be an original record for all purposes, including introduction in evidence in all State and Federal courts or administrative agencies.

(C) PRESERVATION.—Any such photograph or copy shall be preserved as the Director shall prescribe, and the original may be destroyed.

SEC. 111. EQUAL OPPORTUNITY IN SOLICITATION OF CONTRACTS.

(a) IN GENERAL.—The enterprises shall establish a minority outreach program to ensure inclusion, to the maximum extent possible, of minorities and women and businesses owned by minorities and women, including financial institutions, investment banking firms, underwriters, accountants, brokers, and providers of legal services, in contracts entered into by the enterprises with such persons or business, public and private, in order to perform the functions authorized under any law applicable to the enterprises.

(b) REPORT TO CONGRESS.—Not later than 180 days after the date of enactment of this Act, each enterprise shall submit to the Congress and to the Director a report describing the actions taken by the enterprise pursuant to subsection (a).

SEC. 112. CONFORMING AMENDMENT.

Section 5313 of title 5, United States Code, is amended by inserting at the end the following:

"Director of the Office of Federal Housing Enterprise Oversight.".

SEC. 113. AMENDMENT TO DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ACT.

Section 5 of the Department of Housing and Urban Development Act (42 U.S.C. 3534) is amended by adding at the end the following new subsection:

"(d) Notwithstanding any other provision of this Act, the Secretary may not merge or consolidate the Office of Federal Housing Enterprise Oversight of the Department, or any of the functions or responsibilities of such Office with any function or program administered by the Secretary.".

SEC. 114. PROTECTION OF CONFIDENTIAL INFORMATION.

Section 1905 of title 18, United States Code, is amended by inserting "a consultant to the Office of Federal Housing Enterprise Oversight," after "or agency thereof,".

SEC. 115. LIMITATION ON SUBSEQUENT EMPLOYMENT.

(a) IN GENERAL.—Neither the Director nor a former officer or employee of the Office may accept compensation from an enterprise during the 2-year period beginning on the date of separation from employment by the Office.

(b) APPLICABILITY.—The limitation contained in subsection (a) applies only to any former officer or employee who, while employed by the Office, was compensated at a rate in excess of the lowest rate for a position classified higher than GS–15 of the General Schedule under section 5107 of title 5, United States Code.

SEC. 116. PROTECTING TAXPAYERS AGAINST LIABILITY FOR THE ENTERPRISES.

Nothing in this Act shall be construed as obligating the Federal Government, either directly or indirectly, to provide any funds to the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association, or to honor, reimburse, or otherwise guarantee any obligation or liability of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association, and nothing in this Act shall be construed as implying that either enterprise or its securities are backed by the full faith and credit of the United States.

SEC. 117. ANNUAL LITIGATION REPORT.

Not later than March 15 of each year, the Attorney General shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a written report which shall set forth for the preceding calendar year the number of requests by the Director to the Attorney General to conduct litigation pursuant to section 516 of title 28 of the United States Code and the status thereof, including—

(1) the total number of requests by the Director;

(2) the number of requests that resulted in the commencement of litigation by the Department of Justice;

(3) the number of requests that did not result in the commencement of litigation by the Department of Justice;

(4) with respect to those requests that resulted in the commencement of litigation—

(A) the number of days between the date of the Director's request and the commencement of the litigation; and

(B) the number of days between the date of the commencement and termination of the litigation;

(5) with respect to those requests that did not result in the commencement of litigation, a list of principal reasons thereof and the number of requests for which each reason is applicable; and

(6) a reconciliation showing the number of litigation requests pending at the beginning of the calendar year, the number of requests made during the calendar year, the number of requests for which action was completed during the calendar year, and the number of requests pending at the end of the calendar year.

SEC. 118. PROHIBITING EXCESSIVE COMPENSATION.

(a) IN GENERAL.—The Director shall prohibit an enterprise from providing excessive compensation to any executive officer.

(b) SETTING COMPENSATION PROHIBITED.—In carrying out subsection (a), the Director shall not set a specific level or range of compensation.

(c) DEFINITIONS.—For purposes of this section:

(1) COMPENSATION.—

(A) IN GENERAL.—The term "compensation" includes any payment of money or provision of any other thing of value in consideration of employment.

(B) FUTURE PAYMENT OR PROVISION.—The Director shall value any future payment or provision (including any payment or provision relating to the termination of employment) by calculating the present value of the projected cost of the payment or provision.

(2) EXCESSIVE.—An executive officer's compensation is "excessive" if it is unreasonable or disproportionate to the services actually performed by the executive officer, in view of—

(A) the enterprise's financial condition, including the extent to which the enterprise exceeds or falls below its minimum capital level;

(B) compensation practices at comparable publicly held financial institutions;

(C) any fraudulent act or omission, breach of fiduciary duty, or insider abuse by the executive officer with regard to the enterprise; and

(D) other factors that the Director determines to be relevant.

TITLE II—REQUIRED CAPITAL LEVELS FOR THE ENTERPRISES AND SPECIAL ENFORCEMENT POWERS

SEC. 201. RISK-BASED CAPITAL LEVELS.

(a) RISK-BASED CAPITAL TEST.—The Director shall, by regulation, establish a risk-based capital test which shall require each enterprise to maintain positive capital during a 10-year period (the "stress period") in which the following circumstances are assumed to occur:

(1) CREDIT RISK.—With respect to mortgages owned or guaranteed by the enterprise and other obligations of the enterprise, losses occur throughout the United States at a rate of default and severity (based on any measurements of default reasonably related to prevailing practice for the industry in determining capital adequacy) reasonably related to the rate and severity that occurred in contiguous areas of the United States containing not less than 5 percent of the total population of the United States that, for a period of not less than 2 years (the "benchmark regional experience"), experienced the highest rates of default and severity of mortgage losses, in comparison with such rates of default and severity of mortgage losses in other such areas for any period of such duration, as determined by the Director.

(2) INTEREST RATE RISK.—

(A) IN GENERAL.—Interest rates decrease as described in subparagraph (B) or increase as described in subparagraph (C), whichever would require more capital for the enterprise.

(B) DECREASES.—The 10-year constant maturity Treasury yield decreases during the first year of the stress period and will remain at the new level for the remainder of the stress period. The yield decreases to the lesser of—

(i) 600 basis points below the average yield during the preceding 9 months, or

(ii) 60 percent of the average yield during the preceding 3 years,

but in no case to a yield less than 50 percent of the average yield during the preceding 9 months.

(C) INCREASES.—The 10-year constant maturity Treasury yield increases during the first year of the stress period and will remain at the new level for the remainder of

the stress period. The yield increases to the greater of—

(i) 600 basis points above the average yield during the preceding 9 months, or

(ii) 160 percent of the average yield during the preceding 3 years,

but in no case to a yield greater than 175 percent of the average yield during the preceding 9 months.

(D) DIFFERENT TERMS TO MATURITY.—Yields of Treasury instruments with other terms to maturity will change relative to the 10-year yield in patterns and for durations that are within the range of historical experience and are judged reasonable by the Director but must result by the 5th year of the stress period in patterns of yields with respect to maturities that are consistent with average patterns over periods of not less than 2 years as established by the Director.

(E) LARGE INCREASES IN YIELDS.—If the 10-year constant maturity Treasury yield is assumed to increase by more than 50 percent over the average yield during the preceding 9 months, the Director shall adjust the losses in paragraphs (1) and (3) to reflect a correspondingly higher rate of general price inflation.

(3) NEW BUSINESS.—

(A) IN GENERAL.—Any contractual commitments of the enterprise to purchase mortgages or issue securities will be fulfilled. The characteristics of resulting mortgage purchases, securities issued, and other financing will be consistent with the contractual terms of such commitments, recent experience, and the economic characteristics of the stress period. No other purchases of mortgages shall be assumed, except as provided in subparagraph (B).

(B) ADDITIONAL NEW BUSINESS.—The Director may, after consideration of each of the studies required by subparagraph (C), assume that the enterprise conducts additional new business during the stress period consistent with the following—

(i) AMOUNT AND PRODUCT TYPES.—The amount and types of mortgages purchased and their financing will be reasonably related to recent experience and the economic characteristics of the stress period.

(ii) LOSSES.—Default and loss severity characteristics of mortgages purchased will be reasonably related to historical experience.

(iii) PRICING.—Prices charged by the enterprise in purchasing new mortgages will be reasonably related to recent experience and the economic characteristics of the stress period. The Director may assume that a reasonable period of time would lapse before the enterprise would recognize and react to the characteristics of the stress period.

(iv) INTEREST RATE RISK.—Interest rate risk on new mortgages purchased will occur to an extent reasonably related to historical experience.

(v) RESERVES.—The enterprise must maintain reserves during and at the end of the stress period on new business conducted during the first 5 years of the stress period reasonably related to the expected future losses on such business, consistent with generally accepted accounting principles and industry accounting practice.

(C) STUDIES.—Within 1 year after regulations are first issued under subsection (e), the Director, the Director of the Congressional Budget Office, and the Comptroller General of the United States shall each submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a study of the advisability and appropriate form of any new business assumptions under subparagraph (B).

(D) EFFECTIVE DATE.—The provisions of subparagraph (B) shall become effective 4 years after regulations are first issued under section 201(e).

(4) OTHER ACTIVITIES.—Losses or gains on other activities, including interest rate and foreign exchange hedging activities, shall be determined by the Director, on the basis of available information, to be consistent with the stress period.

(b) CONSIDERATIONS.—

(1) IN GENERAL.—In establishing the risk-based capital test under subsection (a), the Director shall take into account appropriate distinctions among types of mortgage products, differences in seasoning of mortgages, and any other factors the Director considers appropriate.

(2) CONSISTENCY.—Characteristics of the stress period other than those specifically set forth in subsection (a), such as prepayment experience and dividend policies, will be those determined by the Director, on the basis of available information, to be most consistent with the stress period.

(c) RISK-BASED CAPITAL LEVEL.—For purposes of this title, the risk-based capital level for an enterprise shall be 130 percent of the amount of capital required to meet the risk-based capital test.

(d) DEFINITIONS.—For purposes of this section:

(1) SEASONING.—The term "seasoning" means the change over time in the ratio of the unpaid principal balance of a mortgage to the value of the property by which such mortgage loan is secured, determined on an annual basis by region, in accordance with the Constant Quality Home Price Index published by the Secretary of Commerce (or any index of comparable or superior quality).

(2) TYPE OF MORTGAGE PRODUCT.—The term "type of mortgage product" means a classification of 1 or more mortgage products, as established by the Director, that have similar characteristics based on the set of characteristics set forth in the following subparagraphs:

(A) The property securing the mortgage is—

(i) a residential property consisting of 1 to 4 dwelling units; or

(ii) a residential property consisting of more than 4 dwelling units.

(B) The interest rate on the mortgage is—

(i) fixed; or

(ii) adjustable.

(C) The priority of the lien securing the mortgage is—

(i) first; or

(ii) second or other.

(D) The term of the mortgage is—

(i) 1 to 15 years;

(ii) 16 to 30 years; or

(iii) more than 30 years.

(E) The owner of the property is—

(i) an owner-occupant; or

(ii) an investor.

(F) The unpaid principal balance of the mortgage—

(i) will amortize completely over the term of the mortgage and will not increase significantly at any time during the term of the mortgago;

(ii) will not amortize completely over the term of the mortgage and will not increase significantly at any time during the term of the mortgage; or

(iii) may increase significantly at some time during the term of the mortgage.

(G) Any other characteristics of the mortgage, as the Director may determine.

(e) REGULATIONS.—

(1) IN GENERAL.—The Director shall issue final regulations establishing the risk-based capital test not later than 18 months after the effective date of this Act. Such regulations shall be effective when issued.

(2) CONTENTS.—Such regulations shall contain specific requirements, definitions, methods, variables, and parameters used under the risk-based capital test and in implementing the test (such as loan loss severity, float income, loan-to-value ratios, taxes, yield curve slopes, default experience, and prepayment rates).

(3) APPLICATION.—The regulations and any accompanying orders or guidelines shall be sufficiently specific to enable each enterprise to apply the test to that enterprise in the same manner as the Director, and to enable the Secretary of the Treasury, the Board of Governors of the Federal Reserve System, the Director of the Congressional Budget Office, the Comptroller General of the United States, the Director of the Office of Management and Budget, or a consultant to the Office to apply the test in the same manner as the Director.

(4) CONFIDENTIALITY OF INFORMATION.—Any person or agency described in paragraph (3) that receives any book, record, or information from the Director or an enterprise to enable the risk-based capital test to be applied shall—

(A) maintain the confidentiality of the book, record, or information in a manner that is generally consistent with the level of confidentiality established for the material by the Director or the enterprise; and

(B) be exempt from section 552 of title 5, United States Code, with respect to the book, record, or information.

(f) AVAILABILITY OF MODEL.—The Director shall make available to the public copies of any statistical model used to implement the risk-based capital test under this section. The Director may charge a reasonable fee for any copy of a statistical model.

SEC. 202. MINIMUM CAPITAL LEVELS.

(a) IN GENERAL.—The minimum capital level for each enterprise shall be the sum of—

(1) 2.50 percent of the aggregate on-balance-sheet assets of the enterprise, as determined in accordance with generally accepted accounting principles;

(2) 0.45 percent of the unpaid principal balance of outstanding mortgage-backed securities and substantially equivalent instruments issued or guaranteed by the enterprise that are not included in paragraph (1); and

(3) those percentages of off-balance-sheet obligations not included in paragraph (2) (excluding commitments with remaining terms of no more than 6 months to purchase mortgages or issue securities), that the Director determines best reflect the credit risk of such obligations or guarantees in relation to those included in paragraph (2).

(b) TRANSITION.—Notwithstanding subsection (a), until the expiration of the 18-month period beginning on the date of enactment of this Act, the minimum capital level for each enterprise shall be the sum of—

(1) 2.25 percent of the aggregate on-balance-sheet assets of the enterprise, as determined in accordance with generally accepted accounting principles;

(2) 0.40 percent of the unpaid principal balance of outstanding mortgage-backed securities and substantially equivalent instruments issued or guaranteed by the enterprise that are not included in paragraph (1); and

(3) those percentages of off-balance-sheet obligations not included in paragraph (2) (ex-

cluding commitments with remaining terms of no more than 1 year to purchase mortgages or issue securities), that the Director determines best reflect the credit risk of such obligations or guarantees in relation to those included in paragraph (2).

SEC. 203. CRITICAL CAPITAL LEVELS.

The critical capital level for each enterprise shall be the sum of—

(1) 1.25 percent of the aggregate on-balance-sheet assets of the enterprise, as determined in accordance with generally accepted accounting principles;

(2) 0.25 percent of the unpaid principal balance of outstanding mortgage-backed securities and substantially equivalent instruments issued or guaranteed by the enterprise that are not included in paragraph (1); and

(3) those percentages of off-balance-sheet obligations not included in paragraph (2) (excluding commitments with remaining terms of no more than 6 months to purchase mortgages or issue securities), that the Director determines best reflect the credit risk of such obligations or guarantees in relation to those included in paragraph (2).

SEC. 204. CAPITAL CLASSIFICATIONS.

(a) IN GENERAL.—The Director shall classify an enterprise according to the following categories:

(1) ADEQUATELY CAPITALIZED.—An enterprise shall be classified as "adequately capitalized" if the enterprise meets or exceeds both its risk-based capital level and its minimum capital level.

(2) UNDERCAPITALIZED.—An enterprise shall be classified as "undercapitalized" if it is not adequately capitalized.

(3) SIGNIFICANTLY UNDERCAPITALIZED.—An enterprise shall be classified as "significantly undercapitalized" if the enterprise does not meet or exceed its minimum capital level.

(4) CRITICALLY UNDERCAPITALIZED.—An enterprise shall be classified as "critically undercapitalized" if it does not meet its critical capital level.

(b) QUARTERLY CLASSIFICATION.—The Director shall classify an enterprise not less than quarterly. The first such classification shall be made within 3 months after the effective date of this Act.

(c) IMPLEMENTATION.—Notwithstanding subsection (a), an enterprise shall be classified as adequately capitalized until 1 year after the regulations are first issued under section 201(e), if the enterprise meets or exceeds the applicable minimum capital level.

SEC. 205. SUPERVISORY ACTIONS APPLICABLE TO ENTERPRISES.

(a) SUPERVISORY ACTIONS APPLICABLE TO UNDERCAPITALIZED ENTERPRISES.—

(1) CAPITAL RESTORATION PLAN.—An undercapitalized enterprise shall submit to the Director and implement a capital restoration plan.

(2) RESTRICTION ON CAPITAL DISTRIBUTIONS.—An undercapitalized enterprise that is not significantly undercapitalized shall make no capital distribution that would result in the enterprise being classified as significantly undercapitalized.

(b) ADDITIONAL SUPERVISORY ACTIONS APPLICABLE TO SIGNIFICANTLY UNDERCAPITALIZED ENTERPRISES.—

(1) RESTRICTIONS ON CAPITAL DISTRIBUTIONS.—

(A) PRIOR APPROVAL.—A significantly undercapitalized enterprise shall make no capital distribution that would result in the enterprise being classified as critically undercapitalized. A significantly undercapitalized enterprise may make any other capital distribution only with the prior approval of the Director.

(B) STANDARD FOR APPROVAL.—The Director may approve a capital distribution by a significantly undercapitalized enterprise only if the Director determines that the payment—

(i) will enhance the ability of the enterprise promptly to meet the risk-based capital level and the minimum capital level for the enterprise,

(ii) will contribute to the long-term financial health and security of the enterprise, or

(iii) is otherwise in the public interest.

(2) DISCRETIONARY SUPERVISORY ACTIONS.—

(A) IN GENERAL.—The Director may by order take any of the following actions with respect to a significantly undercapitalized enterprise:

(i) Limit any increase in, or order the reduction of, any obligations of the enterprise.

(ii) Limit or prohibit the growth of the assets of the enterprise or require contraction of the assets of the enterprise.

(iii) Require the enterprise to raise new capital.

(iv) Require the enterprise to terminate, reduce, or modify any activity that the Director determines creates excessive risk to the enterprise.

(v) Appoint a conservator for the enterprise if the Director determines that the capital of the enterprise is below its minimum level and that alternative remedies are not satisfactory to restore the enterprise's capital.

(B) APPOINTMENT OF CONSERVATOR.—

(i) AUTHORITY.—Title IV, except subsections (a), (b), and (c) of section 401, shall govern any conservatorship resulting from an appointment pursuant to subparagraph (A)(v).

(ii) NOTICE AND HEARING.—The appointment of a conservator under subparagraph (A)(v) shall be subject to the notice and hearing provisions set forth in section 209.

(c) EFFECTIVE DATE.—This section shall take effect when the first classifications are made under section 204(b).

SEC. 206. CHANGES IN THE CLASSIFICATION OF AN ENTERPRISE IN CONNECTION WITH A CAPITAL RESTORATION PLAN.

(a) IN GENERAL.—The Director may by order—

(1) classify an undercapitalized enterprise as significantly undercapitalized, or

(2) classify a significantly undercapitalized enterprise as critically undercapitalized,

upon the occurrence of an event described in subsection (b).

(b) REASONS FOR THE CHANGE IN CLASSIFICATION.—Subsection (a) shall apply if—

(1) the enterprise does not submit or resubmit a capital restoration plan that is substantially in compliance with section 208,

(2) the Director has not approved a capital restoration plan submitted by the enterprise and the enterprise's opportunities for resubmission of a capital restoration plan have expired, or

(3) the Director determines that the enterprise has failed to make, in good faith, reasonable efforts necessary to comply with the capital restoration plan and fulfill the schedule for the plan approved by the Director.

SEC. 207. MANDATORY APPOINTMENT OF CONSERVATOR FOR CRITICALLY UNDERCAPITALIZED ENTERPRISES.

(a) APPOINTMENT.—If the Director determines that an enterprise is critically undercapitalized, the Director shall appoint a conservator for the enterprise not later than 30 days after providing notice and an opportunity for a hearing pursuant to section 209, unless the Director determines, with the concurrence of the Secretary of the Treasury, that the public interest is better served by other action. Title IV, except subsections (a), (b), and (c) of section 401, shall govern any conservatorship resulting from an appointment under this section.

(b) EFFECTIVE DATE.—This section shall take effect when the first quarterly classifications are made under section 204(b).

SEC. 208. CAPITAL RESTORATION PLANS.

(a) CONTENTS.—A capital restoration plan submitted under this title shall—

(1) be a feasible plan for the enterprise that would likely enable it to become adequately capitalized;

(2) describe the actions that the enterprise will take to become adequately capitalized;

(3) establish a schedule for completing the actions set forth in the capital restoration plan;

(4) specify the types and levels of activities in which the enterprise will engage during the term of the capital restoration plan; and

(5) describe the actions that the enterprise will take to comply with any supervisory requirements imposed under this title.

(b) DEADLINES FOR SUBMISSION.—A capital restoration plan must be submitted to the Director not more than 45 days after the Director has notified the enterprise in writing that a plan is required. The Director may extend the deadline to the extent that the Director determines necessary. Any extension of the deadline shall be in writing and shall be for a specified period of time.

(c) APPROVAL.—The Director shall approve or disapprove each capital restoration plan not later than 45 days after submission. The Director may extend such period for an additional 15 days. The Director shall provide written notice of the decision to any enterprise submitting a plan. If the Director disapproves the plan, the Director shall provide to the enterprise the reasons for such disapproval in writing.

(d) RESUBMISSION.—If the initial capital restoration plan submitted by the enterprise is disapproved, the enterprise shall submit an amended plan acceptable to the Director within 30 days or such longer period that the Director determines is in the public interest.

SEC. 209. NOTICE AND HEARING.

(a) NOTICE.—Before making a capital classification or taking a discretionary supervisory action under this title, the Director shall provide written notice of the proposed classification or action to the enterprise, stating the reasons for the classification or action, and shall provide the enterprise with a timely opportunity to review and supplement the administrative record in an administrative hearing.

(b) NOTICE TO CONGRESS.—After making a capital classification or taking a discretionary supervisory action under this title, the Director shall provide written notice to the Committee on Banking, Housing, and Urban Affairs of the Senate, and to the Committee on Banking, Finance and Urban Affairs of the House of Representatives.

SEC. 210. JUDICIAL REVIEW OF DIRECTOR ACTION.

(a) JURISDICTION.—

(1) FILING OF PETITION.—An enterprise that is the subject of a capital classification or discretionary supervisory action pursuant to this title, other than the appointment of a conservator, may obtain review of the classification or action by filing, within 10 days after receiving written notice of the Director's classification or action, a written petition requesting that the order of the Director be modified, terminated, or set aside.

(2) EXCLUSIVE JURISDICTION.—The United States Court of Appeals for the District of

Columbia Circuit shall have exclusive jurisdiction to hear a petition filed pursuant to this subsection.

(b) UNAVAILABILITY OF STAY.—With respect to a classification or discretionary supervisory action by the Director with regard to a significantly undercapitalized enterprise or an action that results in the classification of an enterprise as significantly undercapitalized or critically undercapitalized, the court shall not have jurisdiction to stay, enjoin, or otherwise delay such classification or action taken by the Director pending judicial review of the action.

(c) LIMITATION ON JURISDICTION.—Notwithstanding any other provision of law, no court other than the United States Court of Appeals for the District of Columbia Circuit shall have jurisdiction to affect, by injunction or otherwise, the issuance or effectiveness of any classification or action of the Director under this title or to review, modify, suspend, terminate, or set aside such classification or action.

SEC. 211. RATINGS.

(a) RATING.—Not later than 1 year after the effective date of this Act, the Director shall, for each enterprise, contract with 2 nationally recognized statistical rating organizations—

(1) to assess the likelihood that the enterprise will not be able to meet its obligations from its own resources with an assumption that there is no recourse to any implicit Government guarantee and to express that likelihood as a traditional credit rating; and

(2) to review the rating of the enterprise as frequently as the Director determines is appropriate, but not less than annually.

(b) COMMENTS.—The Director shall submit comments to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives on any difference between the evaluation of the rating organizations and that of the Office, with special attention to capital adequacy.

(c) DEFINITION.—For the purposes of this section, the term "nationally recognized statistical rating organization" means any entity effectively recognized by the Division of Market Regulation of the Securities and Exchange Commission as a nationally recognized statistical rating organization for the purposes of the capital rules for broker-dealers.

SEC. 212. CAPITAL.

(a) DEFINITION.—The term "capital" shall be defined by the Director by regulation and—

(1) shall include, in accordance with generally accepted accounting principles—

(A) the par or stated value of outstanding common stock;

(B) the par or stated value of outstanding perpetual, noncumulative preferred stock;

(C) paid-in capital;

(D) retained earnings; and

(E) other equity instruments that the Director determines are appropriate; and

(2) for the purposes of section 201, may also include such other amounts that the Director determines are available to absorb losses subject to any limitation prescribed by the Director, and shall include loss reserves established in accordance with generally accepted accounting principles.

(b) EXCLUSION.—As defined by the Director, the term "capital" shall exclude any amounts that an enterprise could be required to pay, at the option of investors, to retire capital instruments.

TITLE III—ENFORCEMENT PROVISIONS

SEC. 301. CEASE-AND-DESIST PROCEEDINGS.

(a) GROUNDS FOR ISSUANCE.—The Director may issue and serve upon an enterprise or any director or executive officer a notice of charges if, in the opinion of the Director, the enterprise, director, or executive officer—

(1) is engaging or has engaged, or the Director has reasonable cause to believe that the enterprise, director, or executive officer will engage in conduct that, if continued, would be likely to cause or result in a material depletion of the enterprise's capital; or

(2) is violating or has violated, or the Director has reasonable cause to believe that the enterprise, director, or executive officer will violate—

(A) any provision of this Act or the enterprise's charter Act or any order, rule, or regulation thereunder;

(B) any condition imposed in writing by the Director pursuant to the Director's authority under this Act or a charter Act in connection with the approval of any application or other request by the enterprise required by this Act or a charter Act; or

(C) any written agreement entered into with the Director.

(b) EXCEPTION FOR ADEQUATELY CAPITALIZED ENTERPRISES.—The Director may serve a notice of charges or issue an order upon an enterprise, a director, or an executive officer for any conduct or violation that relates to the financial health or security of an enterprise that is adequately capitalized only if the Director determines that—

(1) the conduct or violation threatens to cause a significant depletion of the enterprise's capital; or

(2) the conduct or violation may result in the issuance of an order described in subsection (d)(1).

(c) PROCEDURE.—

(1) NOTICE OF CHARGES.—Any notice of charges shall contain a statement of the facts constituting the alleged conduct or violation, and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist should issue.

(2) DATE OF HEARING.—Such hearing shall be held not earlier than 30 days nor later than 60 days after service of such notice unless an earlier or a later date is set by the hearing officer at the request of any party served.

(3) FAILURE TO APPEAR CONSTITUTES CONSENT.—Unless the party served appears at the hearing personally or by a duly authorized representative, such party shall be deemed to have consented to the issuance of the cease-and-desist order.

(4) ISSUANCE OF ORDER.—In the event of consent by the party, or if, upon the record made at any such hearing, the Director finds that any conduct or violation specified in the notice of charges has been established, the Director may issue and serve upon such party an order requiring the party to cease and desist from such conduct or violation and to take affirmative action to correct the conditions resulting from any such conduct or violation.

(5) EFFECTIVE DATE OF ORDER.—A cease-and-desist order shall become effective 30 days after service (except in the case of a cease-and-desist order issued upon consent, which shall become effective at the time specified therein), and shall remain effective and enforceable, except to the extent that it is stayed, modified, terminated, or set aside by action of the Director or a court of competent jurisdiction.

(d) AFFIRMATIVE ACTION TO CORRECT CONDITIONS RESULTING FROM VIOLATIONS OR PRACTICES.—The authority under this section or section 302 to issue any order that requires a party to take affirmative action includes the authority—

(1) to require a director or executive officer to make restitution to, or provide reimbursement, indemnification, or guarantee against loss to the enterprise to the extent that such person—

(A) was unjustly enriched in connection with such conduct or violation; or

(B) engaged in conduct or a violation that would subject such person to a civil penalty pursuant to section 305(b)(3);

(2) to require an enterprise to seek restitution, or to obtain reimbursement, indemnification, or guarantee against loss;

(3) to restrict the growth of the enterprise;

(4) to require the disposition of any asset;

(5) to require the rescission of agreements or contracts;

(6) to require the employment of qualified officers or employees (who may be subject to approval by the Director); and

(7) to require the taking of such other action as the Director determines appropriate.

(e) AUTHORITY TO LIMIT ACTIVITIES.—The authority under this section or section 302 to issue an order includes the authority to place limitations on the activities or functions of the enterprise, or any director or executive officer.

(f) CERTAIN ORDERS MAY CONTAIN CAPITAL CLASSIFICATION.—The authority under this section or section 302 to issue an order includes the authority to—

(1) classify the enterprise as undercapitalized, if the enterprise is otherwise classified as adequately capitalized;

(2) classify the enterprise as significantly undercapitalized, if the enterprise is otherwise classified as undercapitalized; or

(3) classify the enterprise as critically undercapitalized, if the enterprise is otherwise classified as significantly undercapitalized;

if the Director determines that the enterprise is engaging or has engaged in conduct not approved by the Director or a violation, that may result in a rapid depletion of the capital of the enterprise.

SEC. 302. TEMPORARY CEASE-AND-DESIST ORDERS.

(a) GROUNDS FOR ISSUANCE; SCOPE.—Whenever the Director determines that any conduct or violation, or threatened conduct or violation, specified in the notice of charges served upon the enterprise, director, or executive officer pursuant to section 301, or the continuation thereof, is likely—

(1) to cause insolvency;

(2) to cause a significant depletion of the capital of the enterprise; or

(3) otherwise to cause irreparable harm to the enterprise,

prior to the completion of the proceedings conducted pursuant to section 301(c), the Director may issue a temporary order requiring the enterprise, or any director or executive officer, to cease and desist from any such conduct or violation and to take affirmative action to prevent or remedy such insolvency, depletion, or harm pending completion of such proceedings. Such order may include any requirement authorized under section 301(d).

(b) INCOMPLETE OR INACCURATE RECORDS.—If a notice of charges served under section 301(a) specifies on the basis of particular facts and circumstances that the enterprise's books and records are so incomplete or inaccurate that the Director is unable, through the normal supervisory process, to determine the financial condition of that enterprise or

the details or the purpose of any transaction or transactions that may have a material effect on the financial condition of that enterprise, the Director may issue a temporary order requiring—

(1) the cessation of any activity or practice which gave rise, whether in whole or in part, to the incomplete or inaccurate state of the books or records; or

(2) affirmative action to restore such books or records to a complete and accurate state, until the completion of the proceedings under section 301.

(c) EFFECTIVE DATE OF ORDER.—An order issued pursuant to this section shall—

(1) become effective upon service upon the party and shall remain effective unless set aside, limited, or suspended by a court in proceedings authorized by subsection (d),

(2) shall be enforceable pending the completion of the proceedings pursuant to such notice, and

(3) shall remain effective until the Director dismisses the charges specified in such notice or until superseded by a cease-and-desist order issued pursuant to section 301.

(d) JUDICIAL REVIEW.—Not later than 10 days after a party has been served with a temporary cease-and-desist order pursuant to this section, the party may petition the United States District Court for the District of Columbia, for an injunction setting aside, limiting, or suspending the enforcement, operation, or effectiveness of such order pending the completion of the administrative proceedings.

(e) ENFORCEMENT.—In the case of a violation or a threatened violation of a temporary order issued pursuant to this section, the Director may apply to the United States District Court for the District of Columbia for an injunction to enforce such order.

SEC. 303. HEARINGS AND JUDICIAL REVIEW.

(a) HEARING.—Any hearing provided for in this title shall be on the record and held in the District of Columbia.

(b) DECISION BY THE DIRECTOR.—Not later than 90 days after the Director has notified the parties that the case has been submitted for final decision, the Director shall render the decision and shall issue and serve upon each party a copy of the order. The Director may modify an order prior to the filing of the record for judicial review.

(c) JUDICIAL REVIEW.—A party may obtain a review of an order issued under this title, except section 302, by filing in the United States Court of Appeals for the District of Columbia Circuit, not later than 30 days after the date of service, a written petition seeking to modify, terminate, or set aside such order.

SEC. 304. JURISDICTION AND ENFORCEMENT.

(a) APPLICATION FOR ENFORCEMENT.—The Director may apply to the United States District Court for the District of Columbia for the enforcement of any order issued under title II or this title, and such court shall have jurisdiction and power to order and require compliance with such order.

(b) LIMITATION ON JURISDICTION.—Except as otherwise permitted by section 210 or in this title, no court shall have jurisdiction to affect by injunction or otherwise the issuance or enforcement of any notice, order, or penalty under title II of this title, or to review, modify, suspend, terminate, or set aside any such notice, order, or penalty.

SEC. 305. CIVIL MONEY PENALTIES.

(a) IN GENERAL.—The Director may impose a civil money penalty on an enterprise, director, or executive officer that—

(1) violates any provision of this Act or the enterprise's charter Act or regulation thereunder,

(2) violates any final order or temporary order issued pursuant to section 205, 206, 301, or 302,

(3) violates any condition imposed in writing by the Director pursuant to the authority under this Act or a charter Act, in connection with the approval of an application or other request by an enterprise required by law,

(4) violates any written agreement between an enterprise and the Director, or

(5) engages in any conduct that causes or is likely to cause a loss to the enterprise.

(b) AMOUNT OF PENALTY.—

(1) FIRST TIER.—

(A) IN GENERAL.—The Director may impose a penalty on an enterprise for any violation described in paragraphs (1) through (4) of subsection (a). The amount of a civil penalty under this subparagraph shall be determined in light of the facts and circumstances, but shall not exceed $5,000 for each day that a violation continues.

(B) EXCEPTION.—The amount of a civil penalty for a failure to make a good faith effort to comply with an approved housing plan under section 509 shall not exceed $10,000 per day.

(2) SECOND TIER.—The Director may impose a penalty on an enterprise, executive officer, or director in an amount not to exceed $10,000 for an officer or director, or $25,000 for an enterprise, for each day that such violation or conduct continues, if the Director finds that the violation or conduct described in subsection (a)—

(A) is part of a pattern of misconduct, or

(B) involved recklessness and caused or would be likely to cause a material loss to the enterprise.

(3) THIRD TIER.—The Director may impose a penalty on an enterprise, executive officer, or director in an amount not to exceed $100,000 for an officer or director, or $1,000,000 for an enterprise, for each day that such violation or conduct continues, if the Director finds that the violation or conduct described in subsection (a) was knowing and caused or would be likely to cause a substantial loss to the enterprise.

(c) ASSESSMENT.—

(1) WRITTEN NOTICE.—Any penalty imposed under this section may be assessed and collected by the Director by written notice.

(2) PROHIBITION AGAINST REIMBURSEMENT OR INDEMNIFICATION.—An enterprise may not reimburse or indemnify any individual for any penalty imposed under subsection (b)(3).

(3) FINALITY OF ASSESSMENT.—If a hearing is not requested pursuant to subsection (f), the penalty assessment contained in a written notice shall constitute a final and unappealable order.

(d) AUTHORITY TO MODIFY OR REMIT PENALTY.—The Director may compromise, modify, or remit any penalty assessed under this section.

(e) MITIGATING FACTORS.—In determining the amount of any penalty under this section, the Director shall take into account the appropriateness of the penalty with respect to—

(1) the financial resources and good faith of the enterprise, director, or executive officer charged;

(2) the gravity of the violation;

(3) the history of previous violations; and

(4) such other matters as justice may require.

(f) HEARING.—A party against whom a penalty is assessed under this section shall be afforded a hearing if the party submits a request for such hearing not later than 20 days after the issuance of the notice of assessment.

(g) COLLECTION.—

(1) REFERRAL.—If the enterprise, director, or executive officer fails to pay a penalty that has become final, the Director may recover the amount assessed by filing an action in the United States District Court for the District of Columbia.

(2) APPROPRIATENESS OF PENALTY NOT REVIEWABLE.—In an action to collect the amount assessed, the validity and appropriateness of the penalty shall not be subject to review.

(h) DEPOSIT.—All penalties collected under authority of this section shall be deposited into the General Fund of the Treasury.

(i) APPLICABILITY.—This section shall apply only to conduct, a failure, a breach, or a violation that occurs on or after the effective date of this Act.

SEC. 306. NOTICE UNDER THIS TITLE AFTER SEPARATION FROM SERVICE.

The resignation, termination of employment or participation, or separation of a director or executive officer of an enterprise shall not affect the jurisdiction and authority of the Director to issue any notice and proceed under this title against any such director or executive officer, if such notice is served before the end of the 2-year period beginning on the date such director or executive officer ceased to be associated with the enterprise.

SEC. 307. PRIVATE RIGHTS OF ACTION.

Nothing in this Act creates a private right of action on behalf of any person against an enterprise, or any director or executive officer of an enterprise, or impairs any existing private right of action under other applicable law.

SEC. 308. SUBPOENA POWER.

(a) POWERS.—In the course of, or in connection with, any examination, administrative proceeding, claim, or investigation under this Act, the Director may—

(1) administer oaths and affirmations,

(2) take testimony under oath, and

(3) issue, revoke, quash, or modify subpoenas issued by the Director.

(b) JURISDICTION.—The attendance of witnesses and the production of documents provided for in this section may be required from any place subject to the jurisdiction of the United States at any designated place where such examination or proceeding is being conducted.

(c) ENFORCEMENT.—The Director, in examining an enterprise, or any party to proceedings under this title may apply to the United States District Court for the District of Columbia, or the United States district court for the judicial district (or the United States court in any territory) where the witness resides or carries on business, for enforcement of any subpoena issued pursuant to this section.

(d) FEES AND EXPENSES.—A witness subpoenaed under this section shall be paid the same fees that are paid witnesses in the district courts of the United States. A court having jurisdiction of a proceeding under this section may allow to any such witness such reasonable expenses and attorneys' fees as it determines just and proper. Such expenses and fees shall be paid by the enterprise or from its assets.

SEC. 309. PUBLIC DISCLOSURE OF FINAL ORDERS AND AGREEMENTS.

(a) IN GENERAL.—The Director shall make available to the public—

(1) any written agreement or other written statement for which a violation may be redressed by the Director or any modification to or termination thereof, unless the Director, in the Director's discretion, determines

that public disclosure would be contrary to the public interest;

(2) any order that is issued with respect to any administrative enforcement proceeding initiated by the Director under this title and that has become final in accordance with section 303; and

(3) any modification to or termination of any final order made public pursuant to this paragraph.

(b) HEARINGS.—All hearings on the record with respect to any notice of charges issued by the Director shall be open to the public, unless the Director, in the Director's discretion, determines that holding an open hearing would be contrary to the public interest.

(c) DELAY OF PUBLIC DISCLOSURE UNDER EXCEPTIONAL CIRCUMSTANCES.—If the Director makes a determination in writing that the public disclosure of any final order pursuant to subsection (a) would seriously threaten the financial health or security of the enterprise, the Director may delay the public disclosure of such order for a reasonable time.

(d) DOCUMENTS FILED UNDER SEAL IN PUBLIC ENFORCEMENT HEARINGS.—The Director may file any document or part thereof under seal in any administrative enforcement hearing commenced by the Director if the Director determines in writing that disclosure thereof would be contrary to the public interest.

(e) RETENTION OF DOCUMENTS.—The Director shall keep and maintain a record, for not less than 6 years, of all documents described in subsection (a) and all informal enforcement agreements and other supervisory actions and supporting documents issued with respect to or in connection with any administrative enforcement proceeding initiated by the Director under this title or any other law.

(f) DISCLOSURES TO CONGRESS.—No provision of this section shall be construed to authorize the withholding, or to prohibit the disclosure, of any information to the Congress or any committee or subcommittee thereof.

TITLE IV—CONSERVATORSHIP

SEC. 401. APPOINTMENT OF CONSERVATOR.

(a) APPOINTMENT.—The Director may, after determining that alternative remedial actions are not satisfactory, appoint a conservator to take possession and control of an enterprise, whenever the Director determines that—

(1) the enterprise is in an unsafe or unsound condition to transact business, and the unsafe or unsound condition threatens the ability of the enterprise to continue as a viable concern or threatens to cause the depletion of substantially all of the capital of the enterprise;

(2) the enterprise has concealed or is concealing its books, papers, records, or assets, or has refused or is refusing to submit its books, papers, records, or affairs for inspection to any examiner or any lawful agent of the Director; or

(3) the enterprise has willfully violated or is willfully violating a cease-and-desist order which has become final.

(b) APPOINTMENT BY CONSENT.—The Director may appoint a conservator to take possession and control of an enterprise if the enterprise, by resolution of a majority of its board of directors or shareholders, consents to the appointment.

(c) NOTICE AND HEARING.—

(1) IN GENERAL.—Before appointing a conservator pursuant to subsection (a), the Director shall provide written notice to the enterprise on the basis for the Director's proposed action and shall provide the enterprise with an opportunity for a hearing on the record.

(2) EXCEPTION.—Notwithstanding paragraph (1), the Director may appoint a conservator without providing notice or a hearing to the enterprise, if the Director determines, pending completion of the proceedings under paragraph (1), that the conduct or violation by the enterprise is likely to—

(A) cause insolvency of the enterprise;

(B) cause a significant depletion of the capital of the enterprise; or

(C) otherwise cause irreparable harm to the enterprise;

prior to the completion of such proceedings.

(d) QUALIFICATIONS OF CONSERVATOR.—The conservator may be—

(1) the Director, or

(2) any person, that—

(A) has no claim against, or financial interest in, the enterprise or other basis for a conflict of interest, and

(B) has the financial and management expertise necessary to direct the operations and affairs of the enterprise.

(e) JUDICIAL REVIEW.—

(1) IN GENERAL.—Not later than 20 days after the initial appointment of a conservator pursuant to this section, the enterprise may bring an action in the United States District Court for the District of Columbia for an order requiring the Director to terminate the appointment of the conservator. The court, upon consideration of the record, shall dismiss the action to terminate the appointment of the conservator or shall direct the Director to terminate the appointment of the conservator. If the conservator was appointed pursuant to subsection (c)(2), the court shall make such determination on the merits.

(2) CONSENSUAL APPOINTMENTS.—A consensual appointment of a conservator under subsection (b) is not subject to judicial review.

(3) LIMITATION ON REMEDIES.—Except as otherwise provided in this subsection, no court may take any action regarding the removal of a conservator, or restrain, or affect the exercise of powers or functions of, a conservator.

(f) REPLACEMENT OF CONSERVATOR.—The Director may, without notice or hearing, replace a conservator with another conservator. Such replacement is not subject to judicial review and shall not affect the enterprise's right under subsection (d) to obtain judicial review of the Director's original decision to appoint a conservator.

SEC. 402. POWERS OF A CONSERVATOR.

(a) POWERS.—

(1) IN GENERAL.—A conservator has all the powers of the directors and officers of the enterprise unless the Director, in the order of appointment, limits the conservator's authority. In addition, a conservator has all the powers of shareholders that relate to the management of the enterprise, including the power to elect directors.

(2) ADDITIONAL POWER.—A conservator has the power to avoid any security interest taken by a creditor with the intent to hinder, delay, or defraud the enterprise or the creditors of the enterprise.

(3) STAY.—Not later than 45 days after appointment or 45 days after receipt of actual notice of an action or proceeding that is pending at the time of appointment, a conservator may request that any action or proceeding to which the conservator or the enterprise is or may become a party, be stayed for a period not to exceed 45 days after the request.

(b) EXPENSES.—All expenses of a conservatorship shall be paid by the enterprise and shall be a lien upon the enterprise which shall have priority over any other lien.

SEC. 403. TERMINATION OF CONSERVATORSHIP.

(a) IN GENERAL.—At any time the Director determines that it may safely be done and that it would be in the public interest, the Director may terminate a conservatorship subject to such terms, conditions, and limitations as the Director may prescribe by written order.

(b) ENFORCEMENT AS FINAL CEASE-AND-DESIST ORDER.—Any terms, conditions, and limitations that the Director may prescribe under subsection (a) shall be enforceable under the provisions of section 304, to the same extent as an order issued pursuant to section 301 which has become final.

(c) JUDICIAL REVIEW.—Not later than 20 days after the date of the termination of the conservatorship or the imposition of an order under subsection (a), whichever is later, an enterprise may bring an action in the United States District Court for the District of Columbia for an order requiring the Director to terminate the order.

SEC. 404. LIABILITY PROTECTION.

(a) FEDERAL AGENCY AND EMPLOYEES.—In a case in which the conservator is the Director, the provisions of chapters 161 and 171 of title 28, United States Code, shall apply with respect to the conservator's liability for acts or omissions performed in the course of the duties and responsibilities of the conservatorship.

(b) OTHER CONSERVATORS.—In a case in which the conservator is not the Director, the conservator shall not be liable for damages in tort or otherwise for acts or omissions performed in the course of the duties and responsibilities of the conservatorship, unless such acts or omissions constitute gross negligence or intentional tortious conduct.

(c) INDEMNIFICATION.—The Director shall have authority to indemnify the conservator on such terms as the Director determines proper.

SEC. 405. ENFORCEMENT OF CONTRACTS.

(a) IN GENERAL.—A conservator may enforce any contract described in subsection (b), notwithstanding any provision of the contract providing for the termination, default, acceleration, or other exercise of rights upon, or solely by reason of, the insolvency of the enterprise or the appointment of a conservator.

(b) CONTRACTS ENFORCEABLE.—If the Director—

(1) determines that the continued enforceability of a class of contracts is necessary to the achievement of the conservator's purpose; and

(2) specifically describes that class of contracts in a regulation or order issued for the purpose of this section;

any contract that is within that class of contracts is enforceable under subsection (a).

(c) APPLICABILITY.—This section and the regulation or order issued under this section shall apply to contracts entered into, modified, extended, or renewed after the effective date of the regulation or order.

TITLE V—HOUSING

SEC. 501. GENERAL AUTHORITY.

(a) IN GENERAL.—The Director shall establish, by regulation, housing goals for each enterprise. The housing goals shall include a low- and moderate-income housing goal, a special affordable housing goal, and a central city, rural area, and other underserved areas housing goal. The Director shall implement this title in a manner consistent with sec-

tion 301(3) of the Federal National Mortgage Association Charter Act and section 301(b)(3) of the Federal Home Loan Mortgage Corporation Act.

(b) ADJUSTMENT OF HOUSING GOALS.—Except as otherwise set forth in this Act, the Director may, from year to year, adjust any housing goal established under this title.

(c) COMPLIANCE WITH HOUSING GOALS.—Any mortgage purchased by an enterprise shall simultaneously contribute to the achievement of each housing goal established under this title for which the mortgage purchase qualifies.

SEC. 502. LOW- AND MODERATE-INCOME HOUSING GOAL.

(a) IN GENERAL.—The Director shall establish an annual goal for the purchase of mortgages secured by housing for low- and moderate-income families.

(b) TRANSITION RULE.—

(1) IN GENERAL.—During the transition period, an interim target for low- and moderate-income mortgage purchases for each enterprise is established at 30 percent of the total number of dwelling units financed by mortgage purchases of the enterprise.

(2) ACHIEVEMENT OF THE INTERIM TARGET FOR LOW- AND MODERATE-INCOME MORTGAGE PURCHASES.—During the transition period, the Director shall establish separate annual goals for each enterprise, the achievement of which would require, to the extent feasible, that—

(A) each enterprise improve its performance relative to the interim target, annually; and

(B) in the case of an enterprise that does not meet the interim target, the enterprise be prepared to meet the interim target in subsequent years.

(3) DEFINITION.—As used in this subsection, the term "transition period" means the 2-year period beginning on the date of enactment of this Act.

(c) FACTORS TO BE APPLIED BY THE DIRECTOR.—In establishing the housing goal for an enterprise under this section, the Director shall take into account—

(1) appropriate economic, housing, and demographic data,

(2) the performance and effort of the enterprise toward achieving the goals in prior calendar years,

(3) the size of the conventional mortgage market serving low- and moderate-income families relative to the size of the overall conventional mortgage market,

(4) national housing needs,

(5) the ability of the enterprise to lead the industry in making mortgage credit available for low- and moderate-income families, and

(6) the need to maintain the sound financial condition of the enterprise.

(d) USE OF BORROWER AND TENANT INCOME.—

(1) IN GENERAL.—The Director shall monitor each enterprise's performance in carrying out this section and shall evaluate that performance based on—

(A) in the case of an owner-occupied dwelling, the mortgagor's income at the time of origination of the mortgage; or

(B) in the case of a rental dwelling—

(i) the income of the prospective or actual tenants of the property, where such data are available; or

(ii) the rent levels affordable to low- and moderate-income families, where the data referred to in clause (i) are not available.

(2) AFFORDABILITY.—For the purpose of paragraph (1)(B)(ii), a rent level is affordable if it does not exceed 30 percent of the maximum income level of the income categories referred to in this section, with appropriate adjustments for unit size as measured by the number of bedrooms.

SEC. 503. SPECIAL AFFORDABLE HOUSING GOAL.

(a) ESTABLISHMENT OF SPECIAL AFFORDABLE HOUSING GOAL.—

(1) IN GENERAL.—The Director shall establish an annual special affordable housing goal under this section that is not less than 1 percent of the dollar amount of the mortgage purchases by the enterprise for the previous year.

(2) STANDARDS.—In establishing an enterprise's special affordable housing goal, the Director shall take into account—

(A) data submitted to the Director in connection with the special affordable housing goal for previous years,

(B) the performance and effort of the enterprise toward achieving the special affordable housing goal in prior calendar years,

(C) national housing needs within the income categories set forth in this section,

(D) the ability of the enterprise to lead the industry in making mortgage credit available for low-income families, and

(E) the need to maintain the sound financial condition of the enterprise.

(b) TRANSITION RULES.—

(1) FEDERAL NATIONAL MORTGAGE ASSOCIATION MORTGAGE PURCHASES FOR THE TRANSITION PERIOD.—During the transition period, the special affordable housing goal for the Federal National Mortgage Association shall include mortgage purchases of not less than $2,000,000,000, with one-half of such purchases directed to 1-to-4 family housing and one-half to multifamily housing.

(2) FEDERAL HOME LOAN MORTGAGE CORPORATION MORTGAGE PURCHASES FOR THE TRANSITION PERIOD.—During the transition period, the special affordable housing goal for the Federal Home Loan Mortgage Corporation shall include mortgage purchases of not less than $1,500,000,000, with one-half of such purchases directed to 1-to-4 family housing and one-half to multifamily housing.

(3) INCOME CHARACTERISTICS FOR TRANSITION PERIOD MORTGAGE PURCHASES.—

(A) MULTIFAMILY MORTGAGES.—Purchases of multifamily housing mortgages under paragraphs (1) and (2) shall be directed in the following proportions:

(i) 45 percent for multifamily housing affordable to families whose incomes do not exceed 80 percent of the median income for the area; and

(ii) 55 percent for multifamily housing in which—

(I) at least 20 percent of the units are affordable to families whose incomes do not exceed 50 percent of the median income for the area; or

(II) at least 40 percent of the units are affordable to families whose incomes do not exceed 60 percent of the median income for the area.

(B) SINGLE FAMILY MORTGAGES.—Purchases of 1-to-4 family housing mortgages under paragraphs (1) and (2) shall be directed in the following proportions:

(i) 45 percent for mortgages for families whose incomes do not exceed 80 percent of the median income for the area and who live in census tracts in which the median income does not exceed 80 percent of the area median; and

(ii) 55 percent for mortgages for families whose incomes do not exceed 60 percent of the median income for the area.

(C) COMPLIANCE WITH SPECIAL AFFORDABLE HOUSING GOALS.—Only the portion of multifamily housing mortgage purchases by an enterprise that are attributable to units affordable to families whose incomes do not exceed 80 percent of the median income for the area shall be credited toward compliance with the special affordable housing goals set forth in subparagraph (A)(ii).

(4) DEFINITION.—As used in this subsection, the term "transition period" means the 2-year period beginning on the date of enactment of this Act.

(c) USE OF BORROWER AND TENANT INCOME.—

(1) IN GENERAL.—The Director shall monitor each enterprise's performance in carrying out this section and shall evaluate that performance based on—

(A) in the case of an owner-occupied dwelling the mortgagor's income at the time of origination of the mortgage; or

(B) in the case of a rental dwelling—

(i) the income of the prospective or actual tenants of the property, where such data are available; or

(ii) the rent levels affordable to low-income families, where the data referred to in clause (i) are not available.

(2) AFFORDABILITY.—For the purpose of paragraph (1)(B)(ii), a rent level is affordable if it does not exceed 30 percent of the maximum income level of the income categories referred to in this section, with appropriate adjustments for unit size as measured by the number of bedrooms.

SEC. 504. CENTRAL CITY, RURAL AREA, AND OTHER UNDERSERVED AREAS HOUSING GOAL.

(a) IN GENERAL.—The Director shall establish an annual goal for the purchase of mortgages secured by housing located in central cities, rural areas, and other underserved areas.

(b) TRANSITION RULE.—

(1) IN GENERAL.—During the transition period, an interim target for purchases of mortgages by each enterprise secured by housing located in central cities is established at 30 percent of the total number of dwelling units financed by mortgage purchases of the enterprise.

(2) ACHIEVEMENT OF THE INTERIM TARGET FOR CENTRAL CITY MORTGAGE PURCHASES.—During the transition period, the Director shall establish separate annual goals for each enterprise, the achievement of which would require, to the extent feasible, that—

(A) each enterprise improve its performance relative to the interim target, annually; and

(B) in the case of an enterprise that does not meet the interim target, such enterprise be prepared to meet the interim target in subsequent years.

(3) DEFINITIONS.—

(A) TRANSITION PERIOD.—As used in this subsection, the term "transition period" means the 2-year period beginning on the date of enactment of this Act.

(B) CENTRAL CITY.—As used in this subsection, the term "central city" means any political subdivision designated as a central city by the Office of Management and Budget.

(c) FACTORS TO BE APPLIED BY THE DIRECTOR.—In establishing the housing goal for an enterprise under this section, the Director shall take into account—

(1) appropriate economic, housing, and demographic data,

(2) the performance and effort of the enterprise toward achieving the goals established under this section in prior calendar years,

(3) the size of the central city, rural area, and other underserved areas conventional mortgage market relative to the size of the overall conventional mortgage market,

(4) national urban needs,

(5) the ability of the enterprise to lead the industry in making mortgage credit available throughout the Nation, including central cities, rural areas, and other underserved areas, and

(6) the need to maintain the sound financial condition of the enterprise.

(d) LOCATION OF PROPERTIES.—The Director shall monitor each enterprise's performance in carrying out this section and shall evaluate that performance based on the location of the properties securing mortgages purchased by each enterprise.

SEC. 505. OTHER REQUIREMENTS.

To meet the low- and moderate-income housing goal under section 502, the special affordable housing goal under section 503, and the central city, rural area, and other underserved areas housing goal under section 504, each enterprise shall—

(1) design programs and products that facilitate the use of assistance provided by the Federal Government and State and local governments;

(2) develop relationships with nonprofit and for-profit organizations that develop and finance housing and with State and local governments, including housing finance agencies;

(3) take affirmative steps to—

(A) help primary lenders make housing credit available in areas with concentrations of low-income and minority families, and

(B) assist insured depository institutions in meeting their obligations under the Community Reinvestment Act of 1977,

that include developing appropriate and prudent underwriting standards, business practices, repurchase requirements, pricing, fees, and procedures; and

(4) develop the institutional capacity to help finance low- and moderate-income housing, including housing for first-time homebuyers.

SEC. 506. MONITORING COMPLIANCE WITH HOUSING GOALS.

(a) IN GENERAL.—The Director shall establish guidelines to measure the extent of compliance with the housing goals established under this title. The guidelines may assign full credit, partial credit, or no credit toward compliance with the housing goals to different categories of mortgage purchase activities depending upon such criteria as the Director deems appropriate.

(b) SPECIAL AFFORDABLE HOUSING GOALS.—

(1) ACTIVITIES THAT SHALL RECEIVE FULL CREDIT TOWARD COMPLIANCE WITH GOALS.—The Director shall give full credit toward compliance with the special affordable housing goals to the following activities:

(A) The purchase or securitization of federally insured or guaranteed mortgages, if—

(i) such mortgages cannot be readily securitized through the Government National Mortgage Association or other Federal agency; and

(ii) participation of an enterprise substantially enhances the affordability of the housing securing such mortgages.

(B) The purchase or refinancing of existing, seasoned portfolios of loans, if—

(i) the seller is engaged in a specific program to use the proceeds of such sales to originate additional loans that meet the special affordable housing goals; and

(ii) such purchases or refinancings support additional lending for housing serving low-income families.

(C) The purchase of direct loans made by the Resolution Trust Corporation or the Federal Deposit Insurance Corporation, if such loans are—

(i) not guaranteed by the agencies themselves or other Federal agencies; and

(ii) made with recourse provisions similar to those offered through private mortgage insurance or other conventional sellers.

(2) EXCLUSION.—No credit toward compliance with the special affordable housing goal may be given to the purchase or securitization of mortgages associated with the refinancing of existing enterprise portfolios.

SEC. 507. DATA COLLECTION AND REPORTING REQUIREMENTS FOR THE ENTERPRISES.

(a) SINGLE FAMILY DATA.—

(1) IN GENERAL.—Each enterprise shall collect, maintain, and provide to the Director, in a useful form, data relating to its single family mortgages. Such data shall include—

(A) the income, census tract location, race, and gender of mortgagors;

(B) the loan-to-value ratios of purchased mortgages at the time of origination;

(C) whether a particular mortgage purchased is newly originated or seasoned;

(D) the number of units (1-to-4 family) and whether they are owner-occupied; and

(E) other characteristics deemed appropriate by the Director, to the extent practicable.

(2) EFFECTIVE DATE.—

(A) IN GENERAL.—The data required to be collected under this subsection shall cover single family mortgages purchased after the date determined by the Director, but not later than December 31, 1992.

(B) SEASONED MORTGAGES.—For mortgages purchased after the date referred to in subsection (a) but originated before that date, only data available to the enterprise is required to be collected under this subsection.

(b) MULTIFAMILY DATA.—

(1) IN GENERAL.—Each enterprise shall collect, maintain, and provide to the Director, in a useful form, data relating to its multifamily housing mortgages. Such data shall include—

(A) census tract location,

(B) tenant income levels and characteristics (to the extent practicable),

(C) rent levels,

(D) mortgage characteristics (such as number of units financed per mortgage and size of loans),

(E) mortgagor characteristics (such as nonprofit, for-profit, limited equity cooperatives),

(F) use of funds (such as new construction, rehabilitation, refinancing),

(G) type of originating institution, and

(H) other information deemed appropriate by the Director, to the extent practicable.

(2) EFFECTIVE DATE.—

(A) IN GENERAL.—The data required to be collected under this subsection shall cover multifamily mortgages purchased after the date determined by the Director, but not later than December 31, 1992.

(B) SEASONED MORTGAGES.—For mortgages purchased after the date referred to in subparagraph (A) but originated before that date, only data available to the enterprise is required to be collected under this subsection.

(c) PUBLIC ACCESS TO DATA.—

(1) IN GENERAL.—The Director shall make the data required by subsections (a) and (b) available to the public in useful forms, including forms accessible by computers.

(2) ACCESS.—

(A) PROPRIETARY DATA.—The Director may not make available to the public data that the Director determines are proprietary pursuant to section 515.

(B) EXCEPTION.—The Director shall not restrict access to the data provided in accordance with subsection (a)(1)(A).

(3) FEES.—The Director may charge reasonable fees to cover the cost of making the data available to the public.

(d) ANNUAL REPORT.—

(1) IN GENERAL.—Each enterprise shall submit to the Congress and the Director a report on its activities under this title.

(2) CONTENTS.—The report referred to in paragraph (1) shall—

(A) include in aggregate form and by appropriate category, the dollar volume and number of mortgages purchased for owner-occupied and rental properties related to each of the annual housing goals;

(B) include in aggregate form and by appropriate category, the number of families served, the income class, race, and gender of homebuyers served, the income class of tenants of rental housing (based on availability of information), the characteristics of the census tracts, and the geographic distribution of the housing financed;

(C) include the extent to which the mortgages purchased by the enterprise have been used in conjunction with public subsidy programs under Federal law;

(D) include the proportion of single family mortgages purchased that have been made to first-time homebuyers, as soon as providing such data is practicable and identify any special programs (or revisions to conventional practices) facilitating homeownership opportunities for first-time homebuyers;

(E) include in aggregate form and by appropriate category the data reported under subsection (a)(1)(B);

(F) level of securitization versus portfolio activity;

(G) assess the underwriting standards, business practices, repurchase requirements, pricing, fees, and procedures, that affect the purchase of mortgages for low- and moderate-income families, or that may yield disparate results based on the race of the borrower, including revisions thereto to promote affordable housing or fair lending;

(H) describe trends in both the primary and secondary multifamily markets, including a description of the progress made, and any factors impeding progress, toward standardization and securitization of mortgage products for multifamily housing;

(I) describe trends in the delinquency and default rates of mortgages secured by housing for low- and moderate-income families that have been purchased by each enterprise, including a comparison of such trends with delinquency and default information for mortgage products serving households with incomes above the median level that have been purchased by each enterprise, and evaluate the impact of such trends on the standards and levels of risk of mortgage products serving low- and moderate-income families;

(J) describe in the aggregate its seller servicer network, including the volume of mortgages purchased from minority-owned, women-owned, and community-oriented lenders, and any efforts to facilitate relationships with such lenders;

(K) describe the activities undertaken with nonprofit and for-profit organizations and with State and local governments and housing finance agencies, including how its activities support the objectives of local comprehensive housing affordability strategies; and

(L) contain any other information deemed relevant by the Director.

(3) AVAILABILITY OF REPORTS.—

(A) IN GENERAL.—Each enterprise shall make the reports under this subsection available to the public at the principal and regional offices of the enterprise.

(B) EXCLUSION OF PROPRIETARY DATA.—Information that is contained in any report that the Director has determined is proprietary shall be subject to the provisions of section 515.

SEC. 508. ANNUAL REPORT OF THE DIRECTOR.

(a) IN GENERAL.—After reviewing and analyzing the reports submitted under section 507(d), the Director shall submit a report, as part of its report under section 109 of this Act, on the extent to which each enterprise is achieving the specified annual goals and general purposes established by law.

(b) CONTENTS.—The report shall—

(1) aggregate and analyze census tract data to assess each enterprise's compliance with the central city, rural area, and other underserved areas housing goal and to show levels of business in central cities, rural areas, low- and moderate-income census tracts, minority census tracts, and other geographical areas deemed appropriate by the Director;

(2) aggregate and analyze data on income to assess each enterprise's compliance with the low and moderate and special affordable housing goals;

(3) aggregate and analyze data on income, race, and gender by census tract and compare such data with larger demographic, housing, and economic trends;

(4) examine actions that each enterprise has undertaken and could undertake regarding underwriting standards, business practices, repurchase requirements, pricing, fees, and procedures to promote and expand the annual goals specified under sections 502, 503, and 504, as well as the general purposes established by law;

(5) review trends in both the primary and secondary multifamily markets, describing—

(A) the availability of mortgage credit and liquidity; and

(B) the progress made, and any factors impeding progress, toward standardization and securitization of mortgage products for multifamily housing;

(6) examine actions each enterprise has undertaken and could undertake to promote and expand opportunities for first-time homebuyers; and

(7) describe any actions taken with respect to originators found to violate fair lending procedures.

SEC. 509. COMPLIANCE.

(a) IN GENERAL.—The Director shall monitor and enforce compliance with the goals established under sections 502, 503, and 504.

(b) NOTICE AND HEARING.—If the Director determines that an enterprise has failed to meet, or that there is a substantial probability that an enterprise will fail to meet, any goal established under section 502, 503, or 504, the Director shall provide written notice to the enterprise and an opportunity to review and supplement the administrative record at an administrative hearing.

(c) HOUSING PLANS.—

(1) PLAN REQUIRED.—If the Director finds, after any hearing pursuant to subsection (b), that the achievement of the housing goal was feasible, after consideration of market and economic conditions, the Director shall require the enterprise to submit a housing plan for approval by the Director.

(2) CONTENTS.—Each housing plan shall be a feasible plan describing the specific actions the enterprise will take—

(A) to achieve the goal for the next succeeding calendar year; or

(B) in a case when the Director determines that there is a substantial probability that the enterprise will fail to meet a goal in the current year, to make such improvements as are reasonable in the remainder of that year. The plan shall contain sufficient specificity to enable the Director to monitor compliance periodically.

(3) DEADLINES FOR SUBMISSION.—The Director shall establish a deadline for submission of a housing plan that is not more than 45 days after the enterprise is notified in writing that a plan is required. The Director may extend the deadline for a specified period of time.

(4) APPROVAL.—The Director shall approve or disapprove a plan within 30 days. The Director shall approve any plan that the Director determines is likely to succeed, and conforms with the relevant charter act and this Act and other applicable law and regulation. The Director may extend the period for approval or disapproval for an additional 30 days.

(5) DISAPPROVAL.—If the housing plan initially submitted by the enterprise is disapproved, the Director shall provide written notice of the reasons therefor, and shall require the enterprise to submit, with a reasonable period of time, but not more than 30 days unless the Director determines that a longer period is in the public interest, an amended housing plan acceptable to the Director.

(6) HEARING.—If the Director disapproves a housing plan, the Director shall provide the enterprise with an opportunity to review and supplement the administrative record in an administrative hearing.

(d) ENFORCEMENT.—

(1) IN GENERAL.—If the Director determines that an enterprise has failed to make a good faith effort to comply with an approved housing plan, the Director—

(A) may, under section 301, issue and serve upon the enterprise an order to comply with the housing plan; and

(B) may, under section 305, assess and collect from the enterprise a civil penalty.

(2) LIMITATION.—The Director shall not, for failure to comply with an approved housing plan—

(A) issue any order under section 301, except as described in paragraph (1)(A); or

(B) assess any civil penalty under section 305, except as described in paragraph (1)(B).

(3) ADDITIONAL TRANSITION PERIOD LIMITATION.—The Director shall take no actions described in paragraph (1) during the 2-year period following the date of enactment of this Act unless the Director determines that the enterprise has blatantly disregarded an approved housing plan.

(e) TRANSITION PERIOD REPORTS AND HEARINGS.—

(1) REPORTS.—Within 45 days of the establishment of any housing goals required by this title during the 2-year period following the date of enactment, each enterprise shall submit to the Director, the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a report describing the actions the enterprise plans to take in order to meet such goals.

(2) HEARINGS.—Not later than 45 days after the submission of a report under paragraph (1), the chief executive officers of the enterprises shall, if requested, appear before each committee referred to in paragraph (2) to explain the proposed actions described in their respective plans.

(f) AUDIT POWERS.—The Director or the Comptroller General of the United States, at the request of the Director or any Member of Congress, is authorized to examine records and audit reports to the extent necessary to assess compliance with—

(1) the goals established under sections 502, 503, and 504,

(2) any other goals established by the Director to achieve the charter purposes of an enterprise, and

(3) any housing plan approved under this section.

SEC. 510. ADVISORY COUNCIL.

(a) IN GENERAL.—Not later than 4 months after the date of enactment of this Act, each enterprise shall appoint an Affordable Housing Advisory Council to advise it regarding possible methods for promoting affordable housing for low- and moderate-income families.

(b) MEMBERSHIP.—Each Council shall consist of 15 individuals, who shall include representatives of community-based and other nonprofit and for-profit organizations and State and local government agencies actively engaged in the promotion, development, or financing of housing for low- and moderate-income families.

SEC. 511. GEOGRAPHIC DISTRIBUTION.

(a) FEDERAL NATIONAL MORTGAGE ASSOCIATION.—Section 301 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1716) is amended—

(1) by redesignating paragraph (4) as paragraph (5);

(2) by striking "and" at the end of paragraph (3); and

(3) by inserting before paragraph (5), as redesignated, the following:

"(4) promote access to mortgage credit throughout the Nation (including central cities and rural areas) by increasing the liquidity of mortgage investments, including facilitating credit secured by mortgages to secondary market participants, and improving the distribution of investment capital available for residential mortgage financing; and".

(b) FEDERAL HOME LOAN MORTGAGE CORPORATION.—Section 301(b) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 note) is amended—

(1) by striking "and" at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting "; and"; and

(3) by adding at the end the following:

"(4) to promote access to mortgage credit throughout the Nation (including central cities and rural areas) by increasing the liquidity of mortgage investments, including facilitating credit secured by mortgages to secondary market participants, and improving the distribution of investment capital available for residential mortgage financing.".

SEC. 512. MULTIFAMILY MORTGAGE ACTIVITIES.

(a) FEDERAL NATIONAL MORTGAGE ASSOCIATION.—Section 301 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1716) is amended by striking "home" each place it appears in paragraphs (1) and (3) and inserting "residential".

(b) FEDERAL HOME LOAN MORTGAGE CORPORATION.—Section 301(b) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 note) is amended by striking "home" each place it appears in paragraphs (1) and (3) and inserting "residential".

SEC. 513. BOARD OF DIRECTORS QUALIFICATIONS.

(a) FEDERAL NATIONAL MORTGAGE ASSOCIATION.—

(1) MEMBER WITH A DEMONSTRATED COMMITMENT TO LOW-INCOME HOUSING.—Section 308(b) of the Federal National Mortgage Associa-

tion Charter Act (12 U.S.C. 1723(b)) is amended by inserting in the second sentence after "lending industry," the following: "at least one person who has demonstrated a career commitment to the provision of housing for low-income households,".

(2) APPLICABILITY.—The amendment made by subsection (a)(1) shall apply to the annual appointments made by the President of members to the Board of Directors of the Federal National Mortgage Association that occur after the date of the enactment of this Act.

(b) FEDERAL HOME LOAN MORTGAGE CORPORATION.—

(1) MEMBER WITH A DEMONSTRATED COMMITMENT TO LOW-INCOME HOUSING.—Section 303(a)(2)(A) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(a)(2)(A)) is amended by inserting in the second sentence after "lending industry," the following: "at least 1 person who has demonstrated a career commitment to the provision of housing for low-income households,".

(2) APPLICABILITY.—The amendment made by subsection (b)(1) shall apply to the annual appointments made by the President of members to the Board of Directors of the Federal Home Loan Mortgage Corporation that occur after the date of the enactment of this Act.

SEC. 514. FAIR HOUSING.

The Director shall—

(1) subject to the Secretary's general authority to enforce the Fair Housing Act, by regulation prohibit each enterprise from discriminating in any manner in the purchase of any mortgage because of race, color, religion, sex, handicap, familial status, age, or national origin, including any consideration of the age or location of the dwelling or the age of the neighborhood or census tract where the dwelling is located in a manner that has a discriminatory effect;

(2) subject to the Secretary's general authority to enforce the Fair Housing Act, by regulation require each enterprise to have single family mortgage and multifamily mortgage underwriting and appraisal guidelines that prohibit the use of lending criteria or the exercise of lending policies by mortgage lenders that sell mortgages to the enterprise, that have the effect of discriminating on the basis of race, color, religion, sex, handicap, familial status, age, or national origin, including any consideration of the age or location of the dwelling or the age of the neighborhood or census tract where the dwelling is located in a manner that has a discriminatory effect;

(3) by regulation, require an enterprise to submit certain data to assist the Secretary in investigating whether a mortgage lender with which the enterprise does business has failed to comply with the Fair Housing Act or the Equal Credit Opportunity Act;

(4) periodically review and comment on each enterprise's underwriting and appraisal guidelines;

(5) seek information from other regulatory and enforcement agencies regarding violations by lenders of the laws referred in paragraph (3) and make that information available to enterprises; and

(6) direct an enterprise to undertake various remedial actions, including suspension, probation, reprimand, or settlement, against those lenders that have in a final adjudication or an administrative hearing on the record in accordance with subchapter II of chapter 5 of title 5, United States Code, been found to have engaged in discriminatory lending practices in violation of this subsection, the Fair Housing Act, or the Equal Credit Opportunity Act.

SEC. 515. PROHIBITION ON PUBLIC DISCLOSURE OF PROPRIETARY INFORMATION.

(a) IN GENERAL.—The Director may determine, by regulation or order, information that will be accorded treatment as proprietary information. The Director shall not provide public access to, or disclose to the public, information required to be submitted by an enterprise under section 507 that the Director determines is proprietary.

(b) EFFECTIVE DATE OF ORDER.—Any order issued under subsection (a) shall not become effective until 10 days after its issuance.

(c) NONDISCLOSURE PENDING CONSIDERATION.—Nothing in this section authorizes the disclosure to, or examination of data by, the public or a representative of any person or agency, pending the issuance of a final decision under this section.

TITLE VI—CHARTER ACT AMENDMENTS

SEC. 601. AMENDMENTS TO THE FEDERAL NATIONAL MORTGAGE ASSOCIATION CHARTER ACT.

(a) REMOVAL AUTHORITY OF THE PRESIDENT.—Section 308(b) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723(b)) is amended in the third sentence after "any such" by inserting "appointed".

(b) GAO AUDITS.—The first sentence of section 309(j) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(j)) is amended to read as follows: "The programs, activities, receipts, expenditures, and financial transactions of the corporation shall be subject to audit by the Comptroller General of the United States under such rules and regulations as may be prescribed by the Comptroller General.".

(c) CONSTRUCTION.—Section 309(i) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a) is amended to read as follows:

"(i) CONSTRUCTION.—The powers conferred on the corporation by this title shall be exercised in accordance with the goals and purposes of the Federal Housing Enterprises Regulatory Reform Act of 1992. If the provisions of this title conflict with the provisions of the Federal Housing Enterprises Regulatory Reform Act of 1992, the provisions of that Act shall control.".

(d) CAPITALIZATION.—Section 303 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1718) is amended—

(1) in subsection (a), by adding at the end the following new sentence: "The corporation may issue shares of common stock in return for appropriate payments into capital or capital and surplus.";

(2) by striking subsection (b) and inserting the following new subsection:

"(b) FEES AND EARNINGS.—

"(1) FEES AND CHARGES.—The corporation may impose charges or fees, which may be regarded as elements of pricing, with the objective that all costs and expenses of the operations of the corporation should be within its income derived from such operations and that such operations should be fully self-supporting.

"(2) EARNINGS; GENERAL SURPLUS.—All earnings from the operations of the corporation shall annually be transferred to the general surplus account of the corporation. At any time, funds of the general surplus account may, in the discretion of the board of directors, be transferred to reserves.";

(3) by striking subsection (c) and inserting the following new subsection:

"(c) DISTRIBUTIONS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the corporation may make such capital distributions as may be declared by the board of directors. All capital distributions shall be charged against the general surplus account of the corporation.

"(2) ADEQUATE CAPITALIZATION REQUIRED.—The corporation may not make any capital distributions that would decrease the capital of the corporation, as such term is defined under section 212 of the Federal Housing Enterprises Regulatory Reform Act of 1992 to an amount less than that sufficient to be classified as adequately capitalized under section 204 of such Act, without prior written approval of the Director of the Office of Federal Housing Enterprise Oversight."; and

(4) in subsection (f)—

(A) by striking "to make payments" and all that follows through "such capital contributions,"; and

(B) by striking "additional shares of such stock," and inserting "shares of common stock of the corporation".

(e) RATIO OF OBLIGATIONS.—

(1) IN GENERAL.—Section 304 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1719) is amended—

(A) in subsection (b), by striking the semicolon in the first sentence and all that follows through the end of the second sentence and inserting a period; and

(B) in subsection (e), by striking the fourth sentence.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect when the first classifications are made under section 204(b).

(f) ASSESSMENTS FOR THE OFFICE OF SECONDARY MARKET OVERSIGHT.—The first sentence of section 304(f) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1719(f)) is amended by inserting after "section 309(g)" the following: "of this Act and section 105 of the Federal Housing Enterprises Regulatory Reform Act of 1992".

(g) COMPENSATION.—Section 309(d) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(d)) is amended—

(1) in the first sentence of paragraph (2) by striking "as it may determine" and inserting the following: "as the board of directors determines reasonable and comparable with compensation for employment in positions in comparable publicly held financial institutions involving similar duties and responsibilities, except that a significant portion of potential compensation of all executive officers (as such term is defined in paragraph (3)(C)) of the corporation shall be based on the performance of the corporation"; and

(2) by adding at the end the following new paragraph:

"(3)(A) Not later than June 30, 1993, and annually thereafter, the corporation shall submit a report to the Congress on—

"(i) the comparability of the compensation policies of the corporation with the compensation policies of other similar businesses,

"(ii) in the aggregate, the percentage of total cash compensation and payments under employee benefit plans (which shall be defined in a manner consistent with the corporation's proxy statement for the annual meeting of shareholders for the preceding year) earned by executive officers of the corporation during the preceding year that was based on the corporation's performance, and

"(iii) the comparability of the corporation's financial performance with the performance of other similar businesses.

The report shall include a copy of the corporation's proxy statement for the annual meeting of shareholders for the preceding year.

"(B) The corporation may not enter into any agreement to provide any payment of

money or other thing of value in connection with the termination of employment of any executive officer of the corporation, unless such agreement is approved in advance by the Director of the Office of Federal Housing Enterprise Oversight. Any such payment made pursuant to any agreement entered into between July 24, 1991, and the date of enactment of the Federal Housing Enterprises Regulatory Reform Act of 1992 may be cancelled unless such agreement is approved by the Director. The Director may not approve any such agreement unless the Director determines that the benefits provided under the agreement are comparable to benefits under such agreements for officers of other public and private entities involved in financial services and housing interests who have comparable duties and responsibilities. For purposes of this subparagraph, any renegotiation, amendment, or change after July 24, 1991, to any such agreement entered into on or before such date shall be considered entering into an agreement.

"(C) For purposes of this paragraph, the term 'executive officer' has the meaning given the term in section 3 of the Federal Housing Enterprises Regulatory Reform Act of 1992.".

(h) GENERAL REGULATORY POWERS.—Section 309(h) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(h)) is repealed.

(i) STOCK ISSUANCES.—The second sentence of section 311 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723c) is amended by striking all that follows "Commission" and inserting a period.

(j) APPROVAL.—Section 302(b) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)) is amended—

(1) in paragraph (2), by striking "and with the approval of the Secretary of Housing and Urban Development,"; and

(2) in paragraphs (3) and (4), by striking ", with the approval of the Secretary of Housing and Urban Development,".

SEC. 602. AMENDMENTS TO THE FEDERAL HOME LOAN MORTGAGE CORPORATION ACT.

(a) REPEAL OF PROHIBITION ON MORTGAGE LIMITATIONS.—Section 305(c) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(c)) is repealed.

(b) REPEAL OF PROHIBITION ON PREJUDGMENT ATTACHMENT.—Section 303(f) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(f)) is amended by striking the last sentence.

(c) CONSTRUCTION.—Section 303 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452) is amended by adding at the end the following subsection:

"(h) CONSTRUCTION.—The powers conferred by this title on the Corporation shall be exercised in accordance with the goals and purposes of the Federal Housing Enterprises Regulatory Reform Act of 1992. If the provisions of this title conflict with the provisions of the Federal Housing Enterprises Regulatory Reform Act of 1992, the provisions of that Act shall control.".

(d) GAO AUDITS.—The first sentence of section 307(b) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1456(b)) is amended to read as follows: "The programs, activities, receipts, expenditures, and financial transactions of the Corporation shall be subject to audit by the Comptroller General of the United States under such rules and regulations as may be prescribed by the Comptroller General.".

(e) POWERS OF THE CORPORATION.—Section 303(c) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(c)) is amended by striking the second and third sentences.

(f) REMOVAL AUTHORITY OF PRESIDENT.—Section 303(a)(2)(B) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(a)(2)(B)) is amended by inserting before the period at the end the following: ", except that any appointed member may be removed from office by the President for good cause".

(g) GENERAL REGULATORY POWERS.—Section 303(b) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(b)) is amended—

(1) by striking paragraphs (1) and (2);

(2) by striking paragraph (3) and inserting the following new paragraph:

"(3)(A) Except as provided in subparagraph (B), the Corporation may make such capital distributions as may be declared by the Board of Directors.

"(B) The Corporation may not make any capital distributions that would decrease the capital of the Corporation (as such term is defined in section 212 of the Federal Housing Enterprises Regulatory Reform Act of 1992) to an amount less than that sufficient to be classified as adequately capitalized under section 204 of such Act, without prior written approval of the Director of the Office of Federal Housing Enterprise Oversight."; and

(3) by striking paragraphs (4), (6), (7), and (8).

(h) RATIO OF CAPITAL AND OBLIGATIONS.—Effective upon the first classification made under section 204(b), section 303(b) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(b)) is amended by striking paragraph (5).

(i) COMPENSATION.—Section 303 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452) is amended—

(1) in clause (9) of the first sentence of subsection (c), by inserting after "agents" the following: "as the Board of Directors determines reasonable and comparable with compensation for employment in positions in comparable publicly held financial institutions involving similar duties and responsibilities, except that a significant portion of potential compensation of all executive officers (as such term is defined in subsection (i)(3)) of the Corporation shall be based on the performance of the Corporation"; and

(2) by adding at the end the following new subsection:

"(i)(1) Not later than June 30, 1993, and annually thereafter, the Corporation shall submit a report to the Congress on—

"(A) the comparability of the compensation policies of the Corporation with the compensation policies of other similar businesses,

"(B) in the aggregate, the percentage of total cash compensation and payments under employee benefit plans (which shall be defined in a manner consistent with the Corporation's proxy statement for the annual meeting of shareholders for the preceding year) earned by executive officers of the Corporation during the preceding year that was based on the Corporation's performance, and

"(C) the comparability of the Corporation's financial performance with the performance of other similar businesses.

The report shall include a copy of the Corporation's proxy statement for the annual meeting of shareholders for the preceding year.

"(2) Notwithstanding the first sentence of subsection (c), the Corporation may not enter into any agreement to provide any payment of money or other thing of value in connection with the termination of employment of any executive officer of the Corporation, unless such agreement is approved in advance by the Director of the Office of Federal Housing Enterprise Oversight. Any such payment made pursuant to any agreement entered into between July 24, 1991, and the date of enactment of the Federal Housing Enterprises Regulatory Reform Act of 1992 may be cancelled unless such agreement is approved by the Director. The Director may not approve any such agreement unless the Director determines that the benefits provided under the agreement are comparable to benefits under such agreements for officers of other public and private entities involved in financial services and housing interests who have comparable duties and responsibilities. For purposes of this paragraph, any renegotiation, amendment, or change after July 24, 1991, to any such agreement entered into on or before such date shall be considered entering into an agreement.

"(3) For purposes of this subsection, the term 'executive officer' has the meaning given the term in section 3 of the Federal Housing Enterprises Regulatory Reform Act of 1992.".

(j) CAPITAL STOCK.—Section 304 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1453) is amended—

(1) in subsection (a)(1), by striking "The common stock" and all that follows and inserting the following: "The common stock of the Corporation shall consist of voting common stock, which shall be issued to such holders in the manner and amount, and subject to any limitations on concentration of ownership, as may be established by the Corporation.";

(2) in subsection (a)(2)—

(A) in the first sentence, by striking "nonvoting common stock and the"; and

(B) by striking the last sentence; and

(3) by striking subsections (b), (c), and (d).

(k) MORTGAGE SELLERS.—Section 305(a)(1) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(1)) is amended—

(1) in the first sentence, by striking "from any Federal home loan bank" and all that follows through the end of the sentence.

(2) in the second sentence, by striking ", and the servicing" and all that follows through the end of the sentence and inserting a period.

(l) DEFINITION OF "RESIDENTIAL MORTGAGE".—Section 302(h) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451(h)) is amended in the third sentence by striking "made" and all that follows through "305(a)(1)" and inserting "or purchased from any public utility carrying out activities in accordance with the requirements of title II of the National Energy Conservation Policy Act if the residential mortgage to be purchased is a loan or advance of credit the original proceeds of which are applied for in order to finance the purchase and installation of residential energy conservation measures (as defined in section 210(11) of the National Energy Conservation Policy Act) in residential real estate".

TITLE VII—REGULATION OF FEDERAL HOME LOAN BANK SYSTEM

SEC. 701. PRIMACY OF FINANCIAL SAFETY AND SOUNDNESS FOR FEDERAL HOUSING FINANCE BOARD.

Section 2A(a)(3) of the Federal Home Loan Bank Act (12 U.S.C. 1422a(a)(3)) is amended to read as follows:

"(3) DUTIES.—

"(A) SAFETY AND SOUNDNESS.—The primary duty of the Board shall be to ensure that the

Federal Home Loan Banks operate in a financially safe and sound manner.

"(B) OTHER DUTIES.—To the extent consistent with subparagraph (A), the duties of the Board shall also be—

"(i) to supervise the Federal Home Loan Banks;

"(ii) to ensure that the Federal Home Loan Banks carry out their housing finance mission; and

"(iii) to ensure that the Federal Home Loan Banks remain adequately capitalized and able to raise funds in the capital markets.".

SEC. 702. STUDY REGARDING FEDERAL HOME LOAN BANK SYSTEM.

(a) IN GENERAL.—The Federal Housing Finance Board, the Comptroller General of the United States, the Director of the Congressional Budget Office, and the Secretary of Housing and Urban Development shall each conduct a study regarding the following topics:

(1) The appropriate capital standards for the Federal Home Loan Bank System.

(2) The appropriate relationship between the capital standards for the Federal Home Loan Banks and the capital standards under this Act for the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(3) The appropriate relationship between the capital standards for federally insured depository institutions and the capital standards under this Act for the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, especially with regard to similar kinds of on-balance sheet and off-balance sheet assets and obligations.

(4) The advantages and disadvantages of expanding the credit products and services of the Federal Home Loan Banks, including a determination of the desirability of—

(A) the purchase by Federal Home Loan Banks of housing-related assets from member institutions, and

(B) the provision by Federal Home Loan Banks of credit enhancements and other products to members in addition to advances.

(5) The advantages and disadvantages of expanding eligible collateral for advances by removing the limits on the amount of housing-related assets that member institutions can use to collateralize advances.

(6) The advantages and disadvantages of further measures to expand the role of the Federal Home Loan Bank System as a support mechanism for community-based lenders and to reinforce the overall role of the Federal Home Loan Bank System in housing finance.

(7) The advantages and disadvantages of further measures to increase membership in, and increase the profitability of, the Federal Home Loan Bank System by modifying—

(A) restrictions on membership and stock purchases of nonqualified thrift lenders;

(B) the advance limit imposed on Federal Home Loan Banks to nonqualified thrift lenders; and

(C) the membership requirement for qualified thrift lenders.

(8) The competitive effect of the mortgage activities of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation on the home mortgage activities of federally insured depository institutions and the cost of such activities to such institutions, the Savings Association Insurance Fund, the Bank Insurance Fund, and the Resolution Trust Corporation.

(9) The likelihood that the Federal Home Loan Banks will be able to continue to pay the amounts required under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

(10) The extent to which a reduction in the number of Federal Home Loan Banks would reduce noninterest costs.

(11) The impact that a reduction in the number of Federal Home Loan Banks would have on the effectiveness of affordable housing programs.

(12) The impact that a reduction in the number of Federal Home Loan Banks would have on the availability of affordable housing in rural areas and the ability of small rural financial institutions to provide housing financing.

(13) The current and prospective impact of the Federal Home Loan Bank System on—

(A) the availability and affordability of housing for low- and moderate-income households; and

(B) the relative availability of housing credit across geographic areas, with particular regard to differences depending on whether properties are inside or outside of central cities.

(14) The appropriateness of extending to the Federal Home Loan Bank System the public purposes and housing goals established for the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation under this Act and the enterprises' charters.

(b) REPORTS.—Not later than 9 months after the date of the enactment of this Act, the Federal Housing Finance Board, the Comptroller General, the Director of the Congressional Budget Office, and the Secretary of Housing and Urban Development shall each submit to the Congress a report on the studies required under subsection (a) containing any recommendations for legislative action based on the results of the studies.

(c) COMMENTS.—The Secretary of the Treasury, the Director of the Office of Federal Housing Enterprise Oversight, the Federal Home Loan Mortgage Corporation, and the Federal National Mortgage Association shall submit to the Congress any recommendations and opinions regarding the studies under subsection (a), to the extent that the recommendations and views of such officers differ from the recommendations and opinions of the Federal Housing Finance Board, the Comptroller General, the Director of Congressional Budget Office, and the Secretary of Housing and Urban Development.

(d) DEFINITION.—For purposes of this section the term "housing-related assets" means residential mortgages, residential mortgage-related securities, loans or loan participations secured by residential real estate, housing production loans, and warehouse lines of credit for residential mortgage banking activities.

SEC. 703. REPORTS OF FEDERAL HOME LOAN BANKS.

Not later than 9 months after the date of enactment of this Act, the Board of Directors of each Federal Home Loan Bank shall submit to the Congress a report of the directors' evaluation of the costs and benefits of consolidation of the Federal Home Loan Bank System.

SEC. 704. REPORTS OF FEDERAL HOME LOAN BANK MEMBERS.

(a) IN GENERAL.—Not later than 45 days after the date of enactment of this Act, the Board of Directors of each Federal Home Loan Bank shall elect 2 persons who are officers or directors of stockholder institutions of the Federal Home Loan Bank to serve on a panel to be called the "Study Committee".

(b) STUDY AND REPORT.—The Study Committee referred to in subsection (a) shall conduct a study on the topics listed in section 702(a) and on the costs and benefits of consolidation of the Federal Home Loan Bank System. Not later than 9 months after the date of enactment of this Act, the Study Committee shall submit a report to the Congress, the Federal Housing Finance Board, and the presidents of the Federal Home Loan Banks on its findings, including any recommendations for legislative or administrative action, together with any minority views or recommendations.

SEC. 705. FULL-TIME STATUS OF FHFB MEMBERS.

Section 2A(b)(2) of the Federal Home Loan Bank Act (12 U.S.C. 1422(b)(2)) is amended by adding at the end the following new subparagraph:

"(D) BOARD STATUS.—All directors appointed pursuant to paragraph (1)(B) shall serve on a full-time basis beginning on January 1, 1994.".

SEC. 706. EXCEPTION TO REQUIREMENTS FOR ADVANCES UNDER THE FEDERAL HOME LOAN BANK ACT.

Section 10b of the Federal Home Loan Bank Act (12 U.S.C. 1430b) is amended—

(1) in the first sentence, by inserting before "Each" the following:

"(a) IN GENERAL.—"; and

(2) by adding at the end the following new subsection:

"(b) EXCEPTION.—An advance made to a State housing finance agency for the purpose of facilitating mortgage lending that benefits individuals and families that meet the income requirements set forth in section 142(d) or 143(f) of the Internal Revenue Code of 1986, need not be collateralized by a mortgage insured under title II of the National Housing Act or otherwise, if—

"(1) such advance otherwise meets the requirements of this subsection; and

"(2) such advance meets the requirements of section 10(a) of this Act, and any real estate collateral for such loan comprises single family or multifamily residential mortgages.".

TITLE VIII—STUDY OF NATIONAL CONSUMER COOPERATIVE BANK

SEC. 801. STUDY OF NATIONAL CONSUMER COOPERATIVE BANK.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of—

(1) the extent to which the National Consumer Cooperative Bank has achieved its statutory purposes as set forth in the National Consumer Cooperative Bank Act (12 U.S.C. 3001 et seq.) (hereafter in this title referred to as the "Bank Act"); and

(2) the financial safety and soundness of the activities of the Bank and its affiliates.

(b) SPECIFIC REQUIREMENTS.—In conducting the study, the Comptroller General shall examine and evaluate—

(1) the degrees and types of risks that are undertaken by the Bank in the course of its and its affiliates' operations, including credit risk, interest rate risk, management and operational risk, and business risk;

(2) the actual level of risk that exists with respect to the Bank and its affiliates, which shall take account of the volume of debt securities issued by the Bank to the Secretary of the Treasury;

(3) the appropriateness of establishing a more comprehensive structure of safety and soundness regulation of the Bank and its affiliates, including the application of capital standards to the Bank;

(4) the costs and benefits to the public from establishment of a more comprehensive

structure of safety and soundness regulation of the Bank and its affiliates, and the impact of such a structure on the capability of the Bank to carry out its purposes under law and the Bank's viability, including the ability of the Bank to obtain funding in the private capital markets;

(5) the quality and timeliness of information currently available to the public and the Federal Government concerning the extent and nature of the activities of the Bank and its affiliates and the financial risks associated with such activities;

(6) the extent to which the Bank has served all types of its eligible borrowers, including consumer cooperatives, self-help cooperatives, and cooperatives serving low-income families;

(7) the extent to which the Bank directly or indirectly has provided technical assistance to all types of its eligible borrowers;

(8) whether the benefit to the Bank of below-market rates of interest on the debt issued by the Bank to the Secretary of the Treasury was utilized and allocated in a manner consistent with the Bank Act;

(9) whether the Bank's compensation of its executive officers has been excessive;

(10) whether the manner in which the Bank has allocated voting rights to its eligible borrowers has conformed with the Bank Act;

(11) whether the Bank otherwise has acted in a manner consistent with the achievement of its purposes and mission under the Bank Act; and

(12) whether the purposes and mission of the Bank under the Bank Act should be modified in light of any changes in the availability to the Bank's eligible borrowers of credit from sources other than the Bank, changes in the economy, and other factors.

(c) PREPARATION OF REPORT.—In conducting the study required by this section, among other matters, the Comptroller General shall take account of—

(1) the examination reports on the Bank prepared by the Farm Credit Administration;

(2) any audits of the Bank by the Comptroller General;

(3) the annual reports of the Bank to the Congress and the annual and quarterly reports and registration statements filed by the Bank with the Securities and Exchange Commission;

(4) any written communications of any kind of the Farm Credit Administration or the Comptroller General to the Congress with respect to the Bank or its affiliates;

(5) the examination reports on the Bank or its affiliates prepared by the Office of Thrift Supervision or the appropriate official of the State of Ohio; and

(6) the views of interested members of the public, including eligible borrowers from the Bank.

(d) REPORT TO CONGRESS.—Within 6 months after enactment of this Act, the Comptroller General shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a report that shall set forth—

(1) the results of the study under this section;

(2) any recommendations of the Comptroller General with respect to—

(A) the establishment of a more comprehensive structure of safety and soundness regulation of the Bank and its affiliates;

(B) the appropriate capital standards for the Bank; and

(C) the appropriate regulatory agency for the Bank;

(3) any recommendations of the Comptroller General with respect to—

(A) the manner in which the Bank is carrying out its purposes and mission under the Bank Act;

(B) whether the Bank's purposes and mission under the Bank Act should be changed; and

(C) whether the Bank Act should be otherwise amended; and

(4) any recommendations and opinions of the Secretary of the Treasury regarding the report and, to the extent that the recommendations and views of such officers or agencies differ from the recommendations and opinions of the Comptroller General, any recommendations and opinions of the Farm Credit Administration and the Office of Thrift Supervision regarding the report.

(e) CONSULTATION AND COOPERATION WITH OTHER AGENCIES.—The Comptroller General shall determine the structure and methodology of the study under this section in consultation with the Secretary of the Treasury, the Farm Credit Administration, the Director of the Office of Thrift Supervision, and the Bank.

(f) ACCESS TO RELEVANT INFORMATION.—The Bank shall provide or cause to be provided full and prompt access to the Comptroller General to the books and records of the Bank and any affiliate of the Bank and shall promptly provide or cause to be provided any other information requested by the Comptroller General. Any information provided by the Bank or any affiliate of the Bank to the Comptroller General that concerns customer relationships and that is confidential in nature shall be retained in confidence by the Comptroller General and shall not be disclosed to the public. In conducting the study under this section, the Comptroller General may request information from, or the assistance of, any department or agency of the Federal Government or of the State of Ohio that is or was authorized by law to examine or supervise any activities of the Bank or any affiliate of the Bank.

TITLE IX—MISCELLANEOUS

Subtitle A—Miscellaneous

SEC. 901. PRIVATIZATION STUDY.

(a) IN GENERAL.—The Comptroller General of the United States, the Director of the Congressional Budget Office, and the Secretary of the Treasury shall conduct a study of the desirability and feasibility of eliminating the Federal sponsorship of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(b) SPECIFIC REQUIREMENTS.—In conducting the study, the Comptroller General of the United States, the Director of the Congressional Budget Office, and the Secretary of the Treasury shall consider and evaluate—

(1) the legal requirements of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation and the costs to the enterprises if such Federal sponsorship were removed;

(2) the cost of capital to the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation with the removal of Federal sponsorship;

(3) the costs to home ownership and the impact on housing affordability and availability of the removal of Federal sponsorship;

(4) the level of competition which might be available in the private sector with the removal of Federal sponsorship;

(5) the potential effect on the cost and availability of residential housing finance of the enactment of bank reforms that would enable banks to enter the securities business;

(6) whether increased amounts of core capital would be necessary with the removal of Federal sponsorship;

(7) the impact of removal of Federal sponsorship upon the secondary market for residential loans and the liquidity of such loans;

(8) the impact of removal of Federal sponsorship upon the risk weighting of assets of insured depository institutions; and

(9) any other factor which the Comptroller General of the United States, the Director of the Congressional Budget Office, or the Secretary of the Treasury deems appropriate to enable the Congress to evaluate the desirability and feasibility of privatization of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(c) REPORT TO CONGRESS.—Within 2 years after the date of enactment of this Act, the Comptroller General of the United States, the Director of the Congressional Budget Office, and the Secretary of the Treasury shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a report that shall set forth—

(1) a summary of the findings under this section;

(2) recommendations to the Congress on the removal of Federal sponsorship, if deemed to be feasible and desirable, which shall include suggestions for an appropriate time frame in which to withdraw Federal sponsorship.

(d) VIEWS OF THE FEDERAL NATIONAL MORTGAGE ASSOCIATION AND THE FEDERAL HOME LOAN MORTGAGE CORPORATION.—

(1) CONSIDERATION OF VIEWS.—In conducting the study under this section, the Comptroller General of the United States, the Director of the Congressional Budget Office, and the Secretary of the Treasury shall consider the views of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(2) The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation may report directly to the Congress on the enterprises' own analysis of the desirability and feasibility of the removal of Federal sponsorship.

SEC. 902. HOUSING ASSISTANCE IN JEFFERSON COUNTY, TEXAS.

Section 213(e) of the Housing and Community Development Act of 1974 (42 U.S.C. 1439(e)) is amended by striking "the Park Central New Community Project or in adjacent areas that are recognized by the unit of general local government in which such project is located as being included within the Park Central New Town in Town Project." and inserting "Jefferson County, Texas.".

SEC. 903. APPLICABILITY OF SHELTER PLUS CARE.

Section 811 of the Cranston-Gonzalez Affordable Housing Act (42 U.S.C. 8013) is amended—

(1) in subsection (b), by striking "private,"; and

(2) in paragraphs (5) and (6) of subsection (k), by striking "private" each place it appears.

SEC. 904. ADJUSTABLE RATE MORTGAGE CAPS.

Section 1204(d)(2) of the Competitive Equality Banking Act of 1987 (12 U.S.C. 3806(d)(2)) is amended by striking "any loan" and inserting "any home purchase or other consumer loan".

SEC. 905. COMMUNITY DEVELOPMENT AUTHORITY OF BANKS.

(a) NATIONAL BANKS.—Section 5136 of the Revised Statutes (12 U.S.C. 24) is amended by

adding at the end the following new paragraph:

"ELEVENTH.—To make investments designed primarily to promote the public welfare, including the welfare of low- and moderate-income communities or families (such as by providing housing, services, or jobs). A national banking association may make such investments directly or by purchasing interests in an entity primarily engaged in making such investments. An association shall not make any such investment if the investment would expose the association to unlimited liability. The Comptroller of the Currency shall limit an association's investments in any 1 project and an association's aggregate investments under this paragraph. An association's aggregate investments under this paragraph shall not exceed an amount equal to the sum of 5 percent of the association's capital stock actually paid in and unimpaired and 5 percent of the association's unimpaired surplus fund, unless the Comptroller determines by order that the higher amount will pose no significant risk to the affected deposit insurance fund, and the association is adequately capitalized. In no case shall an association's aggregate investments under this paragraph exceed an amount equal to the sum of 10 percent of the association's capital stock actually paid in and unimpaired and 10 percent of the association's unimpaired surplus fund.".

(b) STATE MEMBER BANKS.—Section 9 of the Federal Reserve Act (12 U.S.C. 321–338) is amended by adding at the end the following new paragraph:

"State member banks may make investments designed primarily to promote the public welfare, including the welfare of low- and moderate-income communities or families (such as by providing housing, services, or jobs), to the extent permissible under State law, and subject to such restrictions and requirements as the Board of Governors of the Federal Reserve System may prescribe by regulation or order. A bank shall not make any such investment if the investment would expose the bank to unlimited liability. The Board of Governors shall limit a bank's investments in any 1 project and a bank's aggregate investments under this paragraph. A bank's aggregate investments under this paragraph shall not exceed an amount equal to the sum of 5 percent of the bank's capital stock actually paid in and unimpaired and 5 percent of the bank's unimpaired surplus fund, unless the Board determines by order that the higher amount will pose no significant risk to the affected deposit insurance fund, and the bank is adequately capitalized. In no case shall a bank's aggregate investments under this paragraph exceed an amount equal to the sum of 10 percent of the bank's capital stock actually paid in and unimpaired and 10 percent of the bank's unimpaired surplus fund.".

SEC. 906. SENSE OF THE SENATE.

(a) FINDINGS.—The Congress finds that—

(1) the two housing Government-sponsored enterprises, the Federal National Mortgage Association (hereafter in this section referred to as "Fannie Mae") and the Federal Home Loan Mortgage Corporation (hereafter in this section referred to as "Freddie Mac") have issued or guaranteed nearly $900,000,000,000 of securities which are currently outstanding;

(2) Fannie Mae and Freddie Mac are privately owned, profitmaking enterprises whose securities are viewed by investors as having an implicit Federal guarantee;

(3) investor perception of a Federal guarantee, as the savings and loan crisis demonstrates, removes market discipline, reduces incentives to maintain strong capital positions, and distorts financial decisions;

(4) the outstanding obligations of Fannie Mae and Freddie Mac exceed those in the entire savings and loan industry;

(5) the existing regulatory structure and oversight of the Fannie Mae and Freddie Mac has been inadequate;

(6) history has shown that a regulator charged with protecting taxpayer dollars must be independent of other policymaking entities;

(7) this Act takes concrete steps to establish safety and soundness regulation of Fannie Mae and Freddie Mac;

(8) this Act creates an independent regulatory office, the Office of Federal Housing Enterprise Oversight, in the Department of Housing and Urban Development; and

(9) the independence of the Office cannot be compromised without impairing the ability of the regulator to ensure that the Fannie Mae and Freddie Mac are adequately capitalized and operating safely.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that any final Government-sponsored enterprise legislation should make it clear that the independence of the regulator overseeing the safety and soundness of Fannie Mae and Freddie Mac should not be compromised.

SEC. 907. 4-MONTH EXTENSION OF TRANSITION RULE FOR SEPARATE CAPITALIZATION OF SAVINGS ASSOCIATIONS' SUBSIDIARIES.

Section 5(t)(5)(D)(ii) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(t)(5)(D)(ii)) is amended—

(1) by striking "June 30, 1992" and inserting "October 31, 1992"; and

(2) by striking "July 1, 1992" and inserting "November 1, 1992".

SEC. 908. CREDIT CARD SALES.

(a) IN GENERAL.—Section 11(e) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)) is amended by adding at the end the following new paragraphs:

"(14) SELLING CREDIT CARD ACCOUNTS RECEIVABLE.—

"(A) NOTIFICATION REQUIRED.—An undercapitalized insured depository institution (as defined in section 38) shall notify the Corporation in writing before entering into an agreement to sell credit card accounts receivable.

"(B) WAIVER BY CORPORATION.—The Corporation may at any time, in its sole discretion and upon such terms as it may prescribe, waive its right to repudiate an agreement to sell credit card accounts receivable if the Corporation—

"(i) determines that the waiver is in the best interests of the deposit insurance fund; and

"(ii) provides a written waiver to the selling institution.

"(C) EFFECT OF WAIVER ON SUCCESSORS.—

"(i) IN GENERAL.—If, under subparagraph (B), the Corporation has waived its right to repudiate an agreement to sell credit card accounts receivable—

"(I) any provision of the agreement that restricts solicitation of a credit card customer of the selling institution, or the use of a credit card customer list of the institution, shall bind any receiver or conservator of the institution; and

"(II) the Corporation shall require any acquirer of the selling institution, or of substantially all of the selling institution's assets or liabilities, to agree to be bound by a provision described in subclause (I) as if the acquirer were the selling institution.

"(ii) EXCEPTION.—Clause (i)(II) does not—

"(I) restrict the acquirer's authority to offer any product or service to any person identified without using a list of the selling institution's customers in violation of the agreement;

"(II) require the acquirer to restrict any preexisting relationship between the acquirer and a customer; or

"(III) apply to any transaction in which the acquirer acquires only insured deposits.

"(D) WAIVER NOT ACTIONABLE.—The Corporation shall not, in any capacity, be liable to any person for damages resulting from waiving or failing to waive the Corporation's right under this section to repudiate any contract or lease, including an agreement to sell credit card accounts receivable. No court shall issue any order affecting any such waiver or failure to waive.

"(E) OTHER AUTHORITY NOT AFFECTED.—This paragraph does not limit any other authority of the Corporation to waive the Corporation's right to repudiate an agreement or lease under this section.

"(15) CERTAIN CREDIT CARD CUSTOMER LISTS PROTECTED.—

"(A) IN GENERAL.—If any insured depository institution sells credit card accounts receivable under an agreement negotiated at arm's length that provides for the sale of the institution's credit card customer list, the Corporation shall prohibit any party to a transaction with respect to the institution under this section or section 13 from using the list except as permitted under the agreement.

"(B) FRAUDULENT TRANSACTIONS EXCLUDED.—Subparagraph (A) does not limit the Corporation's authority to repudiate any agreement entered into with the intent to hinder, delay, or defraud the institution, the institution's creditors, or the Corporation.".

(b) INTERIM DEFINITION OF UNDERCAPITALIZATION.—During the period beginning on the date of enactment of this Act and ending on the effective date of section 38 of the Federal Deposit Insurance Act (12 U.S.C. 1831o), an insured depository institution is undercapitalized for purposes of section 11(e)(14) of the Federal Deposit Insurance Act (as added by subsection (a) of this section), if it does not comply with any currently applicable minimum capital standard prescribed by the appropriate Federal banking agency, as defined in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)).

SEC. 909. REAL ESTATE APPRAISAL AMENDMENT.

Section 1113 of the Financial Institution Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3342) is amended—

(1) in paragraph (1), by striking "and" at the end;

(2) in paragraph (2), by striking the period at the end and inserting "; and"; and

(3) by inserting after paragraph (2) the following:

"(3) THRESHOLD LEVEL.—Each Federal financial institutions regulatory agency and the Resolution Trust Corporation may establish a threshold level at or below which a certified or licensed appraiser is not required to perform appraisals in connection with federally related transactions, if such agency determines in writing that such threshold level does not represent a threat to the safety and soundness of financial institutions.".

SEC. 910. EXTENSION OF CIVIL STATUTE OF LIMITATIONS.

(a) RESOLUTION TRUST CORPORATION.—Section 11(d)(14) of the Federal Deposit Insurance Act (12 U.S.C. 1821(d)(14)) is amended—

(1) in subparagraph (A)(ii), by inserting "except as provided in subparagraph (B)," before "in the case of";

(2) by redesignating subparagraph (B) as subparagraph (C);

(3) by inserting after subparagraph (A) the following new subparagraph:

"(B) TORT ACTIONS BROUGHT BY THE RESOLUTION TRUST CORPORATION.—The applicable statute of limitations with regard to any action in tort brought by the Resolution Trust Corporation in its capacity as conservator or receiver of a failed savings association shall be the longer of—

"(i) the 5-year period beginning on the date the claim accrues; or

"(ii) the period applicable under State law."; and

(4) in subparagraph (C), as redesignated—

(A) by striking "subparagraph (A)" and inserting "subparagraphs (A) and (B)"; and

(B) by striking "such subparagraph" and inserting "such subparagraphs".

(b) EFFECTIVE DATE; TERMINATION; FDIC AS SUCCESSOR.—

(1) EFFECTIVE DATE.—The amendments made by subsection (a) shall be construed to have the same effective date as section 212 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

(2) TERMINATION.—The amendments made by subsection (a) shall remain in effect only until the termination of the Resolution Trust Corporation.

(3) FDIC AS SUCCESSOR TO THE RTC.—The Federal Deposit Insurance Corporation, as successor to the Resolution Trust Corporation, shall have the right to pursue any tort action that was properly brought by the Resolution Trust Corporation prior to the termination of the Resolution Trust Corporation.

SEC. 911. AGGREGATE LIMITS ON INSIDER LENDING.

Section 22(h)(5) of the Federal Reserve Act (12 U.S.C. 375b(5)) is amended by adding at the end the following new subparagraph:

"(D) EXTENSIONS OF CREDIT SECURED BY FEDERAL OBLIGATIONS EXCLUDED.—For purposes of this paragraph, the term 'extension of credit' does not include an extension of credit fully secured by—

"(i) an obligation of the United States; or

"(ii) an obligation with respect to which the United States fully guarantees the payment of principal and interest.".

SEC. 912. CLARIFICATION OF COMPENSATION STANDARDS.

Section 39 of the Federal Deposit Insurance Act (12 U.S.C. 1831s) is amended—

(1) in subsection (d), by adding at the end the following: "An appropriate Federal banking agency may not prescribe standards or regulations under subsection (a), (b), or (c) that set a specific level or range of compensation for officers, directors, or employees of insured depository institutions."; and

(2) in subsection (e)(1)(A), by striking "(a), (b), or (c)" and inserting "(a) or (b)".

SEC. 913. TRUTH IN SAVINGS ACT AMENDMENTS.

(a) TIMING OF CERTAIN DISCLOSURES.—Section 266 of the Truth in Savings Act (12 U.S.C. 4305) is amended—

(1) by striking subsection (a)(3), and inserting the following:

"(3) provided to a depositor, in the case of a time deposit that is renewable at maturity without notice from the depositor and that has a period of maturity of 2 years or more, not later than 15 days before the date of maturity."; and

(2) by inserting after subsection (e) the following new subsection:

"(f) DISCLOSURES FOR RENEWAL OF CERTAIN ACCOUNTS.—

"(1) RENEWAL NOTICE.—A renewal notice shall be provided to the depositor with respect to a time deposit that has a maturity period greater than 1 month and less than 2 years that is renewable at maturity without notice from the depositor, as follows—

"(A) with respect to a time deposit that has a period of maturity of more than 3 months, but less than 2 years, not later than 15 days before the date of maturity; and

"(B) with respect to a time deposit that has a period of maturity of more than 1 month, but less than 3 months, not later than such time as the Board determines by regulation to be appropriate, in accordance with the purposes of this Act.

"(2) CONTENTS OF NOTICE.—A renewal notice required under this subsection shall state—

"(A) the maturity date of the expiring time deposit;

"(B) the maturity date or the term of the renewed time deposit;

"(C) any penalty for early withdrawal;

"(D) any change to the terms or conditions of the time deposit adverse to the customer, unless a notice under subsection (c) has been provided to the account holder;

"(E) the date on which the annual percentage yield and simple rate of interest will be determined; and

"(F) a telephone number to obtain the annual percentage yield and simple rate of interest that will be paid when the account is renewed.

"(3) RENEWAL OF SHORT-TERM TIME DEPOSITS.—With respect to a time deposit that has a period of maturity of 1 month or less and that is renewable at maturity without notice from the depositor, the Board may, by regulation, require that a notice be provided to an account holder at such time and containing such information as the Board determines appropriate, in accordance with the purposes of this Act.".

(b) ON-PREMISES DISPLAYS.—Section 263 of the Truth in Savings Act (12 U.S.C. 4302) is amended—

(1) in subsection (a), by striking "subsection (b)" and inserting "subsections (b) and (c)";

(2) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(3) by inserting after subsection (b) the following new subsection:

"(c) DISCLOSURE REQUIRED FOR ON-PREMISE DISPLAYS.—

"(1) IN GENERAL.—The disclosure requirements contained in this section shall not apply to any sign (including a rate board) disclosing a rate or rates of interest that is displayed on the premises of the depository institution if such sign contains—

"(A) the accompanying annual percentage yield; and

"(B) a statement that the consumer should request further information from an employee of the depository institution concerning the fees and terms applicable to the advertised account.

"(2) DEFINITION.—For purposes of paragraph (1), a sign shall only be considered to be displayed on the premises of a depository institution if the sign is designed to be viewed only from the interior of the premises of the depository institution.".

(c) EFFECTIVE DATE.—Section 269(a)(2) of the Truth in Savings Act (12 U.S.C. 4308(a)(2)) is amended by striking "6" and inserting "9".

SEC. 914. RAILROAD STRIKE.

It is the sense of the Senate that Congress needs to act immediately to forestall a possible railroad strike to occur at midnight, tonight, since the economic ramifications of such a strike are devastating to the country, and congressional action could prevent that economic damage.

SEC. 915. MORATORIUM ON INTERSTATE BRANCHING BY SAVINGS ASSOCIATIONS.

(a) MORATORIUM.—Notwithstanding any other provision of law, no Federal savings association may establish or acquire a branch outside the State in which the Federal savings association has its home office, unless the establishment or acquisition of such branch would have been permitted by law prior to April 9, 1992.

(b) APPLICABILITY.—This section shall apply during the period beginning on the date of enactment of this Act and ending 15 months after such date.

SEC. 916. STUDIES ON THE EFFECTIVENESS OF THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT.

(a)(1) The Administrator of the United States Environmental Protection Agency shall provide to the Congress by December 31, 1992, a detailed report which provides information on each of the sites contained on the National Priorities List established under the Comprehensive Environmental Response, Compensation, and Liability Act. Such report shall be updated periodically as new information becomes available and shall, at a minimum, include the following information about each site—

(A) site name, number, State and total number of operable units;

(B) whether a removal action has occurred, and if so, whether it was fund-financed or PRP-financed;

(C) date proposed for CERCLIS investigation, preliminary assessment completed, site investigation completed, HRS completed, proposed for the National Priorities List; current stage in process; time-frame taken for (i) site investigation, (ii) remedial investigation, (iii) risk assessment, (iv) feasibility study, (v) record of decision, (vi) remedial design and (vii) other such significant actions identified by the Administrator; and whether long-term operation and maintenance is necessary;

(D) whether remedial action is underway, when it was commenced, and whether it has been completed and if so, when, and if not, when expected to be completed;

(E) number and names to the extent the President deems appropriate of PRP's at site, whether PRP is bankrupt or in bankruptcy proceedings and classification of each PRP as:

(i) owner/operator;

(ii) transporter;

(iii) person that arranged for disposal or treatment;

(iv) municipality;

(v) State agency;

(vi) lender or State or Federal lending agency;

(vii) Federal agency;

(viii) any other entity; and

(ix) that portion of the site that cannot be attributed to any potentially responsible party. Including the dollar amount and volumetric share.

(F) site classification;

(G) whether the facility is still in operation;

(H) number of Records of Decision to be issued;

(I) description of elements of removal and/or remedial action;

(J) total actual dollar amount, both Fund and PRP costs, for (i) site study and investigation, (ii) transaction costs, (iii) initial removal or remedial action, (iv) operation and maintenance, and estimated cumulative and continuing costs for the final remedial action the agency is seeking or has been agreed to by settlement;

(K) whether there has been a settlement agreement, and if so, (i) percent of PRP's who settled, (ii) percent of costs covered, (iii) percent of settled costs for each PRP, compared to the percent of volume and of toxicity of waste for which each was responsible, (iv) percent of cost recovery achieved through deminimis settlements and the number of PRP's in that group, (v) the percent of costs paid for by the Fund, based on a mixed-funding determination, and (vi) the amount of money spent by the Fund, a State or by PRP's for RI/FS/ROD; RD/RA; and operation and maintenance;

(L) dollar amount of Remedial Investigation/Feasibility Study (RI/FS) settlement, compared to the total cost of (RI/FS);

(M) dollar amount of remedial action settlement, compared to the total cost of remedial action;

(N) description of settlement and enforcement activities;

(O) number of third party contribution actions that have been filed, including, but not limited to, actions to bring additional PRP's into cost-recovery and litigation involving insurance coverage; and

(P) identification and description of each site which has been cleaned up and removed from the National Priorities List.

(2) The Administrator shall establish and maintain in a computer data base the information contained in the report required under paragraph (1). The Administrator shall make these data accessible by computer telecommunication and other means to any person on a cost-reimbursable basis.

(3) In submitting the report the Administrator shall include a summary of the costs incurred in preparing the report.

(b) The General Accounting Office shall undertake a comprehensive review of relevant governmental and other studies assessing the effectiveness of such Act, and shall provide to the Congress by July 1, 1993, a report in which an objective evaluation of each study is provided. Such report shall be updated every six months, as appropriate, to provide the Congress with an evaluation of any additional studies that have been issued.

(c)(1) No later than September 30, 1993, the Administrator of EPA, and in consultation with ATSDR the National Academy of Sciences and the National Academy of Engineering, shall provide a report to the Congress which examines a statistically significant number of sites listed on the National Priorities List, which in no event shall be less than 40 sites. Such report shall discuss with respect to each site the present or future risks, based on actual exposure data or estimates, to human health and the environment presented by the site.

(2) The report shall examine methods to (A) ensure that costs and effectiveness of remedial measures adopted for individual sites are reasonably appropriate to the risks presented by such sites; and (B) utilize the information identified in paragraph (1) in order to determine appropriate remedial action at individual sites.

(3) The report shall examine the uses of each of the sites after a removal action or other interim action or a remedial action or any other response has been completed, taking into consideration the implications of land use policy at such sites and the effect of post-cleanup liability on future uses.

(4) The Administrator of the United States Environmental Protection Agency shall provide a reasonable opportunity for written comments on the report prior to its submission to the Congress. Such comments shall be included in the report as part of the submission to the Congress.

Subtitle B—Presidential Insurance Commission

SEC. 921. SHORT TITLE.

This subtitle may be cited as the "Presidential Insurance Commission Act of 1992".

SEC. 922. FINDINGS.

The Congress finds that—

(1) the property and casualty insurance, life insurance, health insurance, and reinsurance industries play a major and vital role in the capital formation and lending in the United States economy;

(2) at the end of 1989, life and health and property and casualty insurers combined controlled just under $1,800,000,000,000 in assets invested in the United States;

(3) these insurer assets represented slightly less than 18 percent of the financial assets of all non-governmental financial intermediaries in the United States;

(4) of total United States assets, insurers controlled—

(A) 50.7 percent of all United States held corporate and foreign bonds;

(B) 32.1 percent of all tax-exempt bonds;

(C) 13.8 percent of United States Treasury securities;

(D) 18.2 percent of Federal agency securities;

(E) 12.2 percent of mortgages;

(F) 14.7 percent of corporate equities;

(G) 10.3 percent of open market paper; and

(H) 12 percent of all other United States assets; and

(5) a Presidential commission should be established to carry out the duties described in section 924.

SEC. 923. ESTABLISHMENT.

There is established a Presidential Commission on Insurance (hereafter in this subtitle referred to as the "Commission").

SEC. 924. DUTIES OF THE COMMISSION.

(a) IN GENERAL.—The Commission shall assess the condition of the property and casualty insurance, life insurance, and reinsurance industries, including consideration of—

(1) the present and long-term financial health of the companies in such industries and the importance of that financial health to other aspects of the national economy, including the impact on other financial institutions;

(2) the effect of the decline of real estate values and noninvestment grade bond holdings on the financial health of the companies in such industries;

(3) the effect of current and projected guaranty fund assessments, under different insolvency scenarios, on the financial health of the companies in such industries;

(4) the effect of residual markets on the competitiveness of voluntary insurance markets and on the financial health of the companies in such industries;

(5) the causes of company insolvencies in the last 5 years;

(6) the effect of State and Federal liability systems, including with respect to long-term liability, on insurance industry solvency and the appropriateness of the present allocation of Federal and State responsibilities in the underlying liability systems;

(7) the effect of State regulation of companies in such industries with respect to—

(A) solvency (including the quality and consistency of regulation and the adequacy of insurance regulatory resources);

(B) consumer protection and competition (including pricing, product development, the adequacy of information to consumers, the transfer by companies of the policies of individual policyholders between companies, and any other relevant matters);

(C) reinsurance (including the authority of State regulators to regulate offshore reinsurers doing business in the United States); and

(D) the appropriateness of the present allocation of Federal and State responsibilities in regulating insurance;

(8) the efficiency of the present system for liquidation of insolvent insurance companies;

(9) the adequacy of State and Federal civil and criminal enforcement authority and activity; and whether any State law or regulatory action inhibits competition or efficiency or impairs insurer solvency;

(10) the condition of current State guaranty funds, including consideration of—

(A) the adequacy of assured payout to policyholders, including an assessment of the sufficiency of existing State guaranty associations to guarantee all policyholders payments, up to the limits of coverage under the funds, under a variety of industry insolvency scenarios;

(B) the effect of proposed changes in these funds by the National Association of Insurance Commissioners, including consideration of the timeliness with which such changes are likely to be adopted and implemented;

(C) the capability of a post-insolvency assessment system to meet large insolvencies in a timely manner;

(D) the effect on policyholders of differences in the amount of liability coverage offered by the funds from State to State and of differences in eligibility rules from State to State; and

(E) the appropriateness of the extent of protection provided to individual policyholders and corporate policyholders;

(11) the effect of Federal, State, and local taxes on the solvency of companies in such industries, and the effect of State tax-offsets for guaranty fund assessments on taxpayers under a variety of industry insolvency scenarios; and

(12) whether there are some forms of catastrophic risks that deserve special insurance treatment.

(b) REPORT.—On the basis of the Commission's findings under subsection (a), the Commission shall submit the report required by section 928.

SEC. 925. MEMBERSHIP AND COMPENSATION.

(a) NUMBER AND APPOINTMENT.—The Commission shall be composed of 25 members, including—

(1) the Secretary of the Treasury;

(2) the Secretary of Labor;

(3) the Secretary of Transportation;

(4) the Secretary of Commerce;

(5) the Chairman of the Federal Trade Commission;

(6) the Attorney General of the United States;

(7) 5 Members of the United States House of Representatives appointed by the Speaker of the House of Representatives from the committees of appropriate jurisdiction, of which 3 shall be appointed upon the recommendation of the Chairmen of such committees and 2 shall be appointed upon the recommendation of the Minority Leader;

(8) 5 Members of the United States Senate appointed by the President pro tempore of the Senate, of which 3 shall be appointed upon the recommendation of the Chairmen of the Committee on Banking, Housing, and Urban Affairs, the Committee on Commerce, Science, and Transportation, and the Committee on the Judiciary, and 2 shall be appointed upon the recommendation of the Minority Leader; and

(9) 9 members, who are not Federal employees, who have expertise in insurance, fi-

nancial services, antitrust, liability law and consumer issues, at least 1 of whom has expertise in State regulation of insurance, at least 2 of whom have expertise in the business of insurance and at least 2 of whom have expertise in consumer issues, to be appointed by the President.

(b) DESIGNEES.—An appropriate designee of any member described in paragraphs (1) through (8) of subsection (a) may serve on the Commission in the place of such member and under the same terms and conditions as such member.

(c) CONSULTATION BY THE SECRETARY OF THE TREASURY.—The Secretary of the Treasury shall consult with—

(1) the Chairman of the Board of Governors of the Federal Reserve System;

(2) the Chairperson of the Federal Deposit Insurance Corporation; and

(3) the Chairman of the Securities and Exchange Commission,

with respect to all financial and other matters within their respective jurisdictions that are under consideration by the Commission.

(d) ELIGIBILITY.—No member or officer of the Congress, or other member or officer of the Executive Branch of the United States Government may be appointed to be a member of the Commission pursuant to paragraph (9) of subsection (a).

(e) TERMS.—

(1) IN GENERAL.—Each member shall be appointed for the life of the Commission.

(2) VACANCY.—A vacancy on the Commission shall be filled in the same manner in which the original appointment was made.

(f) COMPENSATION.—

(1) IN GENERAL.—Members of the Commission appointed pursuant to subsection (a)(9) shall be compensated at a rate equal to the annual rate of basic pay for GS–18 of the General Schedule.

(2) TRAVEL EXPENSES.—Each member shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(g) QUORUM.—

(1) MAJORITY.—A majority of the members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(2) APPROVAL OF ACTIONS.—All recommendations and reports of the Commission required by this subtitle shall be approved only by a majority vote of a quorum of the Commission.

(h) CHAIRPERSON.—The President shall select 1 member appointed pursuant to subsection (a)(9) to serve as the Chairperson of the Commission.

(i) MEETINGS.—The Commission shall meet at the call of the Chairperson or a majority of the members.

SEC. 926. POWERS OF COMMISSION.

(a) HEARINGS AND SESSIONS.—The Commission may—

(1) hold hearings, sit and act at times and places, take testimony, and receive evidence as the Commission considers appropriate; and

(2) administer oaths or affirmations to witnesses appearing before the Commission,

for the purpose of carrying out this subtitle.

(b) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take by this subtitle.

(c) SUBPOENA POWER.—

(1) IN GENERAL.—The Commission may issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence relating to any matter under investigation by the Commission.

(2) ADMINISTRATIVE ASPECTS OF SUBPOENA.—

(A) ATTENDANCE OR PRODUCTION AT DESIGNATED SITE.—The attendance of witnesses and the production of evidence may be required from any place within the United States at any designated place of hearing within the United States.

(B) FEES AND TRAVEL EXPENSES.—Persons served with a subpoena under this subsection shall be paid the same fees and mileage for travel within the United States that are paid witnesses in Federal courts.

(C) NO LIABILITY FOR OTHER EXPENSES.—The Commission and the United States shall not be liable for any expense, other than an expense described in subparagraph (B), incurred in connection with the production of any evidence under this subsection.

(3) CONFIDENTIALITY.—Information obtained under this section which is deemed confidential, or with reference to which a request for confidential treatment is made by the person furnishing such information, shall be exempt from disclosure under section 552 of title 5, United States Code, and such information shall not be published or disclosed unless the Commission determines that the withholding thereof is contrary to the national interest. The provisions of the preceding sentence shall not apply to the publication or disclosure of data that are aggregated in a manner that ensures protection of the identity of the person furnishing such data.

(4) FAILURE TO OBEY A SUBPOENA.—

(A) APPLICATION TO COURT.—If a person refuses to obey a subpoena issued under paragraph (1), the Commission may apply to a district court of the United States for an order requiring that person to appear before the Commission to give testimony or produce evidence, as the case may be, relating to the matter under investigation.

(B) JURISDICTION OF COURT.—The application may be made within the judicial district where the hearing is conducted or where that person is found, resides, or transacts business.

(C) FAILURE TO COMPLY WITH ORDER.—Any failure to obey the order of the court may be punished by the court as civil contempt.

(5) SERVICE OF SUBPOENAS.—The subpoenas of the Commission shall be served in the manner provided for subpoenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

(6) SERVICE OF PROCESS.—All process of any court to which application is to be made under paragraph (3) may be served in the judicial district in which the person required to be served resides or may be found.

(d) OBTAINING OFFICIAL DATA.—

(1) AUTHORITY.—Notwithstanding any provision of section 552a of title 5, United States Code, the Commission may secure directly from any department or agency of the United States information necessary to enable the Commission to carry out this subtitle.

(2) PROCEDURE.—Upon request of the Chairperson of the Commission, the head of that department or agency shall furnish the information requested to the Commission.

(e) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(f) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Commission, the Administrator of General Services shall provide to the Commission, on a reimbursable basis, the administrative support services necessary for the Commission to carry out its responsibilities under this subtitle.

SEC. 927. STAFF OF COMMISSION; EXPERTS AND CONSULTANTS.

(a) STAFF.—Subject to such regulations as the Commission may prescribe, the Chairperson may appoint and fix the pay of such personnel as the Chairperson considers appropriate.

(b) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay payable for GS–18 of the General Schedule.

(c) EXPERTS AND CONSULTANTS.—Subject to rules prescribed by the Commission, the Chairperson may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the annual rate of basic pay payable for GS–18 of the General Schedule.

(d) STAFF OF FEDERAL AGENCIES.—Upon request of the Chairperson, the head of any Federal department or agency may detail, on a reimbursable basis, any of the personnel of that department or agency to the Commission to assist it in carrying out its duties under this subtitle.

SEC. 928. REPORT.

Not later than May 31, 1993, the Commission shall submit to the President and the Congress a final report containing a detailed statement of its findings, together with any recommendations for legislation or administrative action that the Commission considers appropriate, in accordance with the requirements of section 924.

SEC. 929. TERMINATION.

The Commission shall terminate not later than 60 days following submission of the report required by section 928.

SEC. 930. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $3,000,000 to carry out the purposes of this subtitle.

Subtitle C—Secondary Market for Commercial Mortgage and Small Business Loans

SEC. 931. SHORT TITLE.

This subtitle may be cited as the "Secondary Market for Commercial Real Estate Mortgage and Small Business Loans Act of 1992".

SEC. 932. PURPOSE.

The purpose of this subtitle is to enable the Congress to gain an understanding of legal, regulatory, and market-based impediments to developing a secondary market for commercial real estate mortgage loans and loans to small businesses.

SEC. 933. FINDINGS.

The Congress finds that—

(1) the secondary market for residential real estate mortgage loans has created liquidity and diversified risk in the home mortgage lending market, has maintained an adequate flow of mortgage credit to homebuyers, and has stabilized mortgage loan prices across the country;

(2) an active and liquid secondary market for commercial real estate mortgage and small business loans has not developed de-

spite the apparent benefits for lenders and homeowners in the residential market and the potential benefits to lenders and borrowers on the commercial market;

(3) a major impediment to the creation of a secondary market for commercial real estate mortgages and small business loans is the lack of standardization in such mortgages, including loan documents, underwriting, loan terms, credit enhancement, security product design and packaging, and ratings; and

(4) standardization of commercial real estate mortgage and small business loans and the elimination of legal and regulatory barriers would enhance the development of a broader, more liquid secondary market for commercial real estate mortgage and small business loans through private sector initiatives and resources.

SEC. 934. SECONDARY MARKET FOR COMMERCIAL MORTGAGE AND SMALL BUSINESS LOANS.

(a) STUDY AND REPORT BY THE TREASURY, THE CBO, AND THE SEC.—

(1) STUDY.—The Secretary of the Treasury, the Director of the Congressional Budget Office, and the Chairman of the Securities and Exchange Commission, in consultation with the Administrator of the Small Business Administration, shall conduct a study of the potential costs and benefits of, and legal, regulatory, and market-based barriers to, developing a secondary market for commercial real estate mortgage loans and loans to small businesses, including equipment and working capital loans. The study shall include consideration of—

(A) market perceptions and the reasons for the slow development of a secondary market for commercial real estate mortgage loans and loans to small businesses;

(B) the acquisition, development, and construction phases of the commercial real estate market;

(C) any means to standardize loan documents and underwriting for loans relating to retail, office space, and other segments of the commercial real estate market and for loans to small businesses;

(D) the probable effects of the development of a secondary market for commercial real estate mortgage loans and loans to small businesses on financial institutions and intermediaries, borrowers, lenders, real estate markets, and the credit markets generally;

(E) legal and regulatory barriers that may be impeding the development of a secondary market for commercial real estate mortgage loans and loans to small businesses;

(F) the risks posed by investments in commercial mortgage loans or related products and loans to small businesses; and

(G) the structure and effect of Federal loan guarantees and, if recommended, publicly supported credit enhancement.

(2) REPORT.—Not later than 6 months after the date of enactment of this Act, the Secretary of the Treasury, the Director of the Congressional Budget Office, and the Chairman of the Securities and Exchange Commission shall transmit to the Congress a report on the results of the study under paragraph (1). The report shall include recommendations for legislation and regulatory actions to facilitate the development of a secondary market for commercial real estate mortgage loans and loans to small businesses.

(b) STUDY AND REPORT BY THE RTC.—

(1) STUDY.—The chief executive officer of the Resolution Trust Corporation (hereafter in this subtitle referred to as the "RTC") shall conduct a study that focuses on—

(A) efforts by the RTC to standardize its disposition methods;

(B) the success of the RTC in marketing its commercial mortgage loan-backed securities; and

(C) the impact of the RTC's programs on the commercial real estate mortgage loan and small business loan secondary market.

(2) REPORT.—Not later than 6 months after the date of enactment of this Act, the chief executive officer of the RTC shall transmit a report to the Congress on the impact of its commercial real estate loan securitization program. Such report shall also contain the results of the study under paragraph (1).

Subtitle D—Asset Conservation and Deposit Insurance Protection

SEC. 941. SHORT TITLE.

This subtitle may be cited as the "Asset Conservation and Deposit Insurance Protection Act of 1992".

SEC. 942. ASSET CONSERVATION AND DEPOSIT INSURANCE PROTECTION.

(a) CERCLA AMENDMENTS.—The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) is amended by inserting after section 126 the following new section:

"SEC. 127. ASSET CONSERVATION.

"(a) LIABILITY LIMITATIONS.—

"(1) IN GENERAL.—The liability of an insured depository institution or other lender under this Act or subtitle I of the Solid Waste Disposal Act for the release or threatened release of petroleum or a hazardous substance at, from, or in connection with property—

"(A) acquired through foreclosure;

"(B) held, directly or indirectly, in a fiduciary capacity;

"(C) held by a lessor pursuant to the terms of an extension of credit; or

"(D) subject to financial control or financial oversight pursuant to the terms of an extension of credit,

shall be limited to the actual benefit conferred on such institution or lender by a removal, remedial, or other response action undertaken by another party.

"(2) SAFE HARBOR.—An insured depository institution or other lender shall not be liable under this Act or subtitle I of the Solid Waste Disposal Act and shall not be deemed to have participated in management, as described in section 101(20)(A) of this Act or section 9003(h)(9) of the Solid Waste Disposal Act, based solely on the fact that the institution or lender—

"(A) holds a security interest or abandons or releases its security interest in the property before foreclosure;

"(B) has the unexercised capacity to influence operations at or on property in which it has a security interest;

"(C) includes in the terms of an extension of credit (or in the contract relating thereto), covenants, warranties, or other terms and conditions that relate to compliance with environmental laws;

"(D) monitors or enforces the terms and conditions of the extension of credit;

"(E) monitors or undertakes one or more inspections of the property;

"(F) requires cleanup of the property prior to, during, or upon the expiration of the term of the extension of credit;

"(G) provides financial or other advice or counseling in an effort to mitigate, prevent, or cure default or diminution in the value of the property;

"(H) restructures, renegotiates, or otherwise agrees to alter the terms and conditions of the extension of credit;

"(I) exercises whatever other remedies that may be available under applicable law for the breach of any term or condition of the extension of credit; or

"(J) declines to take any of the actions described in this paragraph.

"(b) ACTUAL BENEFIT.—For the purpose of this section, the actual benefit conferred on an institution or lender by a removal, remedial, or other response action shall be equal to the net gain, if any, realized by such institution or lender due to such action. For purposes of this subsection, the 'net gain' shall not exceed the amount realized by the institution or lender on the sale of property.

"(c) EXCLUSION.—Notwithstanding subsection (a), but subject to the provisions of section 107(d), a depository institution or lender that causes or significantly and materially contributes to the release of petroleum or a hazardous substance that forms the basis for liability described in subsection (a), may be liable for removal, remedial, or other response action pertaining to that release.

"(d) ENVIRONMENTAL ASSESSMENTS.—

"(1) DEPOSITORY INSTITUTIONS.—The Federal Deposit Insurance Corporation, in consultation with the Administrator of the Environmental Protection Agency, shall promulgate regulations to implement this section. Such regulations shall include requirements for insured depository institutions to develop and implement adequate procedures to evaluate actual and potential environmental risks that may arise from or at property prior to making an extension of credit secured by such property. The regulations may provide for different types of environmental assessments as may be appropriate under the circumstances, in order to account for the levels of risk that may be posed by different classes of collateral. Failure to comply with the environmental assessment regulations promulgated under this subsection shall be deemed to be a violation of a regulation promulgated under the Federal Deposit Insurance Act.

"(2) LENDERS.—The Federal Deposit Insurance Corporation, in consultation with the Administrator of the Environmental Protection Agency, shall promulgate regulations that are substantially similar to those promulgated under paragraph (1) to assure that lenders develop and implement procedures to evaluate actual and potential environmental risks that may arise from or at property prior to making an extension of credit secured by such property. The regulations may provide for exclusions or different types of environmental assessments in order to take into account the level of risk that may be posed by particular classes of collateral.

"(3) FINAL REGULATIONS.—Final regulations required to be promulgated pursuant to paragraphs (1) and (2) shall be issued not later than 180 days after the date of enactment of this section.

"(e) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

"(1) PROPERTY ACQUIRED THROUGH FORECLOSURE.—The term 'property acquired through foreclosure' or 'acquires property through foreclosure' means property acquired, or the act of acquiring property, from a nonaffiliated party by an insured depository institution or other lender—

"(A) through purchase at sales under judgment or decree, power of sales, nonjudicial foreclosure sales, or from a trustee, deed in lieu of foreclosure, or similar conveyance, or through repossession, if such property was security for an extension of credit previously contracted;

"(B) through conveyance pursuant to an extension of credit previously contracted, including the termination of a lease agreement; or

"(C) through any other formal or informal manner by which the insured depository institution or other lender temporarily acquires, for subsequent disposition, possession of collateral in order to protect its interest. Property is not acquired through foreclosure if the insured depository institution or lender does not seek to sell or otherwise divest such property at the earliest practical, commercially reasonable time, taking into account market conditions and legal and regulatory requirements.

"(2) LENDER.—The term 'lender' means—

"(A) a person (other than an insured depository institution) that—

"(i) makes a bona fide extension of credit to a nonaffiliated party; and

"(ii) substantially and materially complies with the environmental assessment requirements imposed under subsection (d), after final regulations under that subsection become effective;

and the successors and assigns of such person;

"(B) the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Agricultural Mortgage Corporation, or other entity that in a bona fide manner is engaged in the business of buying or selling loans or interests therein, if such Association, Corporation, or entity requires institutions from which it purchases loans (or other obligations) to comply substantially and materially with the requirements of subsection (d), after final regulations under that subsection become effective; and

"(C) any person regularly engaged in the business of insuring or guaranteeing against a default in the repayment of an extension of credit, or acting as a surety with respect to an extension of credit, to nonaffiliated parties.

"(3) FIDUCIARY CAPACITY.—The term 'fiduciary capacity' means acting for the benefit of a nonaffiliated person as a bona fide—

"(A) trustee;

"(B) executor;

"(C) administrator;

"(D) custodian;

"(E) guardian of estates;

"(F) receiver;

"(G) conservator;

"(H) committee of estates of lunatics; or

"(I) any similar capacity.

"(4) EXTENSION OF CREDIT.—The term 'extension of credit' includes a lease finance transaction—

"(A) in which the lessor does not initially select the leased property and does not during the lease term control the daily operations or maintenance of the property; or

"(B) which conforms with regulations issued by the appropriate Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act) or the appropriate State banking regulatory authority.

"(5) INSURED DEPOSITORY INSTITUTION.—The term 'insured depository institution' has the same meaning as in section 3(c) of the Federal Deposit Insurance Act, and shall also include—

"(A) a federally insured credit union;

"(B) a bank or association chartered under the Farm Credit Act of 1971; and

"(C) a leasing or trust company that is an affiliate of an insured depository institution (as such term is defined in this paragraph).

"(6) RELEASE.—The term 'release' has the same meaning as in section 101(22), and also includes the threatened release, use, storage, disposal, treatment, generation, or transportation of a hazardous substance.

"(7) HAZARDOUS SUBSTANCE.—The term 'hazardous substance' has the same meaning as in section 101(14).

"(8) SECURITY INTEREST.—The term 'security interest' includes rights under a mortgage, deed of trust, assignment, judgment lien, pledge, security agreement, factoring agreement, lease, or any other right accruing to a person to secure the repayment of money, the performance of a duty, or some other obligation.

"(f) SAVINGS CLAUSE.—Nothing in this section shall affect the rights or immunities or other defenses that are available under this Act or other applicable law to any party subject to the provisions of this section. Nothing in this section shall be construed to create any liability for any party. Nothing in this section shall create a private right of action against a depository institution or lender or against a Federal banking or lending agency.

"(g) EFFECTIVE DATE.—This section shall become effective upon the date of its enactment.".

(b) IN GENERAL.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended—

(1) by redesignating section 39 (as added by section 132(a) of the Federal Deposit Insurance Corporation Improvement Act of 1991) as section 42;

(2) by redesignating section 40 (as added by section 151(a)(1) of the Federal Deposit Insurance Corporation Improvement Act of 1991) as section 43; and

(3) by adding at the end the following new section:

"SEC. 44. ASSET CONSERVATION.

"(a) GOVERNMENTAL ENTITIES.—

"(1) BANKING AND LENDING AGENCIES.—Except as provided in paragraph (2), a Federal banking or lending agency shall not be liable under any law imposing strict liability for the release or threatened release of petroleum or a hazardous substance at or from property (including any right or interest therein) acquired—

"(A) in connection with the exercise of receivership or conservatorship authority, or the liquidation or winding up of the affairs of an insured depository institution, including any of its subsidiaries;

"(B) in connection with the provision of loans, discounts, advances, guarantees, insurance or other financial assistance; or

"(C) in connection with property received in any civil or criminal proceeding, or administrative enforcement action, whether by settlement or order.

"(2) APPLICATION OF STATE LAW.—Nothing in this section shall be construed as preempting, affecting, applying to, or modifying any State law, or any rights, actions, cause of action, or obligations under State law, except that liability under State law shall not exceed the value of the agency's interest in the asset giving rise to such liability. Nothing in this section shall be construed to prevent a Federal banking or lending agency from agreeing with a State to transfer property to such State in lieu of any liability that might otherwise be imposed under State law.

"(3) LIMITATION.—Notwithstanding paragraph (1), and subject to section 107(d) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, a Federal banking or lending agency that causes or significantly and materially contributes to the release of petroleum or a hazardous substance that forms the basis for liability described in paragraph (1), may be liable for removal, remedial, or other response action pertaining to that release.

"(4) SUBSEQUENT PURCHASER.—The immunity provided by paragraph (1) shall extend to the first subsequent purchaser of property described in such paragraph from a Federal banking or lending agency, unless such purchaser—

"(A) would otherwise be liable or potentially liable for all or part of the costs of the removal, remedial, or other response action due to a prior relationship with the property;

"(B) is or was affiliated with or related to a party described in subparagraph (A);

"(C) fails to agree to take reasonable steps necessary to remedy the release or threatened release in a manner consistent with the purposes of applicable environmental laws; or

"(D) causes or materially and significantly contributes to any additional release or threatened release on the property.

"(5) FEDERAL OR STATE ACTION.—Notwithstanding paragraph (4), if a Federal agency or State environmental agency is required to take remedial action due to the failure of a subsequent purchaser to carry out, in good faith, the agreement described in paragraph (4)(C), such subsequent purchaser shall reimburse the Federal or State environmental agency for the costs of such remedial action. However, any such reimbursement shall not exceed the full fair market value of the property following completion of the remedial action.

"(b) LIEN EXEMPTION.—Notwithstanding any other provision of law, any property held by a subsequent purchaser referred to in subsection (a)(4) or held by a Federal banking or lending agency shall not be subject to any lien for costs or damages associated with the release or threatened release of petroleum or a hazardous substance known to exist at the time of the transfer.

"(c) EXEMPTION FROM COVENANTS TO REMEDIATE.—A Federal banking or lending agency shall be exempt from any law requiring such agency to grant covenants warranting that a removal, remedial, or other response action has been, or will in the future be, taken with respect to property acquired in the manner described in subsection (a)(1).

"(d) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

"(1) FEDERAL BANKING OR LENDING AGENCY.—The term 'Federal banking or lending agency' means the Corporation, the Resolution Trust Corporation, the Board of Governors of the Federal Reserve System, a Federal Reserve Bank, a Federal Home Loan Bank, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, the National Credit Union Administration Board, the Farm Credit Administration, the Farm Credit System Insurance Corporation, the Farm Credit System Assistance Board, the Farmers Home Administration, the Rural Electrification Administration, and the Small Business Administration, in any of their capacities, and their agents.

"(2) HAZARDOUS SUBSTANCE.—The term 'hazardous substance' has the same meaning as in section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980.

"(3) RELEASE.—The term 'release' has the same meaning as in section 101(22) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and also includes the threatened release, use, storage, disposal, treatment, generation, or transportation of a hazardous substance.

"(e) SAVINGS CLAUSE.—Nothing in this section shall affect the rights or immunities or other defenses that are available under this Act or other applicable law to any party subject to the provisions of this section. Nothing in this section shall be construed to create any liability for any party. Nothing in this section shall create a private right of action against a depository institution or lender or against a Federal banking or lending agency.".

Subtitle E—Limitations on Liability

SEC. 951. DIRECTORS NOT LIABLE FOR ACQUIESCING IN CONSERVATORSHIP, RECEIVERSHIP, OR SUPERVISORY ACQUISITION OR COMBINATION.

(a) LIABILITY.—During the period beginning on the date of enactment of this Act and ending on December 19, 1992, the members of the board of directors of an insured depository institution shall not be liable to the institution's shareholders or creditors for acquiescing in or consenting in good faith to—

(1) the appointment of the Resolution Trust Corporation or the Federal Deposit Insurance Corporation as conservator or receiver for that institution; or

(2) the acquisition of the institution by a depository institution holding company, or the combination of the institution with another insured depository institution if the appropriate Federal banking agency has—

(A) requested the institution, in writing, to be acquired or to combine; and

(B) notified the institution that 1 or more grounds exist for appointing a conservator or receiver for the institution.

(b) DEFINITIONS.—For purposes of this section, the terms "appropriate Federal banking agency", "depository institution holding company", and "insured depository institution" have the same meanings as in section 3 of the Federal Deposit Insurance Act.

SEC. 952. LIMITING LIABILITY FOR FOREIGN DEPOSITS.

(a) AMENDMENT TO THE FEDERAL RESERVE ACT.—Section 25 of the Federal Reserve Act (12 U.S.C. 601 et seq.) is amended by adding at the end the following:

"11. Limitations on liability.

"A member bank shall not be required to repay any deposit made at a foreign branch of the bank if the branch cannot repay the deposit due to—

"(i) an act of war, insurrection, or civil strife, or

"(ii) an action by a foreign government or instrumentality (whether de jure or de facto) in the country in which the branch is located,

unless the member bank has expressly agreed in writing to repay the deposit under those circumstances. The Board is authorized to prescribe such regulations as it deems necessary to implement this paragraph.".

(b) AMENDMENTS TO THE FEDERAL DEPOSIT INSURANCE ACT.—

(1) SOVEREIGN RISK.—Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is amended—

(A) by redesignating subsection (o) (as added by section 305(a) of the Federal Deposit Insurance Corporation Improvement Act of 1991 (Public Law 102-242, 105 Stat. 2354)) as subsection (p); and

(B) by adding at the end the following:

"(q) SOVEREIGN RISK.—Section 25(11) of the Federal Reserve Act shall apply to every nonmember insured bank in the same manner and to the same extent as if the nonmember insured bank were a member bank.".

(2) CONFORMING AMENDMENT.—Subparagraph (A) of section 3(l)(5) of the Federal Deposit Insurance Act (12 U.S.C. 1813(l)(5)) is amended to read as follows:

"(A) any obligation of a depository institution which is carried on the books and records of an office of such bank or savings association located outside of any State unless—

"(i) such obligation would be a deposit if it were carried on the books and records of the depository institution, and payable at, an office located in any State; and

"(ii) the contract evidencing the obligation provides by express terms, and not by implication, for payment at an office of the depository institution located in any State; and".

(c) EXISTING CLAIMS NOT AFFECTED.—The amendments made by this section shall not be construed to affect any claim arising from events (described in section 25(11) of the Federal Reserve Act, as added by subsection (a)) that occurred before the date of enactment of this subtitle.

SEC. 953. AMENDMENT TO INTERNATIONAL BANKING ACT OF 1978.

Section 6(c)(1) of the International Banking Act of 1978 (12 U.S.C. 3104(c)(1)) is amended—

(1) in paragraph (1)—

(A) by inserting "domestic retail" before "deposit accounts"; and

(B) by inserting "and requiring deposit insurance protection," after "$100,000,"; and

(2) in paragraph (2)—

(A) by striking "Deposit" and inserting "Domestic retail deposit"; and

(B) by inserting "that require deposit insurance protection" after "$100,000".

TITLE X—MONEY LAUNDERING

SEC. 1001. SHORT TITLE.

This title may be cited as the "Financial Institutions Enforcement Improvements Act".

Subtitle A—Termination of Charters, Insurance, and Offices

SEC. 1011. REVOKING CHARTER OF FEDERAL DEPOSITORY INSTITUTIONS CONVICTED OF MONEY LAUNDERING OR CASH TRANSACTION REPORTING OFFENSES.

(a) NATIONAL BANKS.—Section 5239 of the Revised Statutes (12 U.S.C. 93) is amended by adding at the end the following:

"(c) FORFEITURE OF FRANCHISE FOR MONEY LAUNDERING OR CASH TRANSACTION REPORTING OFFENSES.—

"(1) IN GENERAL.—

"(A) CONVICTION OF TITLE 18 OFFENSES.—

"(i) DUTY TO NOTIFY.—If a national bank, a Federal branch, or Federal agency has been convicted of any criminal offense described in section 1956 or 1957 of title 18, United States Code, the Attorney General shall provide to the Office of the Comptroller of the Currency a written notification of the conviction and shall include a certified copy of the order of conviction from the court rendering the decision.

"(ii) NOTICE OF TERMINATION; PRETERMINATION HEARING.—After receiving written notification from the Attorney General of such a conviction, the Office of the Comptroller of the Currency shall issue to the national bank, Federal branch, or Federal agency a notice of the Comptroller's intention to terminate all rights, privileges, and franchises of the bank, Federal branch, or Federal agency and schedule a pretermination hearing.

"(B) CONVICTION OF TITLE 31 OFFENSES.—If a national bank, a Federal branch, or a Federal agency is convicted of any offense punishable under section 5322 of title 31, United States Code, after receiving written notification from the Attorney General, the Office of the Comptroller of the Currency may issue to the national bank, Federal branch, or Federal agency a notice of the Comptroller's intention to terminate all rights, privileges, and franchises of the bank, Federal branch, or Federal agency and schedule a pretermination hearing.

"(C) JUDICIAL REVIEW.—Section 8(h) of the Federal Deposit Insurance Act shall apply to any proceeding under this subsection.

"(2) FACTORS TO BE CONSIDERED.—In determining whether a franchise shall be forfeited under paragraph (1), the Comptroller of the Currency shall consider—

"(A) the degree to which senior management officials knew of, or were involved in, the solicitation of illegally derived funds or the money laundering operation;

"(B) whether the interest of the local community in adequate depository and credit services would be threatened by the forfeiture of the franchise;

"(C) whether the bank, Federal branch, or Federal agency has fully cooperated with law enforcement authorities with respect to the conviction;

"(D) whether there will be any losses to any Federal deposit insurance fund or the Resolution Trust Corporation; and

"(E) whether the bank, Federal branch, or Federal agency maintained at the time of the conviction, according to the review of the Comptroller of the Currency, a program of money laundering deterrence and compliance that clearly exceeded federally required deterrence and compliance measures; adequately monitored the activities of its officers, employees, and agents to ensure compliance; and promptly reported suspected violations to law enforcement authorities.

"(3) SUCCESSOR LIABILITY.—This subsection does not apply to a successor to the interests of, or a person who acquires, a bank, a Federal branch, or a Federal agency that violated a provision of law described in paragraph (1), if the successor succeeds to the interests of the violator, or the acquisition is made, in good faith and not for purposes of evading this subsection or regulations prescribed under this subsection.

"(4) DEFINITION.—For purposes of this subsection, the term 'senior management officials' means those individuals who exercise major supervisory control within a national bank, including members of the board of directors and individuals who own or control 10 percent or more of the outstanding voting stock of the bank or its holding company. If the institution is a Federal branch or Federal agency (as those terms are defined under section 1(b) of the International Banking Act of 1978) of a foreign institution, the term 'senior management officials' means those individuals who exercise major supervisory control within any branch of that foreign institution located within the United States. The Comptroller of the Currency shall by regulation specify which officials of a national bank shall be treated as senior management officials for the purpose of this subsection.".

(b) FEDERAL SAVINGS ASSOCIATIONS.—Section 5 of the Home Owners' Loan Act (12 U.S.C. 1464) is amended by adding at the end the following:

"(w) FORFEITURE OF FRANCHISE FOR MONEY LAUNDERING OR CASH TRANSACTION REPORTING OFFENSES.—

"(1) IN GENERAL.—

"(A) CONVICTION OF TITLE 18 OFFENSES.—

"(i) DUTY TO NOTIFY.—If a Federal savings association has been convicted of any criminal offense described in section 1956 or 1957 of title 18, United States Code, the Attorney

General shall provide to the Director of the Office of Thrift Supervision a written notification of the conviction and shall include a certified copy of the order of conviction from the court rendering the decision.

"(ii) NOTICE OF TERMINATION; PRETERMINATION HEARING.—After receiving written notification from the Attorney General of such a conviction, the Director of the Office of Thrift Supervision shall issue to the savings association a notice of the Director's intention to terminate all rights, privileges, and franchises of the savings association and schedule a pretermination hearing.

"(B) CONVICTION OF TITLE 31 OFFENSES.—If a Federal savings association is convicted of any offense punishable under section 5322 of title 31, United States Code, after receiving written notification from the Attorney General, the Director of the Office of Thrift Supervision may issue to the savings association a notice of the Director's intention to terminate all rights, privileges, and franchises of the savings association and schedule a pretermination hearing.

"(C) JUDICIAL REVIEW.—Subsection (d)(1)(B)(vii) shall apply to any proceeding under this subsection.

"(2) FACTORS TO BE CONSIDERED.—In determining whether a franchise shall be forfeited under paragraph (1), the Office of Thrift Supervision shall consider—

"(A) the degree to which senior management officials knew of, or were involved in, the solicitation of illegally derived funds or the money laundering operation;

"(B) whether the interest of the local community in adequate depository and credit services would be threatened by the forfeiture of the franchise;

"(C) whether the association has fully cooperated with law enforcement authorities with respect to the conviction;

"(D) whether there will be any losses to any Federal deposit insurance fund or the Resolution Trust Corporation; and

"(E) whether the association maintained at the time of the conviction, according to the review of the Director of the Office of Thrift Supervision, a program of money laundering deterrence and compliance that clearly exceeded federally required deterrence and compliance measures; adequately monitored the activities of its officers, employees, and agents to ensure compliance; and promptly reported suspected violations to law enforcement authorities.

"(3) SUCCESSOR LIABILITY.—This subsection does not apply to a successor to the interests of, or a person who acquires, a savings association that violated a provision of law described in paragraph (1), if the successor succeeds to the interests of the violator, or the acquisition is made, in good faith and not for purposes of evading this subsection or regulations prescribed under this subsection.

"(4) DEFINITION.—For purposes of this subsection, the term 'senior management officials' means those individuals who exercise major supervisory control within a savings association, including members of the board of directors and individuals who own or control 10 percent or more of the outstanding voting stock of the savings association or its holding company. The Office of Thrift Supervision shall by regulation specify which officials of a savings association shall be treated as senior management officials for the purpose of this subsection.".

(c) FEDERAL CREDIT UNIONS.—Title I of the Federal Credit Union Act (12 U.S.C. 1752 et seq.) is amended by adding at the end the following new section:

"SEC. 131. FORFEITURE OF ORGANIZATION CERTIFICATE FOR MONEY LAUNDERING OR CASH TRANSACTION REPORTING OFFENSES.

"(a) FORFEITURE OF FRANCHISE FOR MONEY LAUNDERING OR CASH TRANSACTION REPORTING OFFENSES.—

"(1) CONVICTION OF TITLE 18 OFFENSES.—

"(A) DUTY TO NOTIFY.—If a credit union has been convicted of any criminal offense described in section 1956 or 1957 of title 18, United States Code, the Attorney General shall provide to the Board a written notification of the conviction and shall include a certified copy of the order of conviction from the court rendering the decision.

"(B) NOTICE OF TERMINATION; PRETERMINATION HEARING.—After receiving written notification from the Attorney General of such a conviction, the Board shall issue to such credit union a notice of its intention to terminate all rights, privileges, and franchises of the credit union and schedule a pretermination hearing.

"(2) CONVICTION OF TITLE 31 OFFENSES.—If a credit union is convicted of any offense punishable under section 5322 of title 31, United States Code, after receiving written notification from the Attorney General, the Board may issue to such credit union a notice of its intention to terminate all rights, privileges, and franchises of the credit union and schedule a pretermination hearing.

"(3) JUDICIAL REVIEW.—Section 206(j) shall apply to any proceeding under this section.

"(b) FACTORS TO BE CONSIDERED.—In determining whether a franchise shall be forfeited under subsection (a), the Board shall consider—

"(1) the degree to which senior management officials knew of, or were involved in, the solicitation of illegally derived funds or the money laundering operation;

"(2) whether the interest of the local community in adequate depository and credit services would be threatened by the forfeiture of the franchise;

"(3) whether the credit union has fully cooperated with law enforcement authorities with respect to the conviction;

"(4) whether there will be any losses to the credit union share insurance fund; and

"(5) whether the credit union maintained at the time of the conviction, according to the review of the Board, a program of money laundering deterrence and compliance that clearly exceeded federally required deterrence and compliance measures; adequately monitored the activities of its officers, employees, and agents to ensure compliance; and promptly reported suspected violations to law enforcement authorities.

"(c) SUCCESSOR LIABILITY.—This section does not apply to a successor to the interests of, or a person who acquires, a credit union that violated a provision of law described in subsection (a), if the successor succeeds to the interests of the violator, or the acquisition is made, in good faith and not for purposes of evading this section or regulations prescribed under this section.

"(d) DEFINITION.—For purposes of this section, the term 'senior management officials' means those individuals who exercise major supervisory control within a credit union, including members of the board of directors. The Board shall by regulation specify which officials of a credit union shall be treated as senior management officials for the purpose of this section.".

SEC. 1012. TERMINATING INSURANCE OF STATE DEPOSITORY INSTITUTIONS CONVICTED OF MONEY LAUNDERING OR CASH TRANSACTION REPORTING OFFENSES.

(a) STATE BANKS AND SAVINGS ASSOCIATIONS.—

(1) IN GENERAL.—Section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) is amended by adding at the end the following new subsection:

"(v) TERMINATION OF INSURANCE FOR MONEY LAUNDERING OR CASH TRANSACTION REPORTING OFFENSES.—

"(1) IN GENERAL.—

"(A) CONVICTION OF TITLE 18 OFFENSES.—

"(i) DUTY TO NOTIFY.—If an insured State depository institution, including a State branch of a foreign institution, has been convicted of any criminal offense described in section 1956 or 1957 of title 18, United States Code, the Attorney General shall provide to the Corporation a written notification of the conviction and shall include a certified copy of the order of conviction from the court rendering the decision.

"(ii) NOTICE OF TERMINATION; TERMINATION HEARING.—After receipt of written notification from the Attorney General by the Corporation of such a conviction, the Board of Directors shall issue to the insured depository institution a notice of its intention to terminate the insured status of the insured depository institution and schedule a hearing on the matter, which shall be conducted in all respects as a termination hearing pursuant to paragraphs (3) through (5) of subsection (a).

"(B) CONVICTION OF TITLE 31 OFFENSES.—If an insured State depository institution, including a State branch of a foreign institution, is convicted of any offense punishable under section 5322 of title 31, United States Code, after receipt of written notification from the Attorney General by the Corporation, the Board of Directors may initiate proceedings to terminate the insured status of the insured depository institution in the manner described in subparagraph (A).

"(C) NOTICE TO STATE SUPERVISOR.—The Corporation shall simultaneously transmit a copy of any notice issued under this paragraph to the appropriate State financial institutions supervisor.

"(2) FACTORS TO BE CONSIDERED.—In determining whether to terminate insurance under paragraph (1), the Board of Directors shall consider—

"(A) the degree to which senior management officials knew of, or were involved in, the solicitation of illegally derived funds or the money laundering operation;

"(B) whether the interest of the local community in adequate depository and credit services would be threatened by the forfeiture of the franchise;

"(C) whether the institution has fully cooperated with law enforcement authorities with respect to the conviction;

"(D) whether there will be any losses to the Federal deposit insurance funds or the Resolution Trust Corporation; and

"(E) whether the institution maintained at the time of the conviction, according to the review of the Corporation, a program of money laundering deterrence and compliance that clearly exceeded federally required deterrence and compliance measures; adequately monitored the activities of its officers, employees, and agents to ensure compliance; and promptly reported suspected violations to law enforcement authorities.

"(3) NOTICE TO STATE BANKING SUPERVISOR AND PUBLIC.—When the order to terminate insured status initiated pursuant to this sub-

section is final, the Board of Directors shall—

"(A) notify the State banking supervisor of any State depository institution described in paragraph (1) and the Office of Thrift Supervision, where appropriate, at least 10 days prior to the effective date of the order of termination of the insured status of such depository institution, including a State branch of a foreign bank; and

"(B) publish notice of the termination of the insured status of the depository institution in the Federal Register.

"(4) DEPOSITS UNINSURED.—Upon termination of the insured status of any State depository institution pursuant to paragraph (1), the deposits of such depository institution shall be treated in accordance with section 8(a)(7).

"(5) SUCCESSOR LIABILITY.—This subsection does not apply to a successor to the interests of, or a person who acquires, an insured depository institution that violated a provision of law described in paragraph (1), if the successor succeeds to the interests of the violator, or the acquisition is made, in good faith and not for purposes of evading this subsection or regulations prescribed under this subsection.

"(6) DEFINITION.—For purposes of this subsection, the term 'senior management officials' means those individuals who exercise major supervisory control within an insured depository institution, including members of the board of directors and individuals who own or control 10 percent or more of the outstanding voting stock of such institution or its holding company. If the institution is a State branch of a foreign institution, the term 'senior management officials' means those individuals who exercise major supervisory control within any branch of that foreign institution located within the United States. The Board of Directors shall by regulation specify which officials of an insured State depository institution shall be treated as senior management officials for the purpose of this subsection.".

(2) TECHNICAL AMENDMENT.—Section 8(a)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1818(a)(3)) is amended by inserting "of this subsection or subsection (v)" after "subparagraph (B)".

(b) STATE CREDIT UNIONS.—Section 206 of the Federal Credit Union Act (12 U.S.C. 1786) is amended by adding at the end the following new subsection:

"(u) TERMINATION OF INSURANCE FOR MONEY LAUNDERING OR CASH TRANSACTION REPORTING OFFENSES.—

"(1) IN GENERAL.—

"(A) CONVICTION OF TITLE 18 OFFENSES.—

"(i) DUTY TO NOTIFY.—If an insured State credit union has been convicted of any criminal offense described in section 1956 or 1957 of title 18, United States Code, the Attorney General shall provide to the Board a written notification of the conviction and shall include a certified copy of the order of conviction from the court rendering the decision.

"(ii) NOTICE OF TERMINATION.—After written notification from the Attorney General to the Board of Directors of such a conviction, the Board shall issue to such insured credit union a notice of its intention to terminate the insured status of the insured credit union and schedule a hearing on the matter, which shall be conducted as a termination hearing pursuant to subsection (b) of this section, except that no period for correction shall apply to a notice issued under this subparagraph.

"(B) CONVICTION OF TITLE 31 OFFENSES.—If a credit union is convicted of any offense punishable under section 5322 of title 31, United States Code, after prior written notification from the Attorney General, the Board may initiate proceedings to terminate the insured status of such credit union in the manner described in subparagraph (A).

"(C) NOTICE TO STATE SUPERVISOR.—The Board shall simultaneously transmit a copy of any notice under this paragraph to the appropriate State financial institutions supervisor.

"(2) FACTORS TO BE CONSIDERED.—In determining whether to terminate insurance under paragraph (1), the Board shall consider—

"(A) the degree to which senior management officials knew of, or were involved in, the solicitation of illegally derived funds or the money laundering operation;

"(B) whether the interest of the local community in adequate depository and credit services would be threatened by the forfeiture of the franchise;

"(C) whether the credit union has fully cooperated with law enforcement authorities with respect to the conviction;

"(D) whether there will be any losses to the credit union share insurance fund; and

"(E) whether the credit union maintained at the time of the conviction, according to the review of the Board, a program of money laundering deterrence and compliance that clearly exceeded federally required deterrence and compliance measures; adequately monitored the activities of its officers, employees, and agents to ensure compliance; and promptly reported suspected violations to law enforcement authorities.

"(3) NOTICE TO STATE CREDIT UNION SUPERVISOR AND PUBLIC.—When the order to terminate insured status initiated pursuant to this subsection is final, the Board shall—

"(A) notify the commission, board, or authority (if any) having supervision of the credit union described in paragraph (1) at least 10 days prior to the effective date of the order of the termination of the insured status of such credit union; and

"(B) publish notice of the termination of the insured status of the credit union.

"(4) DEPOSITS UNINSURED.—Upon termination of the insured status of any State credit union pursuant to paragraph (1), the deposits of such credit union shall be treated in accordance with section 206(d)(2).

"(5) SUCCESSOR LIABILITY.—This subsection does not apply to a successor to the interests of, or a person who acquires, an insured credit union that violated a provision of law described in paragraph (1), if the successor succeeds to the interests of the violator, or the acquisition is made, in good faith and not for purposes of evading this subsection or regulations prescribed under this subsection.

"(6) DEFINITION.—For purposes of this subsection, the term 'senior management officials' means those individuals who exercise major supervisory control within an insured credit union, including members of the board of directors. The Board shall by regulation specify which officials of an insured State credit union shall be treated as senior management officials for the purpose of this subsection.".

SEC. 1013. REMOVING PARTIES INVOLVED IN CURRENCY REPORTING VIOLATIONS.

(a) FDIC-INSURED INSTITUTIONS.—

(1) VIOLATION OF REPORTING REQUIREMENTS.—Section 8(e)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1818(e)(2)) is amended to read as follows:

"(2) SPECIFIC VIOLATIONS.—Whenever the appropriate Federal banking agency determines that—

"(A) an institution-affiliated party committed a violation of any provision of subchapter II of chapter 53 of title 31, United States Code, unless such violation was inadvertent or unintentional;

"(B) an officer or director of an insured depository institution knew that an institution-affiliated party of the insured depository institution violated any such provision or any provision of law referred to in subsection (g)(1)(A)(ii); or

"(C) an officer or director of an insured depository institution committed any violation of the Depository Institution Management Interlocks Act,

the agency may serve upon such party, officer, or director a written notice of its intention to remove such party from office. In determining whether an officer or director should be removed as a result of the application of subparagraph (B), the agency shall consider whether the officer or director took appropriate action to stop, or to prevent the recurrence of, a violation described in such subparagraph.".

(2) FELONY CHARGES.—Section 8(g)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1818(g)(1)) is amended to read as follows:

"(1)(A) Whenever any institution-affiliated party is charged in any information, indictment, or complaint, with the commission of or participation in—

"(i) a crime involving dishonesty or breach of trust which is punishable by imprisonment for a term exceeding one year under State or Federal law, or

"(ii) a criminal violation of section 1956 or 1957 of title 18, United States Code, or an offense punishable under section 5322 of title 31, United States Code,

the appropriate Federal banking agency may, if continued service or participation by such party may pose a threat to the interests of the depository institution's depositors or may threaten to impair public confidence in the depository institution, by written notice served upon such party, suspend such party from office or prohibit such party from further participation in any manner in the conduct of the affairs of the depository institution. A copy of such notice shall also be served upon the depository institution.

"(B) A suspension or prohibition under subparagraph (A) shall remain in effect until such information, indictment, or complaint is finally disposed of or until terminated by the agency.

"(C)(i) In the event that a judgment of conviction or an agreement to enter a pretrial diversion or other similar program is entered against such party in connection with a crime described in subparagraph (A)(i), and at such time as such judgment is not subject to further appellate review, the agency may, if continued service or participation by such party may pose a threat to the interests of the depository institution's depositors or may threaten to impair public confidence in the depository institution, issue and serve upon such party an order removing such party from office or prohibiting such party from further participation in any manner in the conduct of the affairs of the depository institution except with the consent of the appropriate agency.

"(ii) In the event of such a judgment of conviction or agreement in connection with a violation described in subparagraph (A)(ii), the agency shall issue and serve upon such party an order removing such party from office or prohibiting such party from further participation in any manner in the conduct of the affairs of the depository institution

except with the consent of the appropriate agency.

"(D) A copy of such order shall also be served upon such depository institution, whereupon such party (if a director or an officer) shall cease to be a director or officer of such depository institution. A finding of not guilty or other disposition of the charge shall not preclude the agency from thereafter instituting proceedings to remove such party from office or to prohibit further participation in depository institution affairs, pursuant to paragraph (1), (2), or (3) of subsection (e) of this section. Any notice of suspension or order of removal issued under this paragraph shall remain effective and outstanding until the completion of any hearing or appeal authorized under paragraph (3) unless terminated by the agency.".

(b) CREDIT UNIONS.—

(1) VIOLATION OF REPORTING REQUIREMENTS.—Section 206(g)(2) of the Federal Credit Union Act (12 U.S.C. 1786(g)(2)) is amended to read as follows:

"(2) SPECIFIC VIOLATIONS.—Whenever the Board determines that—

"(A) an institution-affiliated party committed a violation of any provision of subchapter II of chapter 53 of title 31, United States Code, unless such violation was inadvertent or unintentional;

"(B) an officer or director of an insured credit union knew that an institution-affiliated party of the insured credit union violated any such provision or any provision of law referred to in subsection (i)(1)(A)(ii); or

"(C) an officer or director of an insured credit union committed any violation of the Depository Institution Management Interlocks Act,

the Board may serve upon such party, officer, or director a written notice of its intention to remove him from office. In determining whether an officer or director should be removed as a result of the application of subparagraph (B), the Board shall consider whether the officer or director took appropriate action to stop, or to prevent the recurrence of, a violation described in such subparagraph.".

(2) FELONY CHARGES.—Section 206(i)(1) of the Federal Credit Union Act (12 U.S.C. 1786(i)(1)) is amended to read as follows:

"(1)(A) Whenever any institution-affiliated party is charged in any information, indictment, or complaint, with the commission of or participation in—

"(i) a crime involving dishonesty or breach of trust which is punishable by imprisonment for a term exceeding one year under State or Federal law, or

"(ii) a criminal violation of section 1956 or 1957 of title 18, United States Code, or an offense punishable under section 5322 of title 31, United States Code,

the Board may, if continued service or participation by such party may pose a threat to the interests of the credit union's members or may threaten to impair public confidence in the credit union, by written notice served upon such party, suspend such party from office or prohibit such party from further participation in any manner in the conduct of the affairs of the credit union. A copy of such notice shall also be served upon the credit union.

"(B) A suspension or prohibition under subparagraph (A) shall remain in effect until such information, indictment, or complaint is finally disposed of or until terminated by the Board.

"(C)(i) In the event that a judgment of conviction or an agreement to enter a pretrial diversion or other similar program is entered against such party in connection with a crime described in subparagraph (A)(i), and at such time as such judgment is not subject to further appellate review, the Board may, if continued service or participation by such party may pose a threat to the interests of the credit union's members or may threaten to impair public confidence in the credit union, issue and serve upon such party an order removing such party from office or prohibiting such party from further participation in any manner in the conduct of the affairs of the credit union except with the consent of the Board.

"(ii) In the event of such a judgment of conviction or agreement in connection with a violation described in subparagraph (A)(ii), the Board shall issue and serve upon such party an order removing such party from office or prohibiting such party from further participation in any manner in the conduct of the affairs of the credit union except with the consent of the Board.

"(D) A copy of such order shall also be served upon such credit union, whereupon such party (if a director or an officer) shall cease to be a director or officer of such credit union. A finding of not guilty or other disposition of the charge shall not preclude the Board from thereafter instituting proceedings to remove such party from office or to prohibit further participation in credit union affairs, pursuant to paragraph (1), (2), or (3) of subsection (g) of this section. Any notice of suspension or order of removal issued under this paragraph shall remain effective and outstanding until the completion of any hearing or appeal authorized under paragraph (3) unless terminated by the Board.".

SEC. 1014. UNAUTHORIZED PARTICIPATION.

Section 19(a)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1829(a)(1)) is amended by inserting "or money laundering" after "breach of trust".

SEC. 1015. ACCESS BY STATE FINANCIAL INSTITUTION SUPERVISORS TO CURRENCY TRANSACTIONS REPORTS.

Section 5319 of title 31, United States Code, is amended—

(1) in the first sentence, by striking "to an agency" and inserting "to an agency, including any State financial institutions supervisory agency,"; and

(2) by inserting after the second sentence the following new sentence: "The Secretary may only require reports on the use of such information by any State financial institutions supervisory agency for other than supervisory purposes.".

SEC. 1016. RESTRICTING STATE BRANCHES AND AGENCIES OF FOREIGN BANKS CONVICTED OF MONEY LAUNDERING OFFENSES.

Section 7 of the International Banking Act of 1978 (12 U.S.C. 3105) is amended by adding at the end the following:

"(i) PROCEEDINGS RELATED TO CONVICTION FOR MONEY LAUNDERING OFFENSES.—

"(1) NOTICE OF INTENTION TO ISSUE ORDER.—If the Board finds or receives written notice from the Attorney General that—

"(A) any foreign bank which operates a State agency, a State branch which is not an insured branch, or a State commercial lending company subsidiary,

"(B) any State agency,

"(C) any State branch which is not an insured branch,

"(D) any State commercial lending subsidiary, or

"(E) any director or senior executive officer of any such foreign bank, agency, branch, or subsidiary,

has been found guilty of any money laundering offense, the Board shall issue a notice to the agency, branch, or subsidiary of the Board's intention to commence a termination proceeding under subsection (e).

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) INSURED BRANCH.—The term 'insured branch' has the meaning given such term in section 3(s) of the Federal Deposit Insurance Act.

"(B) MONEY LAUNDERING OFFENSE DEFINED.—The term 'money laundering offense' means any offense under section 1956, 1957, or 1960 of title 18, United States Code, or punishable under section 5322 of title 31, United States Code.

"(C) SENIOR EXECUTIVE OFFICERS.—The term 'senior executive officers' has the meaning given to such term by the Board pursuant to section 32(f) of the Federal Deposit Insurance Act.".

Subtitle B—Nonbank Financial Institutions and General Provisions

SEC. 1021. IDENTIFICATION OF FINANCIAL INSTITUTIONS.

(a) IN GENERAL.—Chapter 53 of title 31, United States Code, is amended by inserting after section 5326 the following:

"§ 5327. Identification of financial institutions

"By January 1, 1993, the Secretary shall prescribe regulations providing that each depository institution identify its customers which are financial institutions as defined in subparagraphs (H) through (Y) of section 5312(a)(2) and the regulations thereunder and which hold accounts with the depository institution. Each depository institution shall report the names of and other information about these financial institution customers to the Secretary at such times and in such manner as the Secretary shall prescribe by regulation. No person shall cause or attempt to cause a depository institution not to file a report required by this section or to file a report containing a material omission or misstatement of fact. The Secretary shall provide these reports to appropriate State financial institution supervisory agencies for supervisory purposes.".

(b) CIVIL PENALTY.—Section 5321(a) of title 31, United States Code, is amended by adding at the end the following paragraph:

"(7)(A) The Secretary may impose a civil penalty on any person or depository institution, within the meaning of section 5327, that willfully violates any provision of section 5327 or a regulation prescribed thereunder.

"(B) The amount of any civil money penalty imposed under subparagraph (A) shall not exceed $10,000 for each day a report is not filed or a report containing a material omission or misstatement of fact remains on file with the Secretary.".

(c) CHAPTER ANALYSIS.—The chapter analysis for chapter 53 of title 31, United States Code, is amended by adding at the end the following new item:

"5327. Identification of financial institutions.".

SEC. 1022. PROHIBITION OF ILLEGAL MONEY TRANSMITTING BUSINESSES.

(a) IN GENERAL.—Chapter 95 of title 18, United States Code, is amended by adding at the end the following section:

"§ 1960. Prohibition of illegal money transmitting businesses

"(a) Whoever conducts, controls, manages, supervises, directs, or owns all or part of a business, knowing the business is an illegal money transmitting business, shall be fined in accordance with this title or imprisoned not more than 5 years, or both.

"(b) Any property, including money, used in violation of the provisions of this section

may be seized and forfeited to the United States. All provisions of law relating to—

"(1) the seizure, summary, and judicial forfeiture procedures, and condemnation of vessels, vehicles, merchandise, and baggage for violation of the customs laws;

"(2) the disposition of such vessels, vehicles, merchandise, and baggage or the proceeds from such sale;

"(3) the remission or mitigation of such forfeitures; and

"(4) the compromise of claims and the award of compensation to informers with respect to such forfeitures;

shall apply to seizures and forfeitures incurred or alleged to have been incurred under the provisions of this section, insofar as applicable and not inconsistent with such provisions. Such duties as are imposed upon the collector of customs or any other person with respect to the seizure and forfeiture of vessels, vehicles, merchandise, and baggage under the customs laws shall be performed with respect to seizures and forfeitures of property used or intended for use in violation of this section by such officers, agents, or other persons as may be designated for that purpose by the Attorney General.

"(c) As used in this section—

"(1) the term 'illegal money transmitting business' means a money transmitting business that affects interstate or foreign commerce in any manner or degree and which is knowingly operated in a State—

"(A) without the appropriate money transmitting State license; and

"(B) where such operation is punishable as a misdemeanor or a felony under State law;

"(2) the term 'money transmitting' includes but is not limited to transferring funds on behalf of the public by any and all means including but not limited to transfers within this country or to locations abroad by wire, check, draft, facsimile, or courier; and

"(3) the term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.".

(b) CHAPTER ANALYSIS.—The chapter analysis for chapter 95 of title 18, United States Code, is amended by adding at the end the following item:

"1960. Prohibition of illegal money transmitting businesses.".

SEC. 1023. COMPLIANCE PROCEDURES.

Section 5318(a)(2) of title 31, United States Code, is amended by inserting "or to guard against money laundering" before the semicolon.

SEC. 1024. NONDISCLOSURE OF ORDERS.

Section 5326 of title 31, United States Code, is amended by adding at the end the following:

"(c) NONDISCLOSURE OF ORDERS.—No financial institution or officer, director, employee or agent of a financial institution subject to an order under this section may disclose the existence of, or terms of, the order to any person except as prescribed by the Secretary.".

SEC. 1025. IMPROVED RECORDKEEPING WITH RESPECT TO CERTAIN INTERNATIONAL FUNDS TRANSFERS.

(a) IN GENERAL.—Section 21(b) of the Federal Deposit Insurance Act (12 U.S.C. 1829b(b)) is amended—

(1) by striking "(b) Where" and inserting "(b)(1) Where"; and

(2) by adding at the end the following paragraph:

"(2) TRANSFERS OF FUNDS.—

"(A) IN GENERAL.—Before October 1, 1992, the Secretary and the Board of Governors of the Federal Reserve System (hereafter in this section referred to as the 'Board') in consultation with State banking departments shall jointly prescribe such final regulations as may be appropriate to require insured depository institutions, businesses that provide check cashing services, money transmitting businesses, and businesses that issue or redeem money orders, travelers' checks, or other similar instruments to maintain records of payment orders which—

"(i) involve international transactions; and

"(ii) direct transfers of funds over wholesale funds transfer systems or on the books of any insured depository institution, or on the books of any business that provides check cashing services, any money transmitting business, and any business that issues or redeems money orders, travelers' checks, or similar instruments;

that will have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings.

"(B) FACTORS FOR CONSIDERATION.—In prescribing the regulations required under subparagraph (A), the Secretary and the Board shall consider—

"(i) the usefulness in criminal, tax, or regulatory investigations or proceedings of any record required to be maintained pursuant to the proposed regulations; and

"(ii) the effect the recordkeeping required pursuant to such proposed regulations will have on the cost and efficiency of the payment system.

"(C) AVAILABILITY OF RECORDS.—Any records required to be maintained pursuant to the regulations prescribed under subparagraph (A) shall be submitted or made available to the Secretary upon request.".

(b) CONFORMING AMENDMENTS.—Section 21 of the Federal Deposit Insurance Act (12 U.S.C. 1829b) is amended—

(1) in the first sentence of subsection (c), by striking "the Secretary shall" and inserting "the regulations prescribed under subsection (b) shall";

(2) in subsection (d), by striking "regulations of the Secretary" and inserting "regulations issued under subsection (b)";

(3) in subsection (e), by striking "Secretary may prescribe" and inserting "regulations issued under subsection (b) may require";

(4) in subsection (f), by striking "Secretary may prescribe" and inserting "regulations issued under subsection (b) may require"; and

(5) in subsection (g), by striking "Secretary may prescribe" and inserting "regulations issued under subsection (b) may require".

SEC. 1026. USE OF CERTAIN RECORDS.

Section 1112(f) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3412(f)) is amended—

(1) in paragraph (1), by inserting "or the Secretary of the Treasury" after "the Attorney General"; and

(2) in paragraph (2), by inserting "and only for criminal investigative purposes relating to money laundering and other financial crimes by the Department of the Treasury" after "the Department of Justice".

SEC. 1027. SUSPICIOUS TRANSACTIONS AND FINANCIAL INSTITUTION ANTI-MONEY LAUNDERING PROGRAMS.

(a) REPORTING REQUIREMENT.—Section 5324 of title 31, United States Code, is amended by inserting "or section 5325 or the regulations thereunder" after "section 5313(a)" each place it appears.

(b) SUSPICIOUS TRANSACTIONS AND ENFORCEMENT PROGRAMS.—Section 5318 of title 31, United States Code, is amended by adding at the end the following:

"(g) REPORTING OF SUSPICIOUS TRANSACTIONS.—

"(1) IN GENERAL.—The Secretary may require financial institutions to report suspicious transactions relevant to possible violation of law or regulation.

"(2) NOTIFICATION PROHIBITED.—A financial institution that voluntarily reports a suspicious transaction, or that reports a suspicious transaction pursuant to this section or any other authority, may not notify any person involved in the transaction that the transaction has been reported.

"(3) LIABILITY FOR DISCLOSURES.—Any financial institution not subject to the provisions of section 1103(c) of the Right to Financial Privacy Act of 1978, or officer, employee, or agent thereof, that makes a voluntary disclosure of any possible violation of law or regulation or a disclosure pursuant to this subsection or any other authority, shall not be liable to any person under any law or regulation of the United States or any constitution, law, or regulation of any State or political subdivision thereof, for such disclosure or for any failure to notify the person involved in the transaction or any other person of such disclosure.

"(h) ANTI-MONEY LAUNDERING PROGRAMS.—In order to guard against money laundering through financial institutions, the Secretary may require financial institutions to carry out anti-money laundering programs, including at a minimum—

"(1) the development of internal policies, procedures, and controls,

"(2) the designation of a compliance officer,

"(3) an ongoing employee training program, and

"(4) an independent audit function to test programs.

The Secretary may promulgate minimum standards for such programs.".

SEC. 1028. REPORT ON CURRENCY CHANGES.

The Secretary of the Treasury, in consultation with the Attorney General, the Chairman of the Board of Governors of the Federal Reserve System, and the Administrator of Drug Enforcement, shall report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives, not later than 90 days after the date of enactment of this Act, on the advantages for money laundering enforcement, and any disadvantages, of—

(1) changing the size, denominations, or color of United States currency; or

(2) providing that the color of United States currency in circulation in countries outside the United States will be of a different color than currency circulating in the United States.

SEC. 1029. REPORT ON BANK PROSECUTIONS.

(a) IN GENERAL.—The Attorney General, after obtaining the views of all interested agencies, shall determine to what extent compliance with the Money Laundering Control Act (18 U.S.C. 1956 and 1957), the Bank Secrecy Act (31 U.S.C. 5322), criminal referral reporting obligations, and cooperation with law enforcement authorities generally, would be enhanced by the issuance of guidelines for the prosecution of financial institutions for violations of such Acts. Such guidelines, if issued, shall reflect the standards for anti-money laundering programs issued under section 5318(h) of title 31, United States Code.

(b) REPORT.—Not later than 6 months after the date of enactment of this Act, the Attor-

ney General shall transmit to the Congress a report on such determination.

SEC. 1030. ANTI-MONEY LAUNDERING TRAINING TEAM.

(a) IN GENERAL.—The Secretary of the Treasury shall establish a team of experts to assist and provide training to foreign governments and agencies thereof in developing and expanding their capabilities for investigating and prosecuting violations of money laundering and related laws.

(b) AUTHORIZATION.—There is authorized to be appropriated not more than $1,000,000 to carry out this section.

SEC. 1031. MONEY LAUNDERING REPORTING REQUIREMENTS.

(a) OBJECTIVE.—The objective of the United States in dealing with the problem of international money laundering is to ensure that countries adopt comprehensive domestic measures against money laundering and cooperate with each other in narcotics money laundering investigations, prosecutions, and related forfeiture actions. The President shall report annually to Congress on bilateral and multilateral efforts to meet this objective. This report shall be submitted with the report required under section 481(e) of the Foreign Assistance Act of 1961.

(b) CONTENTS OF REPORT.—The report shall include—

(1) information on bilateral and multilateral initiatives pursued by the Department of State, the Department of Justice, and the Department of the Treasury, and other Government agencies, individually or collectively, to achieve the anti-money laundering objective of the United States;

(2) information on relevant bilateral agreements and on the actions of international organizations and groups;

(3) information on the countries which have ratified the United Nations Convention on Illicit Traffic in Narcotic Drugs and Other Psychotropic Substances and on measures adopted by governments and organizations to implement the money laundering provisions of the United Nations Convention, the recommendations of the Financial Action Task Force, the policy directive of the European Community, the legislative guidelines of the Organization of American States, and similar declarations;

(4) information on the extent to which each major drug producing and drug transit country, as specified in section 481 of the Foreign Assistance Act of 1961, and each additional country that has been determined by the Department of the Treasury, the Department of Justice, the Department of State, and the Office of National Drug Control Policy, in consultation, to be significant in the fight against money laundering—

(A) has adequate mechanisms to exchange financial records in narcotics money laundering and narcotics-related investigations and proceedings; and

(B) has adopted laws, regulations, and administrative measures considered necessary to prevent and detect narcotics-related money laundering, including whether a country has—

(i) criminalized narcotics money laundering;

(ii) required banks and other financial institutions to know and record the identity of customers engaging in significant transactions, including large currency transactions;

(iii) required banks and other financial institutions to maintain, for an adequate time, records necessary to reconstruct significant transactions through financial institutions in order to be able to respond quickly to information requests from appropriate government authorities in narcotics-related money laundering cases;

(iv) required or allowed financial institutions to report suspicious transactions;

(v) established systems for identifying, tracing, freezing, seizing, and forfeiting narcotics-related assets; and

(vi) addressed the problem of international transportation of illegal-source currency and monetary instruments;

(5) details of significant instances of noncooperation with the United States in narcotics-related money laundering and other narcotics-related cases; and

(6) a summary of initiatives taken by the United States or any international organization, including the imposition of sanctions, with respect to any country based on that country's actions with respect to narcotics-related money laundering matters.

(c) SPECIFICITY OF REPORT.—The report should be in sufficient detail to assure the Congress that concerned agencies—

(1) are pursuing a common strategy with respect to achieving international cooperation against money laundering which includes a summary of United States objectives on a country-by-country basis; and

(2) have agreed upon approaches and responsibilities for implementation of the strategy, not limited to the conduct of negotiations to achieve treaties and agreements.

Subtitle C—Money Laundering Improvements

SEC. 1041. JURISDICTION IN CIVIL FORFEITURE CASES.

Section 1355 of title 28, United States Code, is amended—

(1) by inserting "(a)" before "The district"; and

(2) by adding at the end the following new subsections:

"(b)(1) A forfeiture action or proceeding may be brought in—

"(A) the district court for the district in which any of the acts or omissions giving rise to the forfeiture occurred, or

"(B) any other district where venue for the forfeiture action or proceeding is specifically provided for in section 1395 of this title or any other statute.

"(2) Whenever property subject to forfeiture under the laws of the United States is located in a foreign country, or has been detained or seized pursuant to legal process or competent authority of a foreign government, an action or proceeding for forfeiture may be brought as provided in paragraph (1), or in the United States District court for the District of Columbia.

"(c) In any case in which a final order disposing of property in a civil forfeiture action or proceeding is appealed, removal of the property by the prevailing party shall not deprive the court of jurisdiction. Upon motion of the appealing party, the district court or the court of appeals shall issue any order necessary to preserve the right of the appealing party to the full value of the property at issue, including a stay of the judgment of the district court pending appeal or requiring the prevailing party to post an appeal bond.".

SEC. 1042. CIVIL FORFEITURE OF FUNGIBLE PROPERTY.

(a) IN GENERAL.—Chapter 46 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 984. Civil forfeiture of fungible property

"(a) This section shall apply to any action for forfeiture brought by the United States.

"(b)(1) In any forfeiture action in rem in which the subject property is cash, monetary instruments in bearer form, funds deposited in an account in a financial institution (as defined in section 20 of this title), or other fungible property, it shall not be—

"(A) necessary for the Government to identify the specific property involved in the offense that is the basis for the forfeiture;

"(B) a defense that the property involved in such an offense has been removed and replaced by identical property.

"(2) Except as provided in subsection (c), any identical property found in the same place or account as the property involved in the offense that is the basis for the forfeiture shall be subject to forfeiture under this section.

"(c) No action pursuant to this section to forfeit property not traceable directly to the offense that is the basis for the forfeiture may be commenced more than 2 years from the date of the offense.

"(d) No action pursuant to this section to forfeit property not traceable directly to the offense that is the basis for the forfeiture may be taken against funds deposited by a financial institution (as defined in section 20 of this title) into an account with another financial institution unless the depositing institution knowingly engaged in the offense that is the basis for the forfeiture.".

(b) RETROACTIVE APPLICATION.—The amendments made by this section shall apply retroactively.

(c) CONFORMING AMENDMENT.—The chapter analysis for chapter 46 of title 18, United States Code, is amended by adding at the end the following:

"984. Civil forfeiture of fungible property.".

SEC. 1043. ADMINISTRATIVE SUBPOENAS.

(a) IN GENERAL.—Chapter 46 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 985. Administrative subpoenas

"(a) For the purpose of conducting a civil investigation in contemplation of a civil forfeiture proceeding under this title or the Controlled Substances Act, the Attorney General may—

"(1) administer oaths and affirmations;

"(2) take evidence; and

"(3) by subpoena, summon witnesses and require the production of any books, papers, correspondence, memoranda, or other records that the Attorney General deems relevant or material to the inquiry.

A subpoena issued pursuant to subsection (a) may require the attendance of witnesses and the production of any such records from any place in the United States at any place in the United States designated by the Attorney General.

"(b) The same procedures and limitations as are provided with respect to civil investigative demands in subsections (g), (h), and (j) of section 1968 of title 18, United States Code, apply with respect to a subpoena issued under this section. Process required by such subsections to be served upon the custodian shall be served on the Attorney General. Failure to comply with an order of the court to enforce such subpoena shall be punishable as contempt.

"(c) In the case of a subpoena for which the return date is less than 5 days after the date of service, no person shall be found in contempt for failure to comply by the return date if such person files a petition under subsection (b) not later than 5 days after the date of service.

"(d) A subpoena may be issued pursuant to this subsection at any time up to the commencement of a judicial proceeding under this section.".

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 46 of title 18, United States Code is amended by adding at the end the following:

"985. Administrative subpoenas.".

SEC. 1044. PROCEDURE FOR SUBPOENAING BANK RECORDS.

(a) IN GENERAL.—Chapter 46 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 986. Subpoenas for bank records

"(a) At any time after the commencement of any action for forfeiture brought by the United States under this title or the Controlled Substances Act, any party may request the Clerk of the Court in the district in which the proceeding is pending to issue a subpoena duces tecum to any financial institution, as defined in section 5312(a) of title 31, United States Code, to produce books, records and any other documents at any place designated by the requesting party. All parties to the proceeding shall be notified of the issuance of any such subpoena. The procedures and limitations set forth in section 985 of this title shall apply to subpoenas issued under this section.

"(b) Service of a subpoena issued pursuant to this section shall be by certified mail. Records produced in response to such a subpoena may be produced in person or by mail, common carrier, or such other method as may be agreed upon by the party requesting the subpoena and the custodian of records. The party requesting the subpoena may require the custodian of records to submit an affidavit certifying the authenticity and completeness of the records and explaining the omission of any record called for in the subpoena.

"(c) Nothing in this section shall preclude any party from pursuing any form of discovery pursuant to the Federal Rules of Civil Procedure.".

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 46 of title 18, United States Code, is amended by adding at the end the following:

"986. Subpoenas for bank records.".

SEC. 1045. DELETION OF REDUNDANT AND INADVERTENTLY LIMITING PROVISION IN 18 U.S.C. 1956.

Section 1956(c)(7)(D) of title 18, United States Code, is amended—

(1) by striking "section 1341 (relating to mail fraud) or section 1343 (relating to wire fraud) affecting a financial institution, section 1344 (relating to bank fraud),"; and

(2) by striking "section 1822 of the Mail Order Drug Paraphernalia Control Act (100 Stat. 3207-51; 21 U.S.C. 857)" and inserting "section 422 of the Controlled Substances Act".

SEC. 1046. STRUCTURING TRANSACTIONS TO EVADE CMIR REQUIREMENT.

(a) IN GENERAL.—Section 5324 of title 31, United States Code, is amended—

(1) by inserting "(a)" before "No person"; and

(2) by adding at the end the following:

"(b) No person shall, for the purpose of evading the reporting requirements of section 5316—

"(1) fail to file a report required by section 5316, or cause or attempt to cause a person to fail to file such a report;

"(2) file or cause or attempt to cause a person to file a report required under section 5316 that contains a material omission or misstatement of fact; or

"(3) structure or assist in structuring, or attempt to structure or assist in structuring, any importation or exportation of monetary instruments.".

(b) CONFORMING AMENDMENT.—Section 5321(a)(4)(C) of title 31, United States Code, is amended by striking "under section 5317(d)".

(c) FORFEITURE.—

(1) TITLE 18.—Section 981(a)(1)(A) of title 18, United States Code, is amended by striking "5324" and inserting "5324(a)".

(2) TITLE 31.—Section 5317(c) of title 31, United States Code, is amended by inserting after the first sentence "Any property, real or personal, involved in a transaction or attempted transaction in violation of section 5324(b), or any property traceable to such property, may be seized and forfeited to the United States Government.".

SEC. 1047. CLARIFICATION OF DEFINITION OF FINANCIAL INSTITUTION.

(a) SECTION 1956.—Section 1956(c)(6) of title 18, United States Code, is amended by striking "and the regulations" and inserting "or the regulations".

(b) SECTION 1957.—Section 1957(f)(1) of title 18, United States Code, is amended by striking "financial institution (as defined in section 5312 of title 31)" and inserting "financial institution (as defined in section 1956 of this title)".

SEC. 1048. DEFINITION OF FINANCIAL TRANSACTION.

(a) SECTION 1956.—Section 1956(c) of title 18, United States Code, is amended—

(1) in paragraph (4)(A)—

(A) by inserting "or (iii) involving the transfer of title to any real property, vehicle, vessel, or aircraft," after "monetary instruments,";

(B) by striking "which in any way or degree affects interstate or foreign commerce,"; and

(C) by inserting "which in any way or degree affects interstate or foreign commerce" after "(A) a transaction"; and

(2) in paragraph (3), by inserting "use of a safe deposit box," before "or any other payment".

(b) SECTION 1957.—Section 1957(f)(1) of title 18, United States Code, is amended by inserting ", including any transaction that would be a financial transaction under section 1956(c)(4)(B) of this title," before "but such term does not include".

SEC. 1049. OBSTRUCTING A MONEY LAUNDERING INVESTIGATION.

Section 1510(b)(3)(B)(i) of title 18, United States Code, is amended by striking "or 1344" and inserting "1344, 1956, 1957, or chapter 53 of title 31".

SEC. 1050. AWARDS IN MONEY LAUNDERING CASES.

Section 524(c)(1)(B) of title 28, United States Code, is amended by inserting "or of sections 1956 and 1957 of title 18, sections 5313 and 5324 of title 31, and section 6050I of title 26, United States Code" after "criminal drug laws of the United States".

SEC. 1051. PENALTY FOR MONEY LAUNDERING CONSPIRACIES.

Section 1956 of title 18, United States Code, is amended by inserting at the end the following new subsection:

"(g) Any person who conspires to commit any offense defined in this section or section 1957 shall be subject to the same penalties as those prescribed for the offense the commission of which was the object of the conspiracy.".

SEC. 1052. TECHNICAL AND CONFORMING AMENDMENTS TO MONEY LAUNDERING PROVISION.

(a) TRANSPORTATION.—Subsections (a)(2) and (b) of section 1956 of title 18, United States Code, are amended by striking "transportation" each time such term appears and inserting "transportation, transmission, or transfer".

(b) TECHNICAL CORRECTION.—Section 1956(a)(3) of title 18, United States Code, is amended by striking "represented by a law enforcement officer" and inserting "represented".

SEC. 1053. PRECLUSION OF NOTICE TO POSSIBLE SUSPECTS OF EXISTENCE OF A GRAND JURY SUBPOENA FOR BANK RECORDS IN MONEY LAUNDERING AND CONTROLLED SUBSTANCE INVESTIGATIONS.

Section 1120(b)(1)(A) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3420(b)(1)(A)) is amended by inserting before the semicolon "or crime involving a violation of the Controlled Substance Act, the Controlled Substances Import and Export Act, section 1956 or 1957 of title 18, sections 5313, 5316 and 5324 of title 31, or section 6050I of title 26, United States Code".

SEC. 1054. DEFINITION OF PROPERTY FOR CRIMINAL FORFEITURE.

Section 982(b)(1)(A) of title 18, United States Code, is amended by striking "(c)" and inserting "(b), (c),".

SEC. 1055. EXPANSION OF MONEY LAUNDERING AND FORFEITURE LAWS TO COVER PROCEEDS OF CERTAIN FOREIGN CRIMES.

(a) IN GENERAL.—Sections 981(a)(1)(B) and 1956(c)(7)(B) of title 18, United States Code, are amended by—

(1) inserting "(i)" after "against a foreign nation involving"; and

(2) inserting "(ii) kidnaping, robbery, or extortion, or (iii) fraud, or any scheme or attempt to defraud, by or against a foreign bank (as defined in paragraph 7 of section 1(b) of the International Banking Act of 1978" after "Controlled Substances Act)".

(b) RETROACTIVE APPLICATION.—All amendments to the civil forfeiture statute, section 981 of title 18, United States Code, made by this section and elsewhere in this Act shall apply retroactively.

SEC. 1056. ELIMINATION OF RESTRICTION ON DISPOSAL OF JUDICIALLY FORFEITED PROPERTY BY THE DEPARTMENT OF THE TREASURY AND THE POSTAL SERVICE.

Section 981(e) of title 18, United States Code, is amended by striking "The authority granted to the Secretary of the Treasury and the Postal Service pursuant to this subsection shall apply only to property that has been administratively forfeited.".

SEC. 1057. NEW MONEY LAUNDERING PREDICATE OFFENSES.

Section 1956(c)(7)(D) of title 18, United States Code, is amended—

(1) by striking "or" before "section 16";

(2) by inserting "section 1708 (theft from the mail)," before "section 2113"; and

(3) by inserting before the semicolon; ", any felony violation of section 9(c) of the Food Stamp Act of 1977 (relating to food stamp fraud) involving a quantity of coupons having a value of not less than $5,000, or any felony violation of the Foreign Corrupt Practices Act".

SEC. 1058. AMENDMENTS TO THE BANK SECRECY ACT.

(a) TITLE 31.—Title 31, United States Code, is amended—

(1) in section 5324, by inserting ", section 5325, or the regulations issued thereunder" after "section 5313(a)" each place such term appears;

(2) in section 5321(a)(5)(A), by inserting "or any person willfully causing" after "willfully violates".

(b) FEDERAL DEPOSIT INSURANCE ACT.—Section 21(j)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1829b(j)(1)) is amended by inserting ", or any person who willfully causes

such a violation," after "gross negligence violates".

(c) RECORDKEEPING.—Public Law 91-508 (12 U.S.C. 1951 et seq.) is amended—

(1) in section 125(a), by inserting "or any person willfully causing a violation of the regulation," after "applies,"; and

(2) in section 127, by inserting ", or willfully causes a violation of" after "Whoever willfully violates".

Subtitle D—Reports and Miscellaneous

SEC. 1061. STUDY AND REPORT ON REIMBURSING FINANCIAL INSTITUTIONS AND OTHERS FOR PROVIDING FINANCIAL RECORDS.

(a) STUDY REQUIRED.—The Attorney General, in consultation with the Secretary of the Treasury and the Board of Governors of the Federal Reserve System and other appropriate banking regulatory agencies, shall conduct a study of the effect of amending the Right to Financial Privacy Act by allowing reimbursement to financial institutions for assembling or providing financial records on corporations and other entities not currently covered under section 1115(a) of such Act (12 U.S.C. 3415). The study shall also include analysis of the effect of allowing nondepository licensed transmitters of funds to be reimbursed to the same extent as financial institutions under that section.

(b) REPORT.—Before the end of the 180-day period beginning on the date of enactment of this Act, the Attorney General shall submit a report to the Congress on the results of the study conducted pursuant to subsection (a).

SEC. 1062. REPORTS OF INFORMATION REGARDING SAFETY AND SOUNDNESS OF DEPOSITORY INSTITUTIONS.

(a) REPORTS TO APPROPRIATE FEDERAL BANKING AGENCIES.—

(1) IN GENERAL.—The Attorney General, the Secretary of the Treasury, and the head of any other agency or instrumentality of the United States shall report to the appropriate Federal banking agency any information regarding any matter that could have a significant effect on the safety or soundness of any depository institution doing business in the United States.

(2) EXCEPTIONS.—

(A) INTELLIGENCE INFORMATION.—

(i) IN GENERAL.—The Director of Central Intelligence shall report to the Attorney General or the Secretary of the Treasury any intelligence information that would otherwise be reported to an appropriate Federal banking agency pursuant to paragraph (1). After consultation with the Director of Central Intelligence, the Attorney General or the Secretary of the Treasury shall report the intelligence information to the appropriate Federal banking agency.

"(ii) PROCEDURES FOR RECEIPT OF INTELLIGENCE INFORMATION.—Each appropriate Federal banking agency, in consultation with the Director of Central Intelligence, shall establish procedures for the receipt of intelligence information that are adequate to protect the intelligence in formation.

(B) CRIMINAL INVESTIGATIONS, SAFETY OF GOVERNMENT INVESTIGATOR, INFORMANTS, AND WITNESSES.—If the Attorney General or his designee determines that the reporting of a particular item of information pursuant to paragraph (1) might jeopardize a pending criminal investigation or the safety of Government investigators, informants, or witnesses, the Attorney General shall—

(i) provide the appropriate Federal banking agency a description of the information that is as specific as possible without jeopardizing the investigation or the safety of the investigators, informants, or witnesses; and

(ii) permit a full review of the information by the Federal banking agency at a location and under procedures that the Attorney General determines will ensure the effective protection of the information while permitting the Federal banking agency to ensure the safety and soundness of any depository institution.

(C) GRAND JURY INVESTIGATIONS; CRIMINAL PROCEDURE.—Paragraph (1) shall not—

(i) apply to the receipt of information by an agency or instrumentality in connection with a pending grand jury investigation; or

(ii) be construed to require disclosure of information prohibited by rule 6 of the Federal Rules of Criminal Procedure.

(b) PROCEDURES FOR RECEIPT OF REPORTS.—

(1) IN GENERAL.—Within 90 days after the date of enactment of this Act, each appropriate Federal banking agency shall establish procedures for receipt of a report by an agency or instrumentality made in accordance with subsection (a)(1). The procedures established in accordance with this subsection shall ensure adequate protection of information contained in a report, including access control and information accountability.

(2) PROCEDURES RELATED TO EACH REPORT.—Upon receipt of a report in accordance with subsection (a)(1), the appropriate Federal banking agency shall—

(A) consult with the agency or instrumentality that furnished the report regarding the adequacy of the procedures established pursuant to paragraph (1), and

(B) adjust the procedures to ensure adequate protection of the information contained in the report.

(c) DEFINITIONS.—For purposes of this section, the terms "appropriate Federal banking agency" and "depository institution" have the same meanings as in section 8 of the Federal Deposit Insurance Act.

SEC. 1063. IMMUNITY.

Section 6001(1) of title 18, United States Code, is amended by inserting "the Board of Governors of the Federal Reserve System," after "the Atomic Energy Commission,".

SEC. 1064. INTERAGENCY INFORMATION SHARING.

Section 11 of the Federal Deposit Insurance Act (12 U.S.C. 1821) is amended by adding at the end the following new subsection:

"(t) AGENCIES MAY SHARE INFORMATION WITHOUT WAIVING PRIVILEGE.—

"(1) IN GENERAL.—A covered agency does not waive any privilege applicable to any information by transferring that information to or permitting that information to be used by—

"(A) any other covered agency, in any capacity; or

"(B) any other agency of the Federal Government (as defined in section 6 of title 18, United States Code).

"(2) DEFINITIONS.—For purposes of this subsection:

"(A) COVERED AGENCY.—The term 'covered agency' means any of the following:

"(i) Any appropriate Federal banking agency.

"(ii) The Resolution Trust Corporation.

"(iii) The Farm Credit Administration.

"(iv) The Farm Credit System Insurance Corporation.

"(v) The National Credit Union Administration.

"(B) PRIVILEGE.—The term 'privilege' includes any work-product, attorney-client, or other privilege recognized under Federal or State law.

"(3) RULE OF CONSTRUCTION.—Paragraph (1) shall not be construed as implying that any person waives any privilege applicable to any information because paragraph (1) does not apply to the transfer or use of that information.".

SEC. 1065. ADDITIONAL DEFINITIONS.

(a) CERCLA AMENDMENTS.—Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) is amended by adding the following new paragraphs at the end thereof:

"(39) The term 'municipal solid waste' means all waste materials generated by households, including single and multiple residences, hotels and motels, and office buildings. The term also includes trash generated by commercial, institutional, and industrial sources when the physical and chemical state, composition, and toxicity of such materials are essentially the same as waste normally generated by households, or when such waste materials, regardless of when generated, would be considered conditionally exempt generator waste under section 3001(d) of the Solid Waste Disposal Act because it was generated in a total quantity of 100 kilograms or less during a calendar month. The term 'municipal solid waste' includes all constituent components of municipal solid waste, including constituent components that may be deemed hazardous substances under this Act when they exist apart from municipal solid waste. Examples of municipal solid waste include food and yard waste, paper, clothing, appliances, consumer product packaging, disposable diapers, office supplies, cosmetics, glass and metal food containers, and household hazardous waste (such as painting, cleaning, gardening, and automotive supplies). The term 'municipal solid waste' does not include combustion ash generated by resource recovery facilities or municipal incinerators, or waste from manufacturing or processing (including pollution control) operations not essentially the same as waste normally generated by households.

"(40) The term 'sewage sludge' refers to any solid, semisolid, or liquid residue removed during the treatment of municipal waste water, domestic sewage, or other waste waters at or by a publicly-owned treatment works, subject to the limitations of section 113(m) of this Act.

"(41) The term 'municipality' means any political subdivision of a State and may include cities, counties, towns, townships, boroughs, parishes, school districts, sanitation districts, water districts, and other local governmental entities. The term also includes any natural person acting in his or her official capacity as an official, employee, or agent of a municipality.".

(b) CONTRIBUTION ACTIONS; RIGHT-OF-WAY.—Section 113 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by adding the following new subsections at the end thereof:

"(m) CONTRIBUTION ACTIONS FOR MUNICIPAL SOLID WASTE AND SEWAGE SLUDGE.—No municipality or other person shall be liable to any person other than the United States for claims of contribution under this section or for other response costs or damages under this Act for acts or omissions related to the generation, transportation, or arrangement for the transportation, treatment, or disposal of municipal solid waste or sewage sludge.

"(n) PUBLIC RIGHT-OF-WAY.—In no event shall a municipality incur liability under this Act for the acts of owning or maintaining a public right-of-way over which hazardous substances are transported, or of granting a business license to a private party for

the transportation, treatment, or disposal of municipal solid waste or sewage sludge. For the purposes of this subsection, 'public right-of-way' includes, but is not limited to, roads, streets, flood control channels, or other public transportation routes, and pipelines used as a conduit for sewage or other liquid or semiliquid discharges.".

(c) SETTLEMENTS; FUTURE DISPOSAL PRACTICES.—Section 122 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by adding the following new subsections at the end thereof:

"(n) SETTLEMENTS FOR GENERATORS AND TRANSPORTERS OF MUNICIPAL SOLID WASTE OR SEWAGE SLUDGE.—

"(1) ELIGIBLE PERSONS.—This subsection applies to any person against whom an administrative or judicial action is brought, or to whom notice is given of potential liability under this Act, for acts or omissions related to the generation, transportation, or arrangement for the transportation, treatment, or disposal of municipal solid waste or sewage sludge.

"(2) OFFER OF SETTLEMENTS; MORATORIUM.—Eligible persons under this subsection may offer to settle their potential liability with the President by stating in writing their ability and willingness to settle their potential liability in accordance with this subsection. Upon receipt of such offer to settle, neither the President nor any other party shall take further administrative or judicial action against the eligible person for relevant acts or omissions addressed in the settlement offer.

"(3) TIMING.—Eligible persons may tender offers under this subsection within 180 days after receiving a notice of potential liability or becoming subject to administrative or judicial action, or within 180 days after a record of decision is issued for the portion of the response action that is the subject of the person's settlement offer, whichever is later. If the President notifies an eligible person that he or she may be a potentially responsible party, no further administrative or judicial action may be taken by any party for 120 days against such person.

"(4) EXPEDITED FINAL SETTLEMENT.—The President shall make every effort to reach final settlements as promptly as possible under this subsection and such settlements shall—

"(A) allocate to all acts or omissions related to the generation, transportation, or arrangement for the transportation, treatment, or disposal of municipal solid waste or sewage sludge that may create liability under this Act a total of no more than 4 percent of the total response costs: *Provided, however*, That the President shall reduce this percentage when the presence of municipal solid waste or sewage sludge is not significant at the facility;

"(B) require an eligible person under this subsection to pay only for his or her equitable share of the maximum 4 percent portion of response costs described in subparagraph (A);

"(C) limit an eligible person's payments based on such person's inability to pay;

"(D) permit an eligible person to provide services in lieu of money and to be credited at market rates for such services;

"(E) consider the degree to which a publicly owned treatment works has promoted the beneficial reuse of sewage sludge through land application when the basis of liability arises from acts or omissions related to sewage sludge taken 36 months after the date of enactment of this Act or thereafter; and

"(F) be reached even in the event that an eligible person may be liable under sections 107(a)(1) or 107(a)(2) of this Act or for acts or omissions related to substances other than municipal solid waste or sewage sludge.

"(5) COVENANT NOT TO SUE.—The President may provide a covenant not to sue with respect to the facility concerned to any person who has entered into a settlement under this subsection unless such a covenant would be inconsistent with the public interest as determined under subsection (f) of this section.

"(6) EFFECT OF AGREEMENT.—A person that has resolved his or her liability to the United States under this subsection shall not be liable for claims of contribution or for other response costs or damages under this Act regarding matters addressed in the settlement. Such settlement does not discharge any of the other potentially responsible parties unless its terms so provide, but it reduces the potential liability of the others by the amount of the settlement.

"(7) DE MINIMIS SETTLEMENTS.—Nothing in this subsection shall alter or diminish a person's right or ability to reach a settlement with the President under subsection (g) of this section.

"(o) FUTURE DISPOSAL PRACTICES.—Eligible persons may assert the provisions of section 122(n) regarding acts or omissions taken 36 months after the date of enactment of this Act or thereafter only under the following circumstances:

"(1) if the acts or omissions relate to municipal solid waste and the eligible person is a municipality, a qualified household hazardous waste collection program must have been operating while the relevant acts or omissions took place; or

"(2) if the acts or omissions relate to sewage sludge and the eligible person is an operator of a publicly owned treatment works, a qualified publicly owned treatment works must have been operating while the relevant acts or omissions took place.

"(3) The term 'qualified household hazardous waste collection program' means a program that includes—

"(A) at least semiannual, well-publicized collections at conveniently located collection points with an intended goal of participation by ten percent of community households;

"(B) a public education program that identifies both hazardous household products and safer substitutes (source reduction);

"(C) efforts to collect hazardous waste from conditionally exempt generators under section 3001(d) of the Solid Waste Disposal Act (because they generated a total quantity of 100 kilograms or less during a calendar month), with an intended goal of collecting wastes from twenty percent of such generators doing business within the jurisdiction of the municipality; and

"(D) a comprehensive plan, which may include regional compacts or joint ventures, that outlines how the program will be accomplished.

"(4) A person that operates a 'qualified household hazardous waste collection program' and collects hazardous waste from conditionally exempt generators under section 3001(d) of the Solid Waste Disposal Act must dispose of such waste at a hazardous waste treatment, storage or disposal facility with a permit under section 3005 of the Solid Waste Disposal Act (42 U.S.C. 6925), but such person is otherwise deemed to be handling only household waste under the Solid Waste Disposal Act when it operates a qualified household hazardous waste collection program.

"(5) Nothing in this Act shall prohibit a municipality from charging fees to persons whose waste is accepted during household hazardous waste collections, or shall prohibit a municipality from refusing to accept waste that the municipality believes is being disposed of in violation of the Solid Waste Disposal Act.

"(6) The term 'qualified publicly owned treatment works' means a publicly owned treatment works that complies with section 405 of the Federal Water Pollution Control Act (33 U.S.C. 1345).

"(7) The President may determine that a household hazardous waste collection program or a publicly owned treatment works is not qualified under this subsection. Minor instances of noncompliance that are not environmentally significant do not render a household hazardous waste collection program or publicly owned treatment works unqualified under this subsection.

"(8) If the President determines that a household hazardous waste collection program is not qualified, the limitations imposed by this subsection on the assertion of the provisions of section 122(n) shall apply, but only with regard to the municipal solid waste disposed of during the period of disqualification.

"(9) If a municipality is notified by the President or by a State with a program approved under section 402(b) of the Federal Water Pollution Control Act (33 U.S.C. 1342(b)) that its publicly owned treatment works is not in compliance with the requirements of paragraph (6) of this subsection, and if such noncompliance is not remedied within twelve months, the limitations imposed by this subsection on the assertion of the provisions of section 122(n) shall apply, but only with regard to the sewage sludge generated or disposed of during the period of noncompliance.'.

(d) AMOUNT OF HAZARDOUS WASTE.—Section 122 (g)(1)(A)(i) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by inserting the following sentence at the end thereof: "The amount of hazardous substances in municipal solid waste and sewage sludge shall refer to the quantity of hazardous substances which are constituents within municipal solid waste and sewage sludge, not the overall quantity of municipal solid waste and sewage sludge.".

(e) CONSTRUCTION.—Nothing in this section shall modify the meaning or interpretation of the Solid Waste Disposal Act.

(f) APPLICABILITY.—The amendments to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 made by this section shall apply to each municipality and other person against whom administrative or judicial action has been commenced before the effective date of this Act, unless a final court judgment has been rendered against such municipality or other person or final court approval of a settlement agreement including such municipality or other person as a party has been granted. If a final court judgment has been rendered or court-approved settlement agreement has been reached that does not resolve all contested issues, such amendments shall apply to all contested issues not expressly resolved by such court judgment or settlement agreement.

Subtitle E—Counterfeit Deterrence Act of 1992

SEC. 1071. SHORT TITLE.

This subtitle may be cited as the "Counterfeit Deterrence Act of 1992".

SEC. 1072. INCREASE IN PENALTIES.

Section 474 of title 18, United States Code, is amended—

(1) by inserting "(a)" before "Whoever" the first time it appears;

(2) by striking "United States; or" at the end of the sixth undesignated paragraph and inserting "United States—";

(3) by striking the seventh undesignated paragraph;

(4) by amending the last undesignated paragraph to read as follows:

"Shall be fined not more than $50,000 for each violation, or imprisoned not more than 20 years, or both."; and

(5) by adding at the end thereof the following:

"(b) For purposes of this section, the terms 'plate', 'stone', 'thing', or 'other thing' includes any electronic method used for the acquisition, recording, retrieval, transmission, or reproduction of any obligation or other security, unless such use is authorized by the Secretary of the Treasury. The Secretary shall establish a system (pursuant to section 504) to ensure that the legitimate use of such electronic methods and retention of such reproductions by businesses, hobbyists, press and others shall not be unduly restricted.".

SEC. 1073. DETERRENTS TO COUNTERFEITING.

(a) IN GENERAL.—Chapter 25 of title 18, United States Code, is amended by inserting after section 474 the following new section:

"§ 474A. Deterrents to counterfeiting of obligations and securities

"(a) Whoever has in his control or possession, after a distinctive paper has been adopted by the Secretary of the Treasury for the obligations and other securities of the United States, any similar paper adapted to the making of any such obligation or other security, except under the authority of the Secretary of the Treasury, shall be fined not more than $50,000 or imprisoned not more than 20 years, or both.

"(b) Whoever has in his control or possession, after a distinctive counterfeit deterrent has been adopted by the Secretary of the Treasury for the obligations and other securities of the United States by publication in the Federal Register, any essentially identical feature or device adapted to the making of any such obligation or security, except under the authority of the Secretary of the Treasury, shall be fined not more than $50,000 for each violation, or imprisoned not more than 20 years, or both.

"(c) As used in this section—

"(1) the term 'distinctive paper' includes any distinctive medium of which currency is made, whether of wood pulp, rag, plastic substrate, or other natural or artificial fibers or materials; and

"(2) the term 'distinctive counterfeit deterrent' includes any ink, watermark, seal, security thread, optically variable device, or other feature or device;

"(A) in which the United States has an exclusive property interest; or

"(B) which is not otherwise in commercial use or in the public domain and which the Secretary designates as being necessary in preventing the counterfeiting of obligations or other securities of the United States.".

(b) CHAPTER ANALYSIS.—The chapter analysis for chapter 25 of title 18, United States Code, is amended by adding after the item for section 474 the following:

"474A. Deterrents to counterfeiting of obligations and securities.".

SEC. 1074. REPRODUCTIONS OF CURRENCY.

Section 504 of title 18, United States Code, is amended—

(1) in paragraph (1)(D), by striking the comma at the end thereof and inserting a period;

(2) in paragraph (1), by striking "for philatelic" from the text following subparagraph (D) and all that follows through "albums).";

(3) by redesignating paragraph (2) as paragraph (3) and inserting after paragraph (1) the following new paragraph:

"(2) The provisions of this section shall not permit the reproduction of illustrations of obligations or other securities, by or through electronic methods used for the acquisition, recording, retrieval, transmission, or reproduction of any obligation or other security, unless such use is authorized by the Secretary of the Treasury. The Secretary shall establish a system to ensure that the legitimate use of such electronic methods and retention of such reproductions by businesses, hobbyists, press or others shall not be unduly restricted."; and

(4) in paragraph (3), as redesignated by paragraph (3) of this subsection, by striking "but not for advertising purposes except philatelic advertising,".

TITLE XI—LIMITED PARTNERSHIP ROLLUP REFORM

SEC. 1101. SHORT TITLE.

This title may be cited as the "Limited Partnership Rollup Reform Act of 1992".

SEC. 1102. REVISION OF PROXY SOLICITATION RULES WITH RESPECT TO LIMITED PARTNERSHIP ROLLUP TRANSACTIONS.

(a) AMENDMENT.—Section 14 of the Securities and Exchange Act of 1934 (15 U.S.C. 78n) is amended by adding at the end the following new subsection:

"(h) PROXY SOLICITATIONS AND TENDER OFFERS IN CONNECTION WITH LIMITED PARTNERSHIP ROLLUP TRANSACTIONS.—

"(1) PROXY RULES TO CONTAIN SPECIAL PROVISIONS.—It shall be unlawful for any person to solicit any proxy, consent, or authorization concerning a limited partnership rollup transaction, or to make any tender offer in furtherance of a limited partnership rollup transaction, unless such transaction is conducted in accordance with rules prescribed by the Commission under sections 14(a) and 14(d) as required by this subsection. Such rules shall—

"(A) permit any holder of a security that is the subject of the proposed limited partnership rollup transaction to engage in preliminary communications for the purposes of determining whether to solicit proxies, consents, or authorizations in opposition to the proposed transaction, without regard to whether any such communication would otherwise be considered a solicitation of proxies, and without being required to file soliciting material with the Commission prior to making that determination,

except that nothing in this subparagraph shall be construed to limit the application of any provision of this title prohibiting, or reasonably designed to prevent, fraudulent, deceptive, or manipulative acts or practices under this title;

"(B) require the issuer to provide to holders of the securities that are the subject of the transaction such list of the holders of the issuer's securities as the Commission may determine in such form and subject to such terms and conditions as the Commission may specify;

"(C) prohibit compensating any person soliciting proxies, consents, or authorizations directly from security holders concerning such a transaction—

"(i) on the basis of whether the solicited proxies, consents, or authorizations either approve or disapprove the proposed transaction; or

"(ii) contingent on the transaction's approval, disapproval, or completion;

"(D) set forth disclosure requirements for soliciting material distributed in connection with a limited partnership rollup transaction, including requirements for clear, concise, and comprehensible disclosure, with respect to—

"(i) any changes in the business plan, voting rights, form of ownership interest or the general partner's compensation in the proposed limited partnership rollup transaction from each of the original limited partnerships;

"(ii) the conflicts of interest, if any, of the general partner;

"(iii) whether it is expected that there will be a significant difference between the exchange values of the limited partnerships and the trading price of the securities to be issued in the limited partnership rollup transaction;

"(iv) the valuation of the limited partnerships and the method used to determine the value of limited partners' interests to be exchanged for the securities in the limited partnership rollup transaction;

"(v) the differing risks and effects of the transaction for investors in different limited partnerships proposed to be included, and the risks and effects of completing the transaction with less than all limited partnerships;

"(vi) a statement by the general partner as to whether the proposed limited partnership rollup transaction is fair or unfair to investors in each limited partnership, a discussion of the basis for that conclusion, and the general partner's evaluation, and a description, of alternatives to the limited partnership rollup transaction, such as liquidation;

"(vii) any opinion (other than an opinion of counsel), appraisal, or report received by the general partner or sponsor that is prepared by an outside party and that is materially related to the limited partnership rollup transaction and the identity and qualifications of the party who prepared the opinion, appraisal, or report, the method of selection of such party, material past, existing, or contemplated relationships between the party, or any of its affiliates and the general partner, sponsor, successor, or any other affiliate, compensation arrangements, and the basis for rendering and methods used in developing the opinion, appraisal, or report; and

"(viii) such other matters deemed necessary or appropriate by the Commission;

"(E) provide that any solicitation or offering period with respect to any proxy solicitation, tender offer, or information statement in a limited partnership rollup transaction shall be for not less than the lesser of 60 calendar days or the maximum number of days permitted under applicable State law; and

"(F) contain such other provisions as the Commission determines to be necessary or appropriate for the protection of investors in limited partnership rollup transactions.

The disclosure requirements under subparagraph (D) shall also require that the soliciting material include a clear and concise summary of the limited partnership rollup transaction (including a summary of the matters referred to in clauses (i) through (vii) of that subparagraph) with the risks of the limited partnership rollup transaction set forth prominently in the forepart thereof.

"(2) EXEMPTIONS.—The Commission may, consistent with the public interest, the pro-

tection of investors, and the purposes of this Act, exempt by rule or order any security or class of securities, any transaction or class of transactions, or any person or class of persons, in whole or in part, conditionally or unconditionally, from the requirements imposed pursuant to paragraph (1) or, from the definition contained in paragraph (4).

"(3) EFFECT ON COMMISSION AUTHORITY.—Nothing in this subsection limits the authority of the Commission under subsection (a) or (d) or any other provision of this title or precludes the Commission from imposing, under subsection (a) or (d) or any other provision of this title, a remedy or procedure required to be imposed under this subsection.

"(4) DEFINITION.—As used in this subsection the term 'limited partnership rollup transaction' means a transaction involving—

"(A) the combination or reorganization of limited partnerships, directly or indirectly, in which some or all investors in the limited partnerships receive new securities or securities in another entity, other than a transaction—

"(i) in which—

"(I) the investors' limited partnership securities are reported under a transaction reporting plan declared effective before January 1, 1991, by the Commission under section 11A; and

"(II) the investors receive new securities or securities in another entity that are reported under a transaction reporting plan declared effective before January 1, 1991, by the Commission under section 11A;

"(ii) involving only issuers that are not required to register or report under section 12 both before and after the transaction;

"(iii) in which the securities to be issued or exchanged are not required to be and are not registered under the Securities Act of 1933;

"(iv) which will result in no significant adverse change to investors in any of the limited partnerships with respect to voting rights, the term of existence of the entity, management compensation, or investment objectives; or

"(v) where each investor is provided an option to receive or retain a security under substantially the same terms and conditions as the original issue; or

"(B) the reorganization of a single limited partnership in which some or all investors in the limited partnership receive new securities or securities in another entity, and—

"(i) transactions in the security issued are reported under a transaction reporting plan declared effective before January 1, 1991, by the Commission under section 11A;

"(ii) the investors' limited partnership securities are not reported under a transaction reporting plan declared effective before January 1, 1991, by the Commission under section 11A;

"(iii) the issuer is required to register or report under section 12, both before and after the transaction, or the securities to be issued or exchanged are required to be or are registered under the Securities Act of 1933;

"(iv) there are significant adverse changes to security holders in voting rights, the term of existence of the entity, management compensation, or investment objectives; and

"(v) investors are not provided an option to receive or retain a security under substantially the same terms and conditions as the original issue.

"(5) EXCLUSION.—For purposes of this subsection, a limited partnership rollup transaction does not include a transaction that involves only a limited partnership or partnerships having an operating policy or practice of retaining cash available for distribution and reinvesting proceeds from the sale, financing, or refinancing of assets in accordance with such criteria as the Commission determines appropriate.".

(b) SCHEDULE FOR REGULATIONS.—The Securities and Exchange Commission shall, not later than 12 months after the date of enactment of this Act, conduct rulemaking proceedings and prescribe final regulations under the Securities Act of 1933 and the Securities Exchange Act of 1934 to implement the requirements of section 14(h) of the Securities Exchange Act of 1934, as amended by subsection (a).

SEC. 1103. RULES OF FAIR PRACTICE IN ROLLUP TRANSACTIONS.

(a) REGISTERED SECURITIES ASSOCIATION RULE.—Section 15A(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–3(b)) is amended by adding at the end the following new paragraph:

"(12) The rules of the association to promote just and equitable principles of trade, as required by paragraph (6), include rules to prevent members of the association from participating in any limited partnership rollup transaction (as such term is defined in section 14(h)(4)) unless such transaction was conducted in accordance with procedures designed to protect the rights of limited partners, including—

"(A) the right of dissenting limited partners to an appraisal and compensation or other rights designed to protect dissenting limited partners;

"(B) the right not to have their voting power unfairly reduced or abridged;

"(C) the right not to bear an unfair portion of the costs of a proposed rollup transaction that is rejected; and

"(D) restrictions on the conversion of contingent interests or fees into non-contingent interests or fees and restrictions on the receipt of a non-contingent equity interest in exchange for fees for services which have not yet been provided.

As used in this paragraph, the term 'dissenting limited partner' means a holder of a beneficial interest in a limited partnership that is the subject of a limited partnership rollup transaction who casts a vote against the transaction and complies with procedures established by the association, except that for purposes of an exchange or tender offer, such term means any person who files an objection in writing under the rules of the association during the period in which the offer is outstanding and complies with such other procedures established by the association.".

(b) LISTING STANDARDS OF NATIONAL SECURITIES EXCHANGES.—Section 6(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78f(b)) is amended by adding at the end the following:

"(9) The rules of the exchange prohibit the listing of any security issued in a limited partnership rollup transaction (as such term is defined in section 14(h)(4)), unless such transaction was conducted in accordance with procedures designed to protect the rights of limited partners, including—

"(A) the right of dissenting limited partners to an appraisal and compensation or other rights designed to protect dissenting limited partners;

"(B) the right not to have their voting power unfairly reduced or abridged;

"(C) the right not to bear an unfair portion of the costs of a proposed rollup transaction that is rejected; and

"(D) restrictions on the conversion of contingent interests or fees into non-contingent interests or fees and restrictions on the receipt of a non-contingent equity interest in exchange for fees for services which have not yet been provided.

As used in this paragraph, the term 'dissenting limited partner' means a holder of a beneficial interest in a limited partnership that is the subject of a limited partnership transaction who casts a vote against the transaction and complies with procedures established by the exchange, except that for purposes of an exchange or tender offer, such term means any person who files an objection in writing under the rules of the exchange during the period in which the offer is outstanding.".

(c) STANDARDS FOR AUTOMATED QUOTATION SYSTEMS.—Section 15A(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-3(b)) is amended by adding at the end the following new paragraph:

"(13) The rules of the association prohibit the authorization for quotation on an automated interdealer quotation system sponsored by the association of any security designated by the Commission as a national market system security resulting from a limited partnership rollup transaction (as such term is defined in section 14(h)(4)), unless such transaction was conducted in accordance with procedures designed to protect the rights of limited partners, including—

"(A) the right of dissenting limited partners to an appraisal and compensation or other rights designed to protect dissenting limited partners;

"(B) the right not to have their voting power unfairly reduced or abridged;

"(C) the right not to bear an unfair portion of the costs of a proposed rollup transaction that is rejected; and

"(D) restrictions on the conversion of contingent interests or fees into non-contingent interests or fees and restrictions on the receipt of a non-contingent equity interest in exchange for fees for services which have not yet been provided.

As used in this paragraph, the term 'dissenting limited partner' means a holder of a beneficial interest in a limited partnership that is the subject of a limited partnership transaction who casts a vote against the transaction and complies with procedures established by the association, except that for purposes of an exchange or tender offer such term means any person who files an objection in writing under the rules of the association during the period during which the offer is outstanding.".

(d) EFFECT ON EXISTING AUTHORITY.—The amendments made by this section shall not limit the authority of the Securities and Exchange Commission, a registered securities association, or a national securities exchange under any provision of the Securities Exchange Act of 1934, or preclude the Commission or such association or exchange from imposing, under any other such provision, a remedy or procedure required to be imposed under such amendments.

(e) EFFECTIVE DATE.—The amendments made by this section shall become effective 18 months after the date of enactment of this Act.

Mr. MITCHELL. I move to reconsider the vote by which the bill, as amended, was passed.

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

The motion to lay on the table was agreed to.

Mr. GARN. Mr. President, as the Senate is concluding its consideration of S. 2733, the Federal Housing Enterprises

Regulatory Reform Act of 1992, I would like to take a few moments to acknowledge the fine work performed by staff, on both sides of the aisle, that spent literally months of work on this legislation. The expertise and professionalism of these individuals is outstanding, and the fact that they were able to complete this task on a bipartisan basis is reflected by the quality of the final product. In particular, with respect to the Republican staff, I would like to mention the contribution made by Lamar Smith, Ray Natter, Ira Paull, Brad Belt, Kris Siglin, Joel Miller, Margarete Muskett, and Shelly Berlin.

Mr. RIEGLE. The Senator from Utah is absolutely correct. I agree entirely with your comments regarding the staff work on this legislation, and would also like to take this opportunity to thank, in particular, Steve Harris, Pat Lawler, Kevin Chavers, Clem Dinsmore, Tim McTaggart, Bruce Katz, Kim Shafer, and Angela Chiu.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The senior Senator from West Virginia is recognized.

Mr. DOMENICI. I wonder if the Senator will yield 1 minute without losing time.

Mr. BYRD. Yes, I am glad to yield.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 1 minute.

Mr. DOMENICI. Mr. President, I wanted to place in the RECORD the reason why I stated no. Frankly, there are good things in this bill. Certainly, the provision that Senator GARN has in the bill with reference to lenders' liability in Superfund is a good provision and needs to be passed. But actually I think the overwhelming negative matter in the bill is the Lautenberg amendment which took the cities out of the liability chain, out of Superfund. I think that could be devastating to American business, small American business, because they will take on a new load in the chain of liability which is already very strained. So because of that, and to indicate my objection to that provision, I voted no.

I thank the Senator for yielding.

Mr. BYRD. The Senator is welcome.

Mr. SPECTER addressed the Chair.

MORNING BUSINESS

The PRESIDING OFFICER. Under the regular order, there will not be a period for morning business for 45 minutes, in which by prior order, the Senator from Pennsylvania [Mr. SPECTER] is recognized.

ORDER OF THE PROCEDURE

Mr. SPECTER. Mr. President, my distinguished colleague from Maine wishes a spot in morning business for the introduction of legislation.

I will yield to him, and ask unanimous consent that I will retain the floor, when the Senator concludes, for my 45-minute special order.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. COHEN. I thank the Chair.

(The remarks of Mr. COHEN pertaining to the introduction of S. 2922 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. BUMPERS. Mr. President, I want to just comment on the proceedings of the past 2 or 3 days and to say that an awful lot of people in this body were obviously ambivalent about a constitutional amendment to balance the budget. On the one hand, a lot of people were reluctant to codify economic policies in the Constitution; others have strong reservations about tinkering with the Constitution for almost any reason. I must say that I fall into both of these categories. But I also want to say as I said many times before, putting a few words into the Constitution does not balance the budget. You are still back to square one. This constitutional amendment, of course, would prolong, for 6 years, the problem we are confronted with.

So, Mr. President, I will, today or tomorrow, introduce a whole host of amendments to cut spending by the Federal Government. These cuts would total, somewhere over the lifetime of these programs, between $350 and $450 billion. I may not offer all of them. Others have said, for example, that the distinguished Senator from Tennessee [Mr. SASSER] said he would like to handle the SDI amendment, and that is fine. All I want to say is—I am not denigrating anybody—all I am saying is that all of those people who pontificated so piously about a constitutional amendment which puts off for 6 years, dealing with the immediacy of the problem, are going to have an opportunity to show that that proposal was not blatantly political. Personally, I thought it was. I rather resented taking up the Senate's time with something the House had already killed. It was going to be resurrected at least to try to get everybody on record.

So we will find out the differences between the rhetoricians who like to talk about balanced budget amendments and those who want to do something about balancing the budget. By the end of this session, you are going to see the rubber hit the road time and time and time again, and we will find out who is serious about spending cuts and preserving the economy of this country for future generations. I thank the Senator for yielding.

THE 100TH ANNIVERSARY OF ARLEN SPECTER'S FATHER'S BIRTH

Mr. SPECTER. Mr. President, 2 weeks from today, July 15, 1992, will mark the 100th anniversary of the birth of my father, Harry Specter. When I attended the joint session of Congress on March 27, 1990, commemorating the 100th anniversary of the birth of President and general of the Army Dwight D. Eisenhower, I thought of my own father's contribution to the United States and decided to commemorate his centennial through this presentation in the U.S. Senate.

The date of my father's birth cannot even be fixed with certainty because there were no birth records maintained in Batchkurina, a village 160 miles from Kiev in the heart of Ukraine. My father told me that he was born in the season when the pear sickles were ripe on the fruit trees which he estimated to be July 15. He said he recollected writing that he was 10 years old in the year 1903, which would have put his year of birth a year later, but his citizenship papers list 1892 as his year of birth.

Harry Specter grew up in a one-room hut with a dirt floor, shared by his parents, seven brothers, and one sister. His earliest impressions were of anti-Semitism and abusive treatment by the villagers and the Russian Government. He spoke bitterly about the Cossacks and the pain they inflicted on the Russian peasants, especially the Jews. He spoke of conscription by the czar and military service in far-away outposts such as Siberia.

At the age of 18, determined to avoid the oppression of the czar's heel, he saved a few rubles, walked across the European Continent and set sail for America in steerage. His arrival in the United States and his search for his brother, Joseph, demonstrated his character, imagination, and determination which would be the hallmarks of his life.

When he landed in New York, a teeming city of almost 5 million people, my father had no address for his brother but knew only the name and street corner of his brother's bank from a check which had been received by the family in Batchkurina. So, on a Sunday morning, he went to the street corner with the hope that his brother might live nearby and pass the bank.

After several hours, he saw his brother walk by and excitedly ran up to him and shouted, "Yussel, Yussel, Ich bin dein bruder Aaron." Yiddish for: "Joseph, Joseph, I am your brother Harry." My father had changed considerably in the 7 years since Joseph had last seen his 11-year-old brother. Looking at the stranger, my Uncle Joe said, "Oyb du bist mein bruder Aaron, kum mit mir." Yiddish for: "If you are my brother Harry, come with me." And so began my father's life in America.

My sister, Shirley, who read this text last night, recollects the story a little differently. By the way, Shirley is here today, as is my sister Hilda Morgenstern, my brother-in-law Arthur Morgenstern, and my niece Judith

Barzilay. Other members of my family may also be watching on C–SPAN 2. In any event, Hilda recalls that my father stood on the street corner for 3 days, but the essence of the facts are the same.

Harry Specter worked for a tailor, a sweatshop as he called it, at Fourth and Lombard Streets in Philadelphia. Determined to improve his lot in life, he saved his money, bought a model-T Ford and traveled West to learn English and see America.

He was a peddler. He sold blankets to the farmers in the winter and cantaloups on the streets of small midwestern towns in the summer.

When purchasing blankets and dry goods in a supply store in St. Joseph, MO, in about 1916, he met Mrs. Frieda Shanin and asked if she had a daughter. My grandmother-to-be—Bubba, we called her in Yiddish—replied that she did, but her daughter was too young for him. Actually, Frieda Shanin had four daughters and three sons with the oldest, Lillie, 16, and the others ranging from 13 to 2. My grandfather Mordechai Shanin, had died suddenly of a heart attack in his midforties a year earlier.

The romance of Harry Specter and Lillie Shanin was interrupted by World War I. Next to his family, my father was most proud of his service as a buck private in the American Expeditionary Force in France. His discharge papers disclose that he joined Company I of the 355th Infantry on May 6, 1918, and sailed from the United States for France on June 4. The intervening 29 days left little time for training.

One hundred days later, he was seriously wounded in action in the Argonne Forest, carrying shrapnel in his legs until the day he died. Harry Specter convalesced and returned to the United States on January 5, 1919, according to his record of military service. On crutches, he returned to St. Joe to marry the beautiful, slender redhead. Their wedding picture, the bride in a full white gown and the groom in uniform, hangs in my office in the Hart Building.

During the course of the next 45 years, Harry and Lillie Specter moved back and forth between the east coast and the Midwest in search of ways to support his family. He said with some frequency, "Schver tsu machen a lebn." Yiddish for: "It's hard to earn a living." And that was certainly true for him.

I do not know all of the family's travels, but I do know my brother Morton was born in 1920, in St. Joseph, MO, and my sister Hilda was born in Philadelphia in 1921. My mother recounted living in Camden, NJ, and watching a workman fall from the Benjamin Franklin Bridge, which was under construction for several years prior to its opening on June 30, 1926. The family was back in the Midwest when my sister Shirley was born in St. Joe in 1927, and then we lived in Wichita, KS, when I was born 3 years later.

During the midst of the Depression, my father borrowed $500 from my Aunt Anne, my mother's sister, so the family could move back to Philadelphia where my father could earn a living. In Philadelphia I started school. For a short time, my father had a small grocery store in Southwest Philadelphia and drove a bootleg truck in the coal fields of Scranton, PA. We moved back to Wichita, KS, in 1936 because, as bad as the economy was, the opportunities appeared to be better in Kansas. In Kansas in the mid-thirties, it was back to the same routine: selling blankets to the farmers in winter and cantaloupes in the summer. Before dawn, my father would take the back seat out of our car, and my sister Shirley and I would accompany him to the farmers' market where he would load bushels of cantaloupes into the back seat. We would then drive to neighboring small towns to sell cantaloupes door to door.

The largest cantaloupes, perhaps nine inches in diameter, would be sold three for a quarter, down to the smallest ones, perhaps four inches in diameter, priced at six for a quarter. Our treks up and down the streets with baskets of cantaloupes were frequently interrupted by the town constable who ran us out of town because of complaints from the local merchants whose cantaloupe were substantially costlier.

In 1936, my father bought a new pickup truck. Driving down a Kansas highway, the vehicle turned over when the spindle bolt broke on the front wheel, crushing my father's right arm. He was furious with his lawyer and the legal system when he received only $500 in settlement for a permanently disabled right arm. He was pleased with the excellent care he received in Wichita's Veterans' Hospital. Notwithstanding shrapnel in his legs from World War I and metal holding his right arm together, he persevered to support his wife and four children.

Peddling gave way to my father's junkyard in Lyons, KS, in the late 1930's. When I accompanied my father in the summers to help him work the winch on the truck, we slept on the floor in a single-room corrugated building and the Kansas farm outhouses made our toilet facilities look lavish by comparison. My father commuted the 100 miles between Lyons and Wichita each week until 1942 when our family moved to Russell, because the 165 miles to Wichita was too far to commute.

During World War II, the price of junk went up a little and my parents saved enough money for a modest retirement.

When my sister Shirley was of marriageable age in the late 1940's, there was only one Jewish boy in town—her brother—so the family moved East to provide the opportunity for Shirley to meet and marry Edwin Kety. When he became Dr. Kety and joined the public health service, my parents followed them to Phoenix, AZ, in 1961 to help with their young family.

While the 100th anniversary of the birth of my mother, Lillie Shanin Specter, will not be celebrated until September 20, 2000, her life story was a full partnership with my father. She came to the United States in 1905 with her parents and younger brother and lived in St. Joe, MO, until she married my father in 1919, and then began their lifelong worldwide odyssey. She was the quintessential nurturing mother—always there for care, comfort, and the mealtime admonition: "finish all the food on your plate"—a habit which I honor to this day. When her four children were grown, she and my father were devoted and caring grandparents, putting their family ahead of everything else.

From my parents' total commitment to their children and the example they set, my brother, sisters and I instinctively understood our obligation to behave and work hard to achieve our full potential.

Seeing their struggle and sacrifices, it was simply unthinkable that any of the children would do anything to embarrass our parents or fail to match the intensity of their efforts.

Education was the watchword in the Specter household. Our parents valued it so much because they had so little of it. My mother had completed only the eighth grade and my father had no formal schooling at all. But they were self-educated people. My father was an avid reader of the Tog—the Jewish daily newspaper—and read the editorial pages of the English-language papers from top to bottom frequently quoting Dorothy Thompson or Walter Lippmann. In her own quiet way, my mother's educational achievement surpassed most college graduates. There was no exhortation by our parents to study and succeed. It was assumed.

Notwithstanding the tough immigrant life and the problems of the Depression, my parents always had a strong sense of optimism. They were gregarious people. My father frequently quoted Will Rogers' statement that "he never met a man he didn't like." It was always reassuring for me to hear my father say that the system would provide a man with the opportunity to make a living.

My father was always very interested in politics. Although I do not recall the specifics, I believe that I was deeply impressed by the veterans' march on Washington in the early 1930's and my father's reaction to it. He was outraged over the failure of the Government to pay the bonuses to the World War I veterans. These were particularly tough times for our family. We had little more than his small disability pension to put food on the table. In a

sense, it seems that I have been on my way to Washington ever since to get my father's bonus.

World War II and the Holocaust found the Specter family deeply involved in international events. We watched in anguish as 6 million Jews were murdered. My father virtually had his ear in the radio every night at 10 p.m. when he listened to Graham Fletcher and the news on radio station KFH in Wichita. He agonized as Hitler's army marched across Russia and he feared the destruction of his native village, Batchkurina, and the annihilation of his family there. When Hitler had made his deepest penetration into Russia, I recall my father being interviewed by the local newspaper and his confident prediction that the German Army would be repelled.

A trip to Israel was my father's lifelong ambition. It always made me uneasy when he would say that he wanted to die and be buried in Israel. On October 9, 1964, Joan and I brought a bottle of champagne on board the ship *Shalom* to toast my parents' departure for Haifa. Three weeks later, a letter arrived from my mother saying that my father had suffered a heart attack when he overexerted himself in his excitement to walk the streets of Tel Aviv. A 5 a.m. telephone call on November 2, 1964, brought the news of his death and my sister Hilda and I flew from New York later that day to bury our father in the Cholom cemetery in Tel Aviv. The orthodox burial ceremony had no casket with my father laid to rest in a large tallis, the Jewish prayer shawl.

Joan and I visited my father's birthplace in 1982. In Batchkurina we talked to the village elder, a man 81 years of age, who at first did not recall the Specter family. When I commented that the Specters were the only Jewish family in town, he then exclaimed that he did remember "Avram the Jew." His identification of my grandfather's first name was made without any prior identification of that name by me. That incident emphasized for me the difference of being Jewish in Russia in 1911 or 1982 or, for the matter 1992.

My father's story is both extraordinary and typical of the lives of millions of immigrants who made the United States the great country it is today. Harry Specter personified America's most basic values: love of family, education, patriotism, courage, sacrifice, optimism, hard work, commitment to do whatever was necessary to do the job and an overarching sense of optimism.

While this brief statement cannot obviously match the pomp and ceremony of the joint session of Congress commemorating President Eisenhower's centennial, it is a privilege for me to be in the U.S. Senate to have this opportunity to honor my father on the occasion of his 100th birthday. His struggle, his accomplishments and his values are an inspiration for America's future.

I thank the Chair for this opportunity.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. PRYOR. Mr. President, are we still in a period for morning business?

The PRESIDING OFFICER. We are.

Mr. PRYOR. Mr. President, I would first like to compliment, if I might, the Senator from Pennsylvania. I had the privilege of listening to his very eloquent address relative to his father, and I sincerely state to my colleague and to my friend from Pennsylvania that truly this was a very moving tribute to a great man. It was a great privilege for me to hear him out and to hear his statement to the Senate.

PRIVILEGES OF THE FLOOR

Mr. PRYOR. Mr. President, I ask unanimous consent that Mr. Rick Goodman and Mr. Bill Bosher of my staff be allowed to sit with me on the Senate floor the next several minutes.

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

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. PRYOR. I thank the Chair.

(The remarks of Mr. PRYOR pertaining to the introduction of S. 2928 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. FOWLER. Mr. President, first of all, let me say I was extremely privileged to be on the floor and hear the statement of the Senator from Arkansas, the present Presiding Officer, in his never-ending, thankfully never-ending commitment to eliminate not only waste but in many cases outright fraud by our Government in its contracting services through the executive branch of Government. The taxpayers of the United States have been treated to a debate over Government spending during the last 4 or 5 days. The Senator from Arkansas has not been debating, but educating this body for the last 10 years on gigantic wastes of our taxpayers' dollars through executive contracting services. We must—we must—rein in that practice.

As one Senator, I want to say the people of Georgia thank the Senator from Arkansas [Mr. PRYOR] for his determination, for his commitment, and ultimately his success which will come.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. FOWLER. I thank the Chair.

(The remarks of Mr. FOWLER pertaining to the introduction of S. 2921 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

TRIBUTE TO MS. EULA HALL

Mr. MCCONNELL. Mr. President, I would like to take a moment from today's debate to bring my colleagues' attention to the accomplishments of a generous and thoughtful Kentuckian, Ms. Eula Hall.

Born and raised in Pike County, Ms. Hall is personally familiar with the hardships life in eastern Kentucky has to offer. According to a recent Lexington Herald-Leader editorial entitled "An Honor Deserved," Ms. Hall "dropped out of school in the eighth grade, married at 17, [and] had five children * * *. It seems to me that her experiences have given Ms. Hall a unique perspective on life.

In 1973, motivated by the needs of her family and friends, Ms. Hall founded the Mud Creek Clinic in Floyd County. Over the years, the clinic has expanded from two doctors working 2 days a week to a staff of 17 working 6 days a week. Mr. President, on an average day, the clinic now provides care for up to 90 patients.

Ms. Eula Hall works hard to meet the needs of her fellow Kentuckians, and has rightfully earned their trust and respect. From delivering food to the elderly to transporting patients to the clinic, her generosity and caring is limitless. Recently, her tireless contributions were recognized by Common Cause, who awarded Ms. Hall one of its five 1992 Public Service Achievement Awards.

I know my colleagues will join me in extending praise and commendation to this thoughtful Kentuckian. I ask that a copy of the editorial appear in the RECORD following my remarks.

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

[From the Lexington Herald-Leader, June 17, 1992]

AN HONOR DESERVED: EULA HALL'S GOOD WORKS DON'T GO UNRECOGNIZED

With 75 to 90 patients stopping by the Mud Creek Clinic on an average day, Eula Hall doesn't need celebrity.

People in the mountains know her and the good works she has accomplished as the clinic's founder.

They've seen her rushing around Floyd County in a van to pick up sick patients and drive them to the clinic in Grethel. They've watched her deliver food to homebound and elderly residents. They've listened to her counsel callers.

These people are her people. They know she understands. Now, the rest of the country will, too.

Hall grew up in Pike County. She dropped out of school in the eighth grade, married at 17, had five children, suffered in an abusive first marriage.

It was because of the suffering she had seen among family and friends that she founded the clinic in 1973. It began with $1,400 and two doctors working two days a week. Now, the clinic is open six days a week and has a staff of 17. Its support comes for federal aid and contributions.

The work of the clinic and Eula Hall has been known and appreciated for a long time outside the mountains. Today, the latest applause comes from Washington, where Common Cause last week gave Hall one of its five Public Service Achievement Awards for 1992. (Another recipient was retired U.S. Supreme Court Justice Thurgood Marshall.)

The national citizens' organization praised Hall because her "grit and love of people brought health care to a needy town in Appalachia."

It was a fitting tribute to a woman who has become a local and national celebrity, fulfilling her dream of "being somebody like I am. Somebody in a position to help people."

TRIBUTE TO COL. CORDIS B. COLBURN, U.S. ARMY

Mr. THURMOND. Mr. President, I rise today to recognize the imminent retirement of Col. Cordis B. Colburn, an outstanding soldier of the U.S. Army. Colonel Colburn has served this Nation faithfully and honorably for over 24 years. He entered the Army through the Reserve Officer Training Corps upon graduation from Alfred University and was commissioned a second lieutenant of field artillery.

During his distinguished career, he served in a number of leadership assignments that took him to the Republic of Vietnam; Fort Dix, NJ; Bamberg, Germany; Fort Knox, KY; and Schofield Barracks, HI, where he commanded the 7th Field Artillery Battalion, 8th Field Artillery Regiment, and the 25th Infantry Division.

Colonel Colburn is known to many of us in the Senate as a congressional staff officer and later as the Deputy Chief of Legislative Liaison in the Secretary of the Army's Legislative Liaison Office. His mission was to keep the Congress informed by providing complete, timely, and frank information. He succeeded admirably in this role. The positive nature of the relationship between the Congress and the Army is due in large measure to the stewardship of officers such as Colonel Colburn.

Mr. President, service and dedication to duty have been the hallmarks of Colonel Colburn's career. He has played an integral role in the great number of historic challenges that have faced our Nation. On behalf of his many friends in the Congress and the Nation, I wish to express my thanks to Colonel Colburn and his family and wish him the very best as he embarks on a new career.

TODAY'S "BOXSCORE" OF THE NATIONAL DEBT

Mr. CRAIG. Mr. President, Senator HELMS is in North Carolina recuperating following heart surgery, and he has asked me to submit for the RECORD each day the Senate is in session what the Senator calls the congressional irresponsibility boxscore.

The information is provided to me by the staff of Senator HELMS. The Senator from North Carolina instituted this daily report on February 26.

The Federal debt run up by the U.S. Congress stood at $3,942,836,154,025.86, as of the close of business on Monday, June 29, 1992.

On a per capita basis, every man, woman, and child owes $15,350.20—thanks to the big spenders in Congress for the past half century. Paying the interest on this massive debt, averaged out, amounts to $1,127.85 per year for each man, woman, and child in America—or, to look at it another way, for each family of four, the tab—to pay the interest alone—comes to $4,511.40 per year.

SARAJEVO

Mr. GORE. Mr. President, the United Nations action to open the Sarajevo airport and relieve the citizens of that city is essential both for humanitarian reasons and for the concept of an international order based on law and respect for human rights. American support for this action is clearly in line with our principles and our interests. Should any actions by Serbian forces threaten the success of this operation or the security of U.N. personnel, it would be in order to take steps as needed to deal with that threat.

HIGHER EDUCATION ACT REAUTHORIZATION

Mr. NUNN. Mr. President, I rise to offer a few words of strong support for the conference version of the Higher Education Act Amendments of 1992. In so doing, however, let me frame these remarks by providing some perspective on a few important events that helped lead up to the present point of the Senate's considering this legislation for final passage.

It has been more than 2½ years since the Permanent Subcommittee on Investigations, at my direction, began to look into alleged problems in the Department of Education's Stafford Student Loan Program. The results of this undertaking are well-known: the subcommittee found a program in almost total disarray, wracked by rampant fraud and abuse on the part of all program participants, and overwhelmed by ineptitude and gross mismanagement in the Department's administration and oversight of its responsibilities.

The bottom-line effect of this sad state of affairs is that the program's intended beneficiaries—thousands of young people, many of whom come from backgrounds with already limited opportunities—and the taxpayers have suffered. The former have been victimized by unscrupulous and dishonest for-profit trade schools, receiving neither the training nor the skills they hoped to acquire and, instead, being saddled with debts they cannot hope to repay. Likewise, to the tune of many billions of dollars, the taxpayers have been left with the bill for the attendant losses in defaulted loans, while at the same time many school owners, accrediting bodies, lenders, guaranty agencies and other financial intermediaries have reaped enormous, and in some cases, unconscionable profits.

Reflecting these findings, in May of last year, the subcommittee issued its final report, "Abuses in Federal Student Aid Programs," in which some 27 recommendations for further action were set forth. These recommendations subsequently became the basis for a remedial bill, S. 1503, which I introduced in July of last year. Cosponsors of this legislation included Senators ROTH, LEVIN, SASSER, KOHL, AKAKA, MIKULSKI, HATFIELD, and THURMOND. Soon afterward, a companion bill, H.R. 3239, was introduced by Congressman BART GORDON in the House. Most of the key features of these bills, in turn, were incorporated into the respective Senate and House bills being developed by the Committees on Labor and Human Resources and Education, respectively, pursuant to their deliberations regarding the Reauthorization of the Higher Education Act.

As reported out and ultimately passed, the respective Senate and House reauthorization bills contained numerous so-called integrity provisions aimed at reducing and/or eliminating the mismanagement and abuse in Federal student financial aid programs revealed by the subcommittee's investigation. In effect, in anticipating the conference at which the differences between the two bills would be ironed out, I saw two strong reform measures going in and thus hoped that the final version would to the maximum possible extent incorporate the best of both. Indeed, to this end, I wrote the Senate conference leaders expressing my concerns along these lines and requesting a number of specific actions that I believed would help bring about the most desirable outcome.

I am pleased to be able to say that in terms of virtually all of the key title IV reforms, this is precisely what has occurred. What we have in the conference bill are a set of comprehensive and carefully crafted measures that effectively provide the Secretary of Education with virtually all the tools he will need to clean up the student loan program and to improve the Department's related management and oversight capabilities.

Notwithstanding these promising developments, I would be remiss if I did not raise one important caution: The key question that remains to be an-

swered is the extent to which the Secretary and the Department will be committed and able to effectively use these tools. I note, for example, that many of the most important reforms in the final bill will require subsequent rulemaking and other such actions pursuant to their implementation. These very areas, however, are among those shown by our investigation to be among the Department's greatest weaknesses. Accordingly, I want to put all the concerned parties in this regard on notice that I intend to carefully monitor the short- and long-term process by which the bill's legislative intent is translated into concrete policies and practices. It is not unlikely, moreover, that at some point in the future when sufficient time has elapsed for an assessment to be fairly made, I will direct that the Permanent Subcommittee on Investigations revisit these matters.

Finally, let me conclude these remarks by commending the efforts of the members of the respective Senate and House committees, and particularly their key leaders—Senators KENNEDY, PELL, HATCH, and KASSEBAUM and Representatives FORD and COLEMAN. Along these lines, I also want to acknowledge the singularly important contribution of Representative GORDON. These Members of Congress have done an outstanding job and deserve every bit of our admiration and appreciation for their work in behalf of developing a bill that promises to help our Federal student financial aid programs again become the vehicle for educating and training America's young people that they were intended to, and should always be.

LEONARD NIEDERLEHNER

Mr. WARNER. Mr. President, the Committee on Armed Services today held a hearing on pending nominations, including the nomination of David S. Addington to be the General Counsel of the Department of Defense. The committee took this opportunity to honor the memory of Leonard Niederlehner, a distinguished public servant, who served in the Defense Establishment for over 50 years, including service as Deputy General Counsel of the Department of Defense from 1953 to 1991.

I had the privilege of serving with Leonard during my tenure as Secretary and Under Secretary of the Navy, and continued thereafter to rely upon his sound counsel and unmatched knowledge of the Department of Defense. He was a remarkable individual, both in terms of his personal qualities, his integrity, and his devotion to public service, and we will miss him greatly in the years ahead.

I ask unanimous consent that the remarks of Senator NUNN and myself, along with a list of Leonard's awards and his obituary, be included in the RECORD at this point.

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

SENATE ARMED SERVICES COMMITTEE, HEARING ON CERTAIN PENDING NOMINATIONS, JULY 1, 1992

EXCERPTS FROM REMARKS OF SENATOR SAM NUNN, CHAIRMAN, SENATE ARMED SERVICES COMMITTEE

Mr. Addington, if confirmed, will be the first DoD General Counsel since 1953 to serve without the benefit of the wisdom and steady hand of DoD's long-time Deputy General Counsel, Leonard Niederlehner, who passed away last December. Len served in the defense establishment for over 50 years, and nearly 40 years as the Deputy General Counsel, where he earned an outstanding reputation for integrity, professionalism, and devotion to the public interest. He served as a role model and mentor for lawyers in the Office of General Counsel and throughout the Department of Defense. I know that Senator Warner, who as Secretary of the Navy worked closely with Len, will have more to say about him in his opening remarks.

EXCERPTS FROM REMARKS OF SENATOR JOHN WARNER, RANKING MINORITY MEMBER, SENATE ARMED SERVICES COMMITTEE

I want to thank the Chairman for his kind remarks about Leonard Niederlehner, who was a dear friend and a valued adviser. When I came to the Navy, Len was already a legendary institution in DoD. His knowledge of national security law, his ability to recall precedents for virtually every problem, and his devotion to the Department inspired all of us.

From 1969–74, during my service as Under Secretary and Secretary of the Navy, we were confronted with extraordinary challenges. I frequently called on Len for advice on the difficult problems we faced in terms of race relations, military justice, returning prisoners of war, contract disputes, and decreasing defense spending.

Len had seen it all. He was with the Navy in World War II, the Bureau of Yards and Docks after the war, with the Army-Navy Munitions Board from 1947–52, and with the DoD General Counsel thereafter. In Dean Acheson's words, he was indeed "Present at the Creation" of the Department of Defense. He not only knew all the laws and rules governing the Department, he knew the heart and soul of the Pentagon. He was particularly sensitive to the Department's special relationship with the American people in time of war and peace, as well as the rights and privileges of members of the armed forces. He was a strong guardian of the doctrine of civilian control.

Len received numerous awards attesting to the superb quality of his public service. When he died, on December 10, 1991, the American people lost a model civil servant, the men and women of our armed forces lost a friend, and I lost a valued colleague and advisor.

SIGNIFICANT AWARDS RECEIVED BY LEONARD NIEDERLEHNER

Distinguished Civilian Service Medal, Department of Defense 1961.

Rockefeller Public Service Award, 1960 (April 11, 1961).

National Civil Service League Award, 1965.

Distinguished Civilian Service Medal with Palm, DoD—1969.

Distinguished Civilian Service Medal with double Palm, DoD—1973.

The President's Medal for Distinguished Civilian Service—1979.

The President's Award for Meritorious Executive, with stipend—1980.

Department of Defense Distinguished Public Service Award—1981.

Presidential Rank of Meritorious Executive, with stipend—1985.

Distinguished Civilian Service Medal with triple Palm, DoD—1987.

Presidential Rank of Meritorious Executive, with stipend—1991.

[From the Washington Post, Dec. 14, 1991]

LEONARD NIEDERLEHNER DIES AT 77

Leonard Niederlehner, 77, deputy general counsel for the Department of Defense since 1953, died of respiratory failure Dec. 10 at Arlington Hospital.

Mr. Niederlehner, who lived in Arlington, was born in Cincinnati. He received his law degree at the University of Cincinnati College of Law and practiced law in Cincinnati before moving to Washington in 1938 as secretary to Rep. Herbert Bigelow (D-Ohio).

He was a lawyer for the Federal Security Agency in 1941, then during World War II served in the Navy. After the war he was counsel for the Navy's Bureau of Yards and Docks and later for the Army-Navy Munitions Board. In 1952 he became assistant general counsel for logistics in the Department of Defense, and he served in that capacity until 1953 when he was named deputy general counsel. He served in that position until his death.

He received the Rockefeller Public Service Award in 1961, four Department of Defense Distinguished Civilian Service medals, the National Civil Service League Award in 1965, the President's Medal for Distinguished Civilian Service in 1979, the President's Award for Meritorious Executive in 1980, the Department of Defense Distinguished Civilian Service Award in 1981 and the presidential rank of Meritorious Executive in 1985 and 1991.

Mr. Neiderlehner was former Arlington District Chairman of the Boys Scouts, and he had received the Silver Beaver Award for contributions to scouting. He was a member of Cherrydale United Methodist Church in Arlington and an enthusiastic sailor.

His wife of 35 years, Helen Warfield Niederlehner, died in 1983. Survivors include three children, James R. Niederlehner of Roanoke, Barbara Niederlehner Willis of Blacksburg, Va., and John L. Niederlehner of Arlington; and four grandchildren.

THE HIGHER EDUCATION REAUTHORIZATION ACT CONFERENCE REPORT

Mr. WELLSTONE. Mr. President, we have heard quite a lot of discussion in the past few years on how to reform education in this country. We have often discussed, here in the Senate, the problems we face as a nation in making sure our children receive an appropriate education, whether it be at the elementary, secondary or post-secondary level. The conference report for the Higher Education Reauthorization Act, which we passed last night, provides a way to address some of these problems. I believe it makes significant improvements in the ability of many Americans to gain access to higher education. I would like to take this opportunity to discuss a few of the points in the report and to thank my colleagues for supporting it.

We have seen, over the past few decades, some profound changes in the uses of higher education opportunities in this country. There are more people returning to school at a later age, more women seeking higher education as they leave housework and enter the work force, and a broader cross-section of the population seeking postsecondary education. These new school populations reflect deep transformations in both the American and the world economies. We cannot resist these transformations, but we can adapt to them and prepare for more.

We must find ways to improve access to higher education for these nontraditional students if we are to remain competitive as a nation. This bill begins to address this problem in some creative ways. We have agreed to provide up to $20 million in 1993 to institutions for the provision of child care services. We have changed the needs analysis for Federal aid to allow institutions to take into account child care costs. And we have added a $750 allowance for child care or disability related expenses in the tuition component of the Pell award rules. For those people who, 10 or 20 years ago, would not have returned to obtain postsecondary degrees, these are important steps in making that choice possible.

Another way in which this bill addresses the needs of nontraditional students is by expanding access to Pell grants. In today's economy, many people find it necessary to go back to school for retraining. Often, that retraining involves brief, part-time programs in which people quickly obtain needed skills. With these skills, many Americans are able to reenter the job market rapidly, support their families and avoid poverty. This bill will extend Pell grant eligibility to all students who are entering school for less than half-time study. It also will eliminate Pell grant limits on length of schooling, allowing students to receive the grants as long as they are making satisfactory progress. In these ways, this successful grant program will be adjusted to meet the changing needs of students.

We have also discussed the rising cost of higher education a great deal in the past year. Costs are, very simply, rapidly getting beyond the reach of most Americans. We cannot allow this to continue; I think we can all agree on this. This bill contains a few, modest ways of addressing this problem. Middle-income families may now find themselves qualified for student loans, since we have decided to exclude home and family farm equity from the needs assessments for all types of student loans. This corrects a problem that has severely limited the ability of many middle-income Americans to pursue their education. We have also established a new unsubsidized Stafford Loan Program, which will be open to all students. These changes should ease the burden the high cost of education places on students and their families.

I am also pleased to note that we have raised the Pell program's maximum grant levels. I hope we can find a way to fund this program at that maximum level, so that it can be available to all those who might qualify. As we all know, this is one of the best programs for getting money to students that we have. While we were not able to make this an entitlement program this year, I believe that by raising the grant levels, we have taken a much needed step in that direction.

Finally, Mr. President, I want to mention the Federal Direct Loan Demonstration Program that is included in this report. If this sort of program replaced all the current guaranteed loan programs, the GAO estimates we could save $4.5 billion over 5 years. The demonstration we are establishing will provide $500 million in direct loans, 35 percent of which will be paid back according to the ability of the student to pay. This program, in essence, cuts out the middleman. I believe it will provide an example of how efficient Government can work, not by turning to the private sector and adding layers of bureaucracy, but by streamlining the distribution of Government resources. It will also demonstrate our commitment, as a nation, to making sure higher education becomes affordable. I feel certain, Mr. President, that this program will become a success and, when we return to this again in 5 years, we will want to apply it to all Federal student loans.

This conference report addresses many of the concerns Americans have with access to, and with the affordability of, higher education. It is one step in our continuing work to improve education in this country and to make sure we remain competitive as a nation. I am pleased that we have been able to come together in support of this bill. I hope we can continue to work in this way, to put real meaning into our shared commitment to education.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. KERRY). Morning business is now closed.

FREEDOM FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES AND OPEN MARKETS SUPPORT ACT OF 1992

The PRESIDING OFFICER. The Senate will now resume consideration of S. 2532, which the clerk will report.

The bill clerk read as follows:

A bill (S. 2532) entitled the "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act."

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. PELL. Mr. President, on Monday of this week, the Senate began consideration of S. 2532, the Freedom Support Act. Several amendments on both sides of the aisle expressed support for the bill. Consequently, I trust that the work on this legislation will be completed prior to the July 4 recess.

As I stated on Monday, Senator LUGAR and I would like to keep this bill focused on aid for the former Soviet Union. I am urging we complete action on the bill quickly. And the way we can do that would be to avoid making this bill an all-purpose foreign policy vehicle.

Accordingly, I remind my colleagues that we will move to table any amendments not related to aid for the former Soviet Union.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, it is an honor again to be with my colleague and my chairman, the distinguished Senator from Rhode Island, in the management of S. 2523.

Mr. President, I ask the following members of the Foreign Relations Committee staff be given floor privileges during proceedings on this bill: James Nance, Michael Hathaway, Garrett Grigsby, Lisa Jamison, Danielle Pletka, Tom Kleine, and William Triplett.

I further ask the following members of the Agriculture Committee staff be given floor privileges: Brent Baglien, John Ziolkowski, and Andy Morton.

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

Mr. LUGAR. Mr. President, let me simply add for the RECORD that as we recapitulated the basic aspects of the Freedom Support Act on Tuesday, I do so again, pointing out that $620 million of assistance to Russia and the former Republics of the Soviet Union is in the form of technical aid and humanitarian assistance. Authorization for this $620 million is sought by this legislation.

As Senator DOMENICI and others pointed out in the debate on that day, we have a specific amount in mind, and it is 5 percent of the foreign assistance that our country will be making generally to countries throughout the world, throughout this year.

It is a part of the foreign assistance pie in the three pie-shaped situations of our budget resolution. I make that point because foreign assistance is capped and, therefore, this is not additional foreign assistance but $620 million within that particular classification.

In addition, Mr. President, we will be seeking authorization for the United States to replenish the International Monetary Fund, an essential step if

Russia, in particular, is to enter the world economy, and if American business is to enter Russia in any substantial way.

Finally, Mr. President, we will be authorizing a number of ways in which Americans can impact upon Russia and the former Republics in exchange programs, in business programs, with Exim, with OPEC, with exports, and with cultural exchanges.

My hope is, Mr. President, if there are amendments to the legislation, they will take the form of imaginative enhancements of these ways in which Americans can have an impact, showing forth our ideals, our philosophy, and likewise learning from people in Russia who may come here under the impact of this legislation.

I join the distinguished Senator from Rhode Island in the hope that we will consider this a very important foreign policy bill—perhaps one of the most important we should consider this year, if not the most important.

To impact upon that importance with additional foreign policy disputes, however merited, jeopardizes, I believe, our pursuit. I am hopeful that Members will be mindful of that, and work with the distinguished Senator from Rhode Island and myself during the course of our debate.

I thank the Chair.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. I thank the Senator from Indiana for his very articulate summation of what we are attempting to accomplish here, and as the first order of business I ask unanimous consent that the committee amendment to S. 2532 be considered as original text for the purpose of amendment.

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

AMENDMENT NO. 2646

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

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Rhode Island [Mr. PELL] proposes an amendment numbered 2646.

On page 30, line 17, strike "such sums as may be necessary" and insert in lieu thereof "$620,000,000";

On page 37, lines 12 and 13, strike "such sums as may be necessary" and insert in lieu thereof "$18,000,000" and on line 22, strike "such sums as may be necessary" and insert in lieu thereof "$6,800,000";

On page 44, line 20 , strike "Acts." and insert in lieu thereof "Acts, and provided that no net budget outlays result therefrom."; and

On page 51, lines 8 and 9, strike "such sums as may be necessary" and insert in lieu thereof "$850,000,000.".

On page 52, strike lines 7–13.

Mr. PELL. Mr. President, as I mentioned in my opening statement on Monday, Senator LUGAR and I are offering this amendment. It replaces "such sums as may be necessary" language with numbers that actually conform to the administration's authorization request in its 1993 budget. The amendment we are offering would replace, as we have just said, "such sums as may be necessary" language and authorize specifically $620 million for fiscal year 1992–93 for bilateral programs for the newly independent States of the former Soviet Union.

In addition, it would authorize $18 million to be appropriated to the State Department for fiscal year 1993 for costs of personnel and other expenses proposed for posts in the independent States of the former Soviet Union and $6.8 million to the USIA for fiscal year 1993 for international information, education, cultural, and exchange programs. Our amendment would also authorize $850 million for fiscal year 1992–93 for SEED activities in Eastern and Central Europe. $400 million for fiscal year 1992 is already contained in the continuing resolution. The remaining $450 million in the authorization covers the administration's appropriation requests for 1993.

With regard to the quota increase for the International Monetary Fund, the bill already makes explicit that the quota increase is limited to such amounts as are appropriated in advance in appropriation acts. The amendment adds language specifying that the authorization appropriations are valid only to the extent that no net budget outlay results therefrom.

Finally, this amendment would strike section 20(b) of the bill, which has the potential of direct spending impact.

I ask unanimous consent that a timely representation of the funding aspects of this amendment be printed at this point in the RECORD.

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

FOREIGN RELATIONS COMMITTEE AMENDMENT ADDING SPECIFIC AUTHORIZATIONS OF APPROPRIATIONS TO THE FREEDOM SUPPORT ACT

[Budget authority by fiscal year, in millions of dollars]

	1992	1993
IMF quota increase [1]	12,314	.....
Bilateral aid to CIS countries [2]	150	470.0
State Department posts	.....	18.0
USIA posts	.....	6.8
Eastern Europe SEED Program	[3](400)	450.0
Total of new appropriations authorized	12,464	944.8

[1] Involves no net budgetary outlays. Committee amendment will clarify that U.S. contribution is contingent on no net outlays resulting.

[2] Committee amendment authorizes $620 million for fiscal years 1992 and 1993 without specifying amounts for each fiscal year. The breakout of this amount above corresponds to the Administration's requests for each fiscal year.

[3] This amount has already been appropriated and is therefore not included in the total of new appropriations authorized.

Mr. LUGAR. Mr. President, I support the amendment. The amendment is an important one, as was brought to our attention during hearings on the Freedom Support Acts. Specifically, members of the Appropriations Committee, noting language such as "such sums as may be necessary," asked that we be explicit.

As the distinguished chairman of the committee pointed out, we consulted with the administration. We have made very explicit reference in the numbers to be substituted during the course of this amendment. For these reasons, we believe this amendment is an important addition to the legislation at this point, over its structure to the situation with regard to authorization, and I strongly support adoption of the amendment.

Mr. PELL. Mr. President, at this time, I ask unanimous consent that the committee amendment be considered and agreed to for purposes of original text.

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

The original committee amendment as reported will be considered, and will be considered as original text for the purpose of amendment.

Mr. LAUTENBERG. Mr. President, the Foreign Relations Committee has proposed an amendment to eliminate section 20(b) of this bill. This section extends through 1994 the ability of parolees from the former Soviet Union, Vietnam, Laos, and Cambodia to receive permanent residence status after living in the United States for 1 year. During full committee markup of the Freedom Support Act, Senator BIDEN offered this extension at my request.

Unfortunately, the Congressional Budget Office has determined that this extension could potentially affect direct spending because, once adjusted to permanent resident status, these persons could be eligible for and receive Government assistance. Consequently, a 602(b) budget point of order could be raised against this bill as a result of this provision. Therefore, I have agreed to the committee amendment to remove section 20(b) from the bill.

Mr. President, I agreed to this amendment reluctantly. The CBO does not know the number of parolees who would qualify for adjustment. Nor does it know the number of parolees who would use public assistance once they are permanent residents. It does not, and cannot, estimate the cost of this subsection of the bill. I do not think it would be a great deal of money. Additionally, as a policy matter, I believe that those who are denied refugee status, and who enter the United States under the parole program, should have the opportunity to adjust to permanent resident status.

However, in light of the fact that a member of the Senate could bring this entire aid package down as a result of this provision, however modest the cost might be, I have agreed to remove it from the Senate bill.

Mr. President, the committee amendment does not eliminate section 20(a) of the bill, which extends through 1994

a category for establishing refugee status for certain historically persecuted groups from the Soviet Union, Vietnam, Cambodia, and Laos. This provision, which facilitates the designation of refugee status, is working well and should be extended for 2 years.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Rhode Island.

The amendment (No. 2646) was agreed to.

Mr. PELL. The bill is open for amendment. I urge Senators to come to the floor if they have amendments.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

AMENDMENT NO. 2647

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

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Rhode Island [Mr. CHAFEE], for himself, Mr. RIEGLE, Mr. DOLE, Mr. FOWLER, Mr. WARNER, and Mr. GARN, proposes an amendment numbered 2647.

Amend section 5 by adding under (b) Ineligibility for Assistance a new number (6) as follows:

(6) is not fully cooperating with the U.S. Government in uncovering all evidence of the presence of live or deceased American prisoners-of-war who came under Soviet control during or after the Vietnam war, Korean war, World War II, or during other American operations in or around the former Soviet Union during the cold war.

Mr. CHAFEE. Mr. President, I ask that Senators DOLE, FOWLER, WARNER, and GARN be added as cosponors.

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

Mr. CHAFEE. Mr. President, most Americans, no doubt, were shocked, during the recent visit of President Yeltsin, to hear his statement that Americans captured during the Vietnam war may be being held today in Russia.

We also have seen reports that several dozen Americans may have been captured by the Soviet Union, the former Soviet Union, while engaged in covert operations which took place during the cold war. The cold war, as we all know, is now over. It seems to me no longer is there any justification for silence on these matters.

What this amendment does, Mr. President, is to require that the governments of Russia and the other new Eurasian Republics cooperate fully with the United States in the search for live or deceased American prisoners of war who came under the control of the former Soviet Union. This would apply to any Americans who came into Soviet custody during or after World War II, the Korean war, the Vietnam war, or, Mr. President, during any covert American operations in or around the Soviet Union during the cold war.

If the President of the United States determines that the governments of the new Republics are not fully cooperating with the United States, he, the President of the United States, must suspend the aid which we are providing for under this legislation.

The aim of this amendment is to resolve the questions concerning those courageous Americans who are willing to sacrifice their lives in the service of our country. Even if there is only a 1 percent or one-tenth of 1 percent or one-hundredth of 1 percent chance of finding a single American alive, I think, and I am sure every Senator agrees, that every effort must be made to find that American.

My amendment gives the President of the United States another tool to use in this critical search. That is why the administration is in favor of this amendment.

Mr. President, I will say a couple of words, if I might, of a personal nature. My perspective on this was shaped during the time that I was Secretary of the Navy, which was during the Vietnam war.

At that time, I learned firsthand of the anguish of the families of American servicemen taken prisoner or missing in action. As we all know, during that period, we had Americans who were prisoners of war. And one of the opportunities that I had during that post as Secretary was to work with those parents, wives, and loved ones of our American servicemen who were prisoners of war in Vietnam.

A long time has passed since the end of that war, and now the hopes of those families have been raised again. We owe it to those families to take every possible step to uncover the fate of their fathers, brothers, loved ones, husbands, to the extent that we possibly can.

I certainly agree, as does, I think, the majority of this Senate, that it is very, very important to help the Republic of the former Soviet Union. I am going to support that measure. It is in our best interest as a nation to do so. We appear to be starting a new and productive relationship with those Republics of the former Soviet Union. This amendment will be an added incentive for that relationship to prosper.

So I hope that the amendment will be accepted.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I deeply appreciate the words of the distinguished junior Senator from Rhode Island. He has certainly expressed the will of the Senate, as far as I can define it today, on this very serious issue. For the benefit of Senators who are following this debate, the Senator has added a sixth ineligibility-for-assistance reason. There are five in the bill presently under section 5.

I mention this because the committee considering this legislation, working with the administration, has already indicated that we would not make aid available to nations that have gross violations of human rights or international law, or are engaged in a pattern of unlawful military action against a country friendly to us, and so forth.

Certainly, the amendment offered by the distinguished Senator is fully consistent with that section and makes a useful addition to the bill. Therefore, on our side, we are prepared to accept the amendment.

Mr. PELL. Mr. President, I think we all share the same emotions and sentiments about the POW's and MIA's, not only for them but for the anguish and heartache of their families. So it is very appropriate that we direct even more attention now, than we have, to this. This amendment of the junior Senator from Rhode Island seems to be an excellent one. I am informed that the administration is also supportive of it.

I suggest, if there is no further debate, that we vote to accept it.

Mr. CHAFEE. Mr. President, I ask unanimous consent that Senator D'AMATO be added as a cosponsor.

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

Mr. DOLE. Mr. President, I fully support and cosponsor the Chafee amendment on POW/MIA's.

President Yeltsin has come forward to offer his help in tracking down the history of any U.S. servicemen that may have been held on Soviet territory. It only makes sense that we should pursue that history thoroughly and responsibly with the governments of the former Soviet Union.

We owe it to the American people—and especially the families of our service men and women—to take every reasonable measure we can to face this history and to finally lay it to rest.

Mr. President, I urge my colleagues to adopt this amendment to condition aid to the new Republics on their granting us full cooperation on this important, and very emotional, issue.

Mr. D'AMATO. Mr. President, I rise today to cosponsor the amendment by the distinguished junior Senator from Rhode Island to add an additional ineligibility for assistance condition. This amendment provides that if Russia "is not fully cooperating with the United States Government in uncovering all evidence of the presence of live or deceased American prisoners-of-war who came under Soviet control * * *," then it is ineligible to receive aid.

As a member of the Select Committee on Intelligence, I have been concerned since the Soviet shootdown of Korean Airlines flight 007 about the issue of previous cold war-era Soviet shootdowns of United States aircraft, and the fate of the crewmembers. In

addition, my efforts on behalf of the Vietnam-era POW/MIA cause have sensitized me to the question of possible Soviet involvement with Vietnam-era, Korean War-era, and World War II-era American POW's.

Earlier this year, I asked the Congressional Research Service of the Library of Congress to conduct a comprehensive search of open source material on the cold war incidents between the United States and the Soviet Union or other Communist States, in an attempt to learn how many United States personnel remain unaccounted for after those incidents. CRS has just completed this effort, the results of which I plan to share with the President, the Select Committee on POW/MIA Affairs, and Russian authorities.

Knowing about the state of affairs involving our efforts to resolve the fate of our Vietnam-era POW/MIA's in Southeast Asia, I must say I was not surprised to discover that the record concerning United States-Soviet cold war incidents and the personnel involved in them is not consistent or complete.

I intend to press the executive branch to work to identify every incident and every person involved in these incidents, and, where questions remain concerning the fate of any individual, work diligently to resolve those questions. I am pleased to be able to provide this information CRS developed to the select committee, to assist their efforts in this area.

Most significantly, the statements Russian President Boris Yeltsin made in connection with his recent visit reopened questions in the minds of family members who had been told their loved one had died in one of these incidents. I commend President Bush for his rapid response to these statements, sending Ambassador Toon to Russia to continue his work with the joint United States-Russian investigation to get to the bottom of this matter.

Mr. President, I ask unanimous consent that a story entitled "United States-Russian Probe Discovers No Evidence of POWs, MIAs," that was published on page A28 in the July 1, 1992, edition of the Washington Post be printed in the RECORD at the conclusion of my remarks.

In this story, President Bush is quoted as saying Ambassador Toon's "* * * search has yet to uncover any evidence that American MIA's or POW's are currently being held in Russia." The President continued, "The United States * * * will take every possible action to learn the status of those taken prisoner or missing in action. We are going to try to get to the bottom of this so we can allay the concerns of every family that might possibly be involved."

Clearly, we have just begun to work on the question of cold war incidents and the fate of personnel involved. The Defense Department is just gearing up its effort to assemble the facts. Other responsible agencies are not even that far advanced in this effort.

A major step forward would come from full Russian cooperation with this effort. It holds out the promise that, if any American personnel still survive in the former Soviet prison system, they will be released and returned home to their families. It would allow the repatriation of the remains of any United States personnel who died in Soviet custody or on Soviet territory, so they may rest in their own country's soil. Russian cooperation is critical to the success of this effort.

I commend the distinguished junior Senator from Rhode Island for his amendment. It makes a significant contribution toward the resolution of this issue. I am pleased to join with him as a cosponsor and I look forward to working with him on this matter in the future.

Thank you, Mr. President.

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

[From the Washington Post, July 1, 1992]

UNITED STATES-RUSSIAN PROBE DISCOVERS NO EVIDENCE OF POWS, MIAS

President Bush said yesterday that a joint U.S.-Russian investigation has failed to uncover evidence that American POWs or MIAs remain alive in the former Soviet Union.

Bush met with Malcolm Toon, a former ambassador to the Soviet Union, who last week went to Moscow to investigate statements by Russian President Boris Yeltsin that some American POWs might still be alive in Soviet labor camps.

"His search has yet to uncover any evidence that American MIAs or POWs are currently being held in Russia," Bush said in remarks to an agricultural group. "The United States . . . will take every possible action to learn the status of those taken prisoner or missing in action."

"We are going to try to get to the bottom of this so we can allay the concerns of every family that might possible be involved," he said.

Toon, chairman of the joint U.S.-Russian commission on POWs and MIAs, told reporters, after meeting Bush in the Oval Office, that based on what he has been told and seen, "there probably isn't any live American POW being detained against his will in Russian facilities" or the former Soviet Union.

Toon said Russian officials, at his urging, agreed to make a statement within two weeks as to "whether there [are] live American POWs being detained against their will."

Nonetheless, he said, there is "very little likelihood" of any Americans being held against their will.

A major outcome of Toon's visit was that Russian security officials pledged to open up their archives on the POW matter after initial hesitancy about giving the United States access to secret information. Toon said that in spite of Yeltsin's vow to open up all archives, some mid-level bureaucrats were reluctant to do so.

"I came away encouraged that the top security chiefs are prepared to carry out Yeltsin's instructions—make all information available to us," he said.

Toon said the group would next meet in August.

The PRESIDING OFFICER. Is there further debate?

The question is on agreeing to the amendment.

The amendment (No. 2647) was agreed to.

Mr. CHAFEE. Mr. President, I thank my colleagues, the distinguished chairman of the committee, and the distinguished senior Senator from Indiana, for their support on this amendment. I also want to say that I wish them success with their efforts today. I do not know exactly what the schedule is, but certainly I will do everything I can to help them with this legislation, which I think is so important to our country. I hope all Senators will support it. Yes, it is going to cost some money, but it is an investment; just like we invest in defense, we invest in this type of aid.

Am I correct that of our total aid package, this represents something like 5 percent?

Mr. LUGAR. The Senator is correct. The distinguished Senator from New Mexico [Mr. DOMENICI] pointed out in debate on Tuesday that 5 percent of our entire foreign assistance is embodied in the authorization that we ask today. That is a fairly small amount for a major relationship.

Mr. CHAFEE. Mr. President, I think there is a time in the affairs of men that must be seized upon, and this is it. It does no good for us to do something next year. It may be too late. I think we all know that the emerging democracies in these republics are fragile, and now is the time to help.

My father once told me that "the time to help somebody is when they need help." This is it. I think it is a sterling investment on the part of the United States and can reap great benefits for our Nation and for all of our citizens, if those fragile democracies survive and flourish; whereas, if they go in the other direction, all kinds of sums are not going to be able to resuscitate the situation.

ADDITIONAL COSPONSOR

Mr. CHAFEE. I have received a request, and I ask unanimous consent that Senator PRESSLER be added as a cosponsor of the amendment.

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

Mr. PELL. Mr. President, I thank the Senator for his kind remarks and welcome his support, because we need the support to get this bill through. He is so correct, because we do not realize this as Americans, because we have enjoyed democracy for a couple hundred years; and it is an extremely fragile economy that the Soviets have enjoyed for only 6 months in 1917, and for a few months now, and they are not familiar with it. It is going to be much tougher for it to take hold there than it is for

us to face similar questions here. We need the support of all of our colleagues, because it is particularly an important bill.

Mr. CHAFEE. Mr. President, I want to make a point that was brought home to me at a conference I went to earlier this year, what is attempting to be achieved in Russia at the same time. In Russia, they are going through a depression. It is more than a recession, it is a depression. They are trying to convert their economy from a controlled state economy to a free market economy. They are seeing their nation split up, with great sections of it going off in separate directions from the former U.S.S.R. to what is now known as Russia. They are attempting to achieve a democracy from an autocratic regime, and they are going through a dramatic downsizing of their military.

So those are five monstrous changes, any one of which is enough to wrench a country around. Indeed, in our country, we are just going through two of those, and we are finding it dramatic. We are going through a recession and through a downsizing of our military.

But in Russia they are doing all five simultaneously. So no wonder they are having difficulties, challenges, and troubles. No wonder they need some assistance.

I think it is right and just that the United States come forward at this particular time.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

THE OTHER STATES OF THE FORMER SOVIET UNION

Mr. PELL. Mr. President, the recent visit of Russian President Boris Yeltsin and the Senate's consideration this week of the Freedom Support Act have given many people the impression that America's interest in political and economic reform in the former Soviet Union is limited to Russia. That should not be the case, because there are fourteen other states of the former Soviet Union with a population totaling 130 million that also merit our close attention and strong support.

Pamela Harriman, the vice chairman of the Atlantic Council, recently wrote a very thoughtful article on this subject, which was published in the Washington Post on June 26. I ask unanimous consent that the full text of her article, entitled "Our Moscow Blinders," be printed in full at this point in the RECORD; and I commend her article highly to my colleagues.

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

[From the Washington Post, June 26, 1992]

OUR MOSCOW BLINDERS

(By Pamela Harriman)

Two recent events, a few days apart, one witnessed by most Americans, the other noted only by experts, leave contradictory impressions about our relations with the former Soviet Union. One, the visit of President Yeltsin, reinforces a comfortable pattern of thought. The other, the fighting in Moldova, a place unknown to most Americans, challenges that pattern of thought as inadequate and even dangerous.

The Yeltsin trip to Washington, his rousing anticommunist speech to Congress and the arms control pact, agreed to even without an assurance of economic aid, presumably show how well the United States is doing in dealing with the nation that was formerly our most deadly adversary. By now we have all learned, in a politically correct way, to substitute "Russia" for the "Soviet Union" in our reporting, our discourse and—increasingly—in our national consciousness. The change symbolizes one of the great, transforming, peaceful revolutions of all time.

But it also ignores 14 other independent states that only a short time ago were part of the Soviet Union, states with a population of 130 million, with vast problems and vast resources. They are not Russia and do not want to be. The most important of them, Ukraine (not "*the* Ukraine," its people tell you, because they are a nation, not part of one), sits on a knife's edge of potential conflict with Russia over Moldova, the Crimea, the lack of financial coordination with Moscow and the widespread Ukrainian suspicion that there are forces in Moscow bent on ending Ukrainian independence.

This sense of separateness from Russia was something I learned last month on a trip to the former Soviet Union. It was not the assumption I took with me. In fact, I began in Moscow, and I arrived sharing the conventional view.

The city itself was enveloped in depression, its streets dirty, its buildings falling down, a feeling of deterioration everywhere. Despite the televised images, there is in fact an abundance of food, not a shortage—free markets, out of reach for the average citizen, that sell fruit and vegetables from nearby nations, and even bananas imported from Colombia. There are ruble supermarkets, inefficient and less well-stocked, but still they have some food. The problem is a lack of purchasing power, not supply. Pensioners receive 500 to 900 rubles a month—at the black market rate, the equivalent of $5 to $9. Young people work at three jobs and sell old shoes and old clothes at the kiosks in the street to make ends meet.

The hope is that all this represents the gradual, painful evolution of a free market. But the reality is urgent. What we saw in Moscow vividly, powerfully conveyed both the need for outside help—and a warming of its inevitable modest impact. "The long, twilight struggle" did not end with the downfall of communism. It entered a new phase, a long aftermath in which we have to deal with the Russia that is the remnant of the superpower, but we can no longer afford our historic habit of seeing things in the former Soviet Union only or primarily through the prism of Moscow. With the Soviet monolith shattered, our approach to that area can no longer be monolithic.

You can see and sense the change in any of the new states, as we did on our next stop in Uzbekistan. The four-hour flight from Moscow to Tashkent crossed more than the amorphous divide between Europe and Asia; in spirit and appearance, the places were two different worlds.

In Tashkent, one feels a great rush of energy and even optimism that has been released by freedom from the Soviet Union. Uzbekistan faces a doubling of the population in the next 20 years, the shrinkage of the Aral sea and the prospect of water shortages, a lack of capital and all the risks associated with rising Islamic fundamentalism. But it also has a growth rate three times higher than the old Soviet Union; it is rich in gold, potential oil and cotton. President Islam Karimov told us, "These resources never served the people until recently; they served only the center, only Moscow. When I was minister of finance [under the Soviets], I never even knew what our gold production was. Still today, we can produce only the raw materials, but have no processing capacity."

The President seeks foreign investment, investment that can turn a profit—and Uzbekistan plainly needs technical assistance, a transfer not primarily of money, but of expertise in the free enterprise system, environmental cleanup, and advanced education. Uzbekistan, site of the legendary Samarkand, is Islamic to the core; but its officials insist it prefers the Turkish secular model, not the Iranian one. And they ask, doesn't the United States have an interest in that? They also complain, as President Karimov did, that too much reporting of Uzbekistan is done from the vantage point of Moscow.

The complaints took on a fierceness, an urgency, 500 miles away from Moscow in Kiev, the capital of Ukraine. Not only do the people of that country feel a direct threat. They also remember that it was in their country, a little more than a year ago, that George Bush delivered his Realpolitik admonition to the Soviet republics not to work for their independence. The "Chicken Kiev" speech, as it is known, is a symbol to Ukrainians of an America apparently obsessed with Moscow.

The Ukrainian tension with Russia involves more than specific disputes. Moldova, the Crimea, control of the Black Sea fleet (a decidedly backwater element of the former Soviet Navy) are metaphors for a fear of Moscow's larger appetite. Most Ukrainians want Yeltsin, who is seen as reasonable, to succeed. They worry, however, about his vice president, Alexander Rutskoi, and about the Russian hard-liners who have taken an increasingly aggressive approach to Ukraine, which, with 3 percent of the former Soviet territory, accounted for more than 30 percent of all Soviet food production.

One reaction to the Russian threat, we were told, comes from elements in the Ukrainian military, including former Soviet generals, as well as the nationalists and former party people, who are prepared to demand that Ukraine keep the Soviet nuclear weapons still on its territory—and use them, as a political, if not military, defense against Russian ambitions.

The United States and the world clearly have an interest in averting that crisis. Just as clearly we cannot police relations across the vast, complicated expanse of the former Soviet empire, where a minority of ethnic Russians live in virtually every one of the new nations. But we can and must understand the reactions of countries pillaged by Moscow for 75 years. They cannot go it alone. They need Russia economically, and Russia needs them. But they will resist domination, even if they have to pay an economic price—and a critical element in setting the right balance will be the weight of American diplomacy. We can create a foreign policy that sees issues whole, not just from one point of view.

For example, much of the rest of the former Soviet Union has better economic prospects, at least for now, than Russia. The other nations may need less in the form of direct aid; instead they need more technical assistance and investment. As nation states, they need to learn how to deal with the outside world on their own, and not just through Moscow. They have never done it before; they yearn to begin doing it with the United States.

For us to do otherwise, to see Moscow any longer as the single focal point of this entire Eurasian expanse, would be both foolish and perilous. Would we deal with all of Europe through Bonn, or all of South America through Buenos Aires? We have recognized the new states of the former Soviet Union diplomatically. But that has to be more than a diplomatic nicety; it has to become a day-to-day reality in our foreign policy. It is time to recognize and respond to the rest of the former Soviet Union, while we continue to regulate our relations with the Russian Federation.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I ask unanimous consent that a member of Senator DOLE'S staff, Ms. Margot Berray, be granted floor privileges for the pendency of S. 2532, the Freedom Support Act.

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

Mr. LUGAR. Mr. President, I wish to draw the attention of the Senate to an article which appears in the New York Times this morning written by Steven Erlanger entitled, "Newest 'Reforms' Will Vex Russians." The point of this article is that, and I quote:

The first of July has been billed as the dawn of an ambitious second stage of Russia's economic reform, including, most importantly, a single floating exchange rate for the battered ruble. The changes are important for the Government and for business, but for most individual Russians they will mean still higher prices for the goods they buy.

Mr. Erlanger goes on to point out that these new changes once again illustrate the political daring and courage of President Boris Yeltsin and Prime Minister Yegor T. Gaidar, who were recent visitors to us.

The article points out that Mr. Yeltsin, and I quote, "is attempting to balance political survival and economic reform. The International Monetary Fund is negotiating with the Russian Government as an agent for Western aid-givers. The fund is trying to balance its financial credibility against political pressures from Western governments."

In short, Mr. President, a very precarious situation ensues commencing today as Russia attempts to find convertibility for the ruble. Specifically, a ruble value of 125 rubles to the dollar, more or less has been established until an auction occurs.

People in Russia will not be able to exchange rubles for dollars. And the article points out that that may still run into limits even somewhere down the trail. But for the moment at least an attempt is being made to equate the Russian ruble with the rest of the world. It is an absolutely necessary step if American business is to do business in any volume in Russia.

So I mention this as a part of our debate, Mr. President, because this is what we are about today. We are attempting to facilitate humanitarian assistance, but even more importantly a relationship between the United States and our private business persons and those in Russia. And the convertibility quest which begins today is at the heart of that predicament.

Mr. PELL. 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. 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.

Mr. LEAHY. Mr. President, I remember back on March 12, I had a meeting with Bob Strauss, our Ambassador to Russia. Bob and I had talked before about what was needed to get an aid package through Congress for Russia and he asked me again what needed to be done that might make a difference to the forces of democracy in Russia.

Our meeting took place about 4 months after I made several speeches criticizing some of the policymakers in the administration for failing to recognize the historic opportunity caused by the fall of the Soviet Union. At the time, the administration had only agreed to a tiny aid package to the former Soviet republics. It was in many ways still dithering about whether, when, and what kind of larger aid program it might propose.

Ambassador Strauss, like some others, was concerned that we had an unprecedented opportunity that was going to escape us, an opportunity to alter relationships between nations for the good of all.

I shared then, as I do now, Ambassador Strauss' concern. That is what I told him:

I said:

Tell the White House to stop the game of symbolism and policy by press release. Get the experts to put together a comprehensive, serious assistance program. Pull everything together in one overall package. Do it on a scale that could help Russia stabilize economically and begin the long hard job of building the basic institutions of democracy and free enterprise, all of which are completely lacking in the former Soviet Union.

Tell the White House to be imaginative. Forget the old ways of doing foreign aid. Forget the budget tricks to inflate the numbers to seem much larger than they really are. Be honest with the American people about what we can really afford to do. No more gimmicks.

The American people know there is only so much they can afford to do. They want to know what we are going to do and how.

I said:

Consult the leadership in Congress, lay the foundation of bipartisan consensus, because there are many in Congress, Republican and Democrat alike, who want to help. Then, take the overall package, send it to Congress, and then go all-out to get it passed.

The Ambassador and I agree on one thing: This is a historic chance to transform the world and secure the peace for generations to come, if the United States is willing to lead and rally the West. As I told President Bush and Secretary Baker and both the Republican and Democratic leaders, I am ready to cooperate with the administration to answer this challenge to our leadership.

On March 4, I said much the same things on the Senate floor. I urged the administration to stop the "piecemeal and backdoor approach" to the crisis in Russia. I said on the floor at that time:

If the President will give us leadership and come forward with a national plan for aid to the republics, as chairman of the Foreign Operations Subcommittee, I will do my part. I am eager to participate in a bipartisan coalition in support of a bold new program to build democracy and freedom in the former Soviet Empire.

Now, I do not know whether my advice struck a responsive chord, or perhaps others were saying the same thing, because a short while later the President submitted to Congress the Freedom Support Act—a bill to establish a major assistance program for the newly independent republics of the former Soviet Union.

In general, it seemed that the administration was finally recognizing what people like former President Richard Nixon had been calling for—aid to the former Soviet states. But unfortunately, the administration aid package had several glaring problems.

First, it was submitted without real consultation with Congress. It made no attempt to build a bipartisan coalition nor to show the American people the importance of helping the transition to democracy.

Since bipartisan support and backing from the American people are essential to pass major foreign policy spending, the administration's actions left many wondering whether the Freedom Support Act was another public relations effort to be used to blame Congress or an important piece of legislation they really want passed.

Second, the President's bill seems to have been drafted in a frenzied hurry by White House staff with little idea what they were doing. The resulting bill was vague, leaving Congress to fill in the blanks.

Third, and this concerned me a great deal, the bill ended up being not much more than a blank check—an open-ended line of credit on the Treasury to fund foreign aid. In some ways, the bill that came up here was an anachronism, better suited to the foreign policy of the 1950's. It ignored the lessons of Vietnam, Watergate, and Iran-Contra.

The bottom line on the bill was simple, "Just trust me."

It gave the President total discretion over the entire aid program to use it any way he sees fit. All normal congressional checks and balances—the sort that are commonplace in any minor or major piece of legislation—were gone.

The Freedom Support Act, initially, would have allowed the President literally to waive any law on the books, including any dollar limits Congress may impose, when providing aid to the republics. He could waive any credit program ceilings, transfer any amount of foreign aid funds appropriated for other purposes to Russia, use appropriations for foreign aid programs to pay State Department salaries and expenses, and to meet the administrative costs of nonforeign assistance agencies in the republics.

I can not remember a time in my eighteen years in the Senate when any President of any party ever asked for such an extraordinary grant of authority over a program, whether it be foreign aid or domestic help.

If left that way, that makes the bill, in my mind, fiscally irresponsible. So I could not support it in that form.

Fourth, the administration refuses to learn the lessons of Saddam Hussein—that guaranteeing loans to a nation that is not creditworthy increases the risk that American taxpayers will be left holding the bill.

The administration's current thinking is the same that led it to guarantee $5 billion in loans to Saddam Hussein in the months and years leading up to his invasion of Kuwait. And now, American taxpayers are left with the bill—$1.9 billion in Iraqi loans that Saddam Hussein refuses to pay back to domestic and international banks.

And I commend the distinguished chairman of the Foreign Relations Committee who was a lonely voice on the floor of this Senate time and again in trying to cut off those kinds of credit guarantees to Iraq.

While the money to Iraq went on the ledger pages as loan guarantees, it came back as nothing more than $1.9 billion for foreign aid for Saddam Hussein.

This Senate never would have voted for $1.9 billion in foreign aid to Saddam Hussein—at least I hope we would not. But, by cosigning notes with no sense of creditworthiness, the effect is the same, our country ends up paying.

So we cannot use loans that are not going to be repaid as a way of camouflaging foreign aid like we did with Iraq.

In this bill before us today, the administration wants to use the Commodity Credit Corporation agricultural export credit guarantee program through which it entices domestic and foreign banks to loan money so that other countries can buy U.S. agricultural goods. Now, that is a good idea, but if the foreign government fails to pay back the loans, the U.S. taxpayers will. That is not good.

The CCC programs have a creditworthiness requirement—a clear and simple standard for determining if loans to a country should be backed by American taxpayers. USDA is barred from backing loans if it determines that a country cannot pay back the loan.

This requirement makes sense. Why should we, in effect, cosign a note on a loan if, at the same time we are doing it, we know the person borrowing the money or the country borrowing the money is never going to pay it back? We should not do it.

If the administration wants foreign aid for the former Soviet republics, or any other country for that matter, then it should lay out the case for the American people; say, "Here are the solid reasons to give foreign aid to whatever the country." Then have a debate. Then vote it up or down. Let us not slip into a new foreign aid program through a sleight of hand.

I believe that because the administration knows the republics may not be able to pay back the loans, it now proposes weakening this creditworthiness standard.

Section 18 of the Freedom Support Act undermines current law by mandating that USDA take into account other factors, unrelated to a country's ability to service its debt—such as market potential—when it makes its creditworthiness determination.

And this section is not without cost. CBO acknowledges that this provision may result in more defaults and concludes that it could cost between $100 million and $2 billion, in that ballpark; a pretty big ballpark.

In the past, the Soviet Union was a good cash customer of the United States. It paid its bill on time. However, with the breakup of the Soviet Union and changing economic conditions, all of the republics are facing serious cash-flow problems. Some may not be able to pay back U.S. taxpayers.

The bottom line is clear. While we must help the Commonwealth of Independent States, we cannot leave the American taxpayers exposed to bad debts that cannot be repaid. A strong creditworthiness requirement is—in the words of a former administration—a safety net to protect American taxpayer from holding the bag.

Mr. President, when I speak of these things I reaffirm my belief that we have a historic opportunity here, one that we should not lose.

I generally make notes each day in a journal that I keep of the days in the Senate. And I noted in my journal when Boris Yeltsin spoke to the joint session of Congress, the historic significance of it. Nothing in the post-cold war period in my mind was as significant as that speech. It ranks with the image of the tearing down of the Berlin Wall. We saw the Berlin Wall come down and we saw the end of communism as we knew it.

But recently we saw the President of Russia speaking before a cheering Congress, offering unilateral arms control initiatives, opening files that had long been closed to everybody, including the citizens of his own country.

I think it has to be etched in our national memories as the symbol of the end of the cold war. It is an end of that era, but the beginning of a new one. It presents us in the United States with an opportunity to play our part in the transformation of the old Soviet empire into a democratic, free, peaceful nation. That is why I am prepared to support this bill—notwithstanding some of the concerns I have expressed—if some amendments I intend to offer today are included.

Mr. President, there are some concerns that I have expressed before to the distinguished chairman and ranking member of the Foreign Relations Committee regarding some appropriations issues. I had lengthy and sometimes difficult negotiations with the administration. But major changes, that I proposed were agreed to, and were incorporated in the bill before the Senate today. I think that they restore the Appropriations Committee's rightful role in appropriating specific amounts of aid for the republics.

I want to thank Senators PELL and LUGAR and the committee for incorporating my changes, and the administration in accepting them.

FOREIGN OPERATIONS CONSIDERATIONS

I would like to review those portions of the bill that relate to the Foreign Operations Subcommittee.

The President's bill tried to write the Appropriations Committee out of the picture. In lengthy and sometimes difficult negotiations with the administration, major changes I proposed were agreed—and incorporated in the bill before the Senate today—which restore the Appropriations Committee's rightful role in appropriating specific amounts for aid to the Republics. The committee will now be able to exercise meaningful oversight and controls over aid to Russia and the other newly independent Republics.

I want to thank the staff of the Budget Committee, majority and minority, for their invaluable help in working out these changes.

Language now in the bill specifically prevents the administration from waiving ceilings and limitations in appropriations acts for the purpose of providing additional aid to the Republics over and above amounts specifically appropriated for that purpose. Under the language I proposed and which was accepted by the administration and incorporated in this bill, the President cannot waive credit ceilings

or limitations contained in appropriations bills, including ceilings on the loan, guarantee and insurance programs of the Export-Import Bank and the Overseas Private Investment Corporation.

Mr. President, of all the elements of the Freedom Support Act under the jurisdiction of the Foreign Operations Subcommittee, it is the credit programs which give me most concern. Discussions with administration officials indicate that the heart of the President's program is loans and guarantees. The grant portions, while extremely important, are relatively small compared with what the administration contemplates doing through credit programs in the Republics.

This is why I insisted that ceilings on such credit programs in the Foreign Operations Appropriations Acts, primarily Exim and OPIC, cannot be waived. That is why I insisted OMB provide me with its best estimates of proposed extensions of credit through Exim and OPIC in advance of Senate consideration of this bill.

Mr. President, I ask unanimous consent that an exchange of letters between me and OMB, with estimates of expected Exim and OPIC activity in the Republics, be included in the RECORD at the conclusion of my remarks. I further ask consent that tables provided by the Department of State on the total grants and credits proposed for bilateral assistance to the Republics and on the estimated budget costs of those grants and credits, be printed in the RECORD.

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

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, DC, May 20, 1992.

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

DEAR MR. DARMAN: In the Freedom Support Act the President seeks extraordinary authority to waive ceilings or limitations on credit programs and to transfer foreign assistance funds from other purposes to meet the costs of credit programs in the Newly Independent States. The implication is that the Administration intends to use Exim, OPIC and other credit programs in the NIS beyond levels now planned by those agencies.

This raises questions about the extent to which the U.S. Government is going to assume liability for loans and guarantees in the NIS and the amount of subsidy appropriations that will be necessary to cover the risk of default. This will be a significant issue in Senate consideration of the Freedom Support Act. I assure you it will be a critical issue in the fiscal 1993 Foreign Operations appropriation bill that I present to the Appropriations Committee later this year.

I request that you provide as soon as possible OMB estimates of the subsidy rates for each of the newly independent republics under consideration for Exim, OPIC and other credit programs funded in the Foreign Operations appropriation. I would also appreciate receiving OMB's estimates of Administration plans to extend such credit programs to the NIS in fiscal years 1992 and 1993, and the estimated subsidy costs which would have to be covered by the Foreign Operations appropriation.

Given the possibility of Senate action on the Freedom Support Act in the near future, I request a prompt reply.

Sincerely,

PATRICK LEAHY,
Chairman,
Foreign Operations Subcommittee.

OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, June 8, 1992.

Hon. PATRICK LEAHY,
Chairman, Foreign Operations Subcommittee, Committee on Appropriations, U.S. Senate, Washington, DC.

DEAR SENATOR LEAHY: This is in response to your letter of May 20th regarding the extension of U.S. Government credit to the Newly Independent States.

The subsidy rates and likely program levels for credits to Russia and Ukraine are summarized below, and are discussed in more detail in enclosures from Eximbank and OPIC. We have sent separately a detailed description of procedures used in making country risk estimates.

EXIMBANK

Eximbank is currently open for business for up to medium-term sovereign credits in Russia and for short-term insurance only in Ukraine. Most of Eximbank's authorizations to Russia for FY 1992 and all likely authorizations for FY 1993 have been and will be medium-term guarantees. The subsidy rate used in the FY 1993 Budget for medium-term guarantees for countries in Russia's country risk category is 25.5 percent. Approximately $50 million in long-term guarantees for Russia were approved for FY 1992 before Eximbank implemented its current cover policy for Russia. The currently estimated subsidy rate for these credits is 37.5 percent.

Eximbank estimates $300-400 million in guarantee commitments for FY 1992 and a total of $500 million to $1 billion for the FY 1992 through the FY 1993 period. Given the above subsidy rates, and the projected mix of medium- and long-term guarantees, the subsidy associated with these commitments would be $83–98 million in FY 1992 and $128–255 million in FY 1993. The actual subsidy rates used at the time of commitment may differ slightly from the rates used in the FY 1993 Budget due to changes in interest rates or fees charged.

Subsidy costs for credits to the remaining Newly Independent States have not yet been determined. Until very recently, sufficient data were not available to make the determinations and Eximbank does not yet have formal lending proposals for these states. Interagency review of available data for these states will take place shortly.

OPIC

OPIC provides direct loans and makes loan guarantees to private U.S. companies, not sovereign governments. While OPIC takes country risk into account in its risk assessment of each of its projects, it also takes into account other characteristics of their structure, including: management track record of the borrower, project commercial viability, project financial viability, the borrower's financial resources and recourse and collateral security adequacy. Therefore, subsidy rates for individual projects will vary according to the project structure.

OPIC has signed bilateral agreements with Russia, Ukraine, and several other former Soviet republics, and anticipates signing agreements with the rest within a matter of months. As bilateral agreements are put in place, OPIC can offer investment insurance, long guarantees and direct loans in each of them to private companies. On average, the subsidy rate for OPIC loan guarantees in FY 1992 and FY 1993 is 1.5%. The average subsidy rate for OPIC direct loans in FY 1992 and FY 1993 is 13.9%.

OPIC estimates that it will provide approximately $40 million in loan guarantees to Russia and Ukraine in FY 1992 and $125 million in FY 1993. If it is assumed, on the fiscally conservative side, that subsidy rates for projects in those countries would be twice the average rate, then total subsidy amounts for these guarantees would be $1.2 million in FY 1992 and $3.75 million in FY 1993.

We will be happy to discuss with your staff any further details that you may desire.

Yours sincerely,

ROBERT E. HOWARD,
Associate Director,
National Security and International Affairs.

EXIMBANK ACTIVITY IN REPUBLICS OF THE FORMER SOVIET UNION, JUNE 1, 1992

Eximbank is open for business in Russia, Ukraine, Estonia, Latvia and Lithuania. However, Eximbank will assist medium term business (up to 5-years repayment) only in Russia; in the others Eximbank will assist only short-term repayment (up to one-year).

The bulk of Eximbank activity is expected to occur in Russia for the foreseeable future. The level of activity will depend primarily on the ability of Russian authorities to work out their internal policies, priorities and procedures. U.S. exporters are presenting a large volume of applications to Eximbank, and the Bank has established working relationships with the Russian authorities to obtain their selection of the transactions which they will endorse according to their internal priorities.

Eximbank activity is proceeding with Russia in two forms:

(a) Transactions for which the Russian government will serve as borrower or obligor through two agent banks; Vneshekonombank and Rosvneshtorgbank;

(b) Transactions which will rely for repayment on their own cash flows (limited recourse projects), without Russian government repayment obligation but with prior Russian government clearance.

In the category of transactions with Russian government guarantees, Eximbank has referred over 100 cases to the Russian banks for their selection as to priority for Eximbank financing offers. These total about $2.5 billion of U.S. exports. Only about $70 million have been endorsed by Russian authorities. Nine cases involving $185 million of Eximbank final commitments are in place, on the basis of authorizations prior to June 1, 1992.

In the limited recourse transaction category, Eximbank is still negotiating an appropriate framework agreement with Russia. Eximbank expects such transactions to occur primarily in the oil and gas sector, and initially in equipment and services to upgrade existing oil fields. Such oil and gas projects could involve $500 million to $1 billion of U.S. exports based on preliminary information.

In fiscal year 1992 Eximbank expects the bulk of final commitments to be made with Russian government obligations. The present exposure of $185 million could rise to $300-$400 million maximum commitments, but it is likely to be on the lower end because of

delays in the Russian decision-making process.

In fiscal year 1993 Eximbank commitments could accelerate, both with Russian government obligations and in limited recourse projects, especially in the oil and gas sector. It is very difficult to predict the pace of Eximbank negotiations with the Russian authorities, the speed of Russian decisions and the success of U.S. exporters in concluding contracts. However, Eximbank commitments could reach a total of $500 million to $1 billion by the end of fiscal year 1993.

OVERSEAS PRIVATE INVESTMENT CORPORATION

While the Overseas Private Investment Corporation's budget projections are prepared on a global basis, and not on a country-by-country or regional basis, the pipeline of projects under discussion with U.S. companies interested in investing in the former Soviet Union provides some basis for projecting OPIC's likely financing activity there during fiscal years 1992 and 1993. While the pipeline currently amounts to more than $1 billion in potential OPIC financing, development of each project is driven by business considerations of its sponsors, and the timing is therefore often difficult to predict. Nevertheless, three projects are sufficiently advanced to be considered for commitment in FY 1992. These include one project in the natural resources sector, one telecommunications project, and one hotel project. Based on the uncertainty of the timing of further project development, OPIC anticipates that two of these projects will go forward in FY 1992, amounting to total OPIC loan guarantees in FY 1992 in Russia and Ukraine[1] of $40 million.

For FY 1993, OPIC is reviewing a large number of project proposals in the former Soviet states. Of these, it anticipates that at least three large projects will be ready to proceed to commitment during FY 1993. These are likely to include projects in the oil and gas, telecommunications and infrastructure sectors located in Russia and Ukraine. (The infrastructure project could be any of three possible projects in the telecommunications, hotel or office space sectors.) The anticipated financing for the region for FY 1993 is $125 million in loan guarantees. The projects under consideration for FY 1993 are located in Russia and Ukraine.

OPIC's credit programs operate on project finance principles, under which OPIC selects and structures the projects to which it lends to assure that the operations of the projects themselves can service the OPIC debt. OPIC neither lends to governments nor accepts sovereign guarantees, looking instead to the projected viability of the project itself, the collateral package, sponsor guarantees, offshore escrow accounts, and other techniques to mitigate risk, in determining whether a given project is creditworthy. If commercial or country risks are considered too great and adequate mitigation strategies are not available, OPIC will not finance the project.

In calculating the subsidy associated with a given credit, while OPIC takes account of the country risk, it looks more closely at the commercial prospects of the project and the elements of its structure designed to address specific elements of country risk, including its capital structure, management strength, financial condition and marketing studies, as well as secondary sources of repayment in the case of project failure (i.e., sponsor guarantees, escrow accounts, liquidation of project assets, etc.). Consequently, until the structure of a project has been negotiated and its credit-worthiness analysed, it is not possible to calculate the applicable subsidy rate. None of the projects under consideration in the former Soviet Union have proceeded to a point where this can be done yet.

Nevertheless, because of its mandate to operate on a self-sustaining basis, and based on its twenty-year record of successful project finance in the least developed and therefore riskiest countries with extremely low loss rates, OPIC is confident that it can structure the projects currently under consideration in the former Soviet Union to keep their risks within a similar range.

Based on its historical loss rates, as well as adjustments to account for changes in its current portfolio including its entry into the former Soviet Union, OPIC's global subsidy rate is calculated to be 1.5 percent for the loan guaranty program for FY 1993. Taking a very conservative approach, for the sake of estimating the aggregate subsidy associated with the financing levels projected above for the former Soviet states, the global rate could be doubled, to 3.0 percent for loan guarantees. This would result in a total subsidy amount for the former Soviet republics of $1.2 million for FY 1992 and $3.75 million for FY 1993.

UNITED STATES BILATERAL ASSISTANCE AND CREDITS FOR THE REPUBLICS OF THE FORMER SOVIET UNION

[In millions of dollars]

	Fiscal year—			Total
	1991	1992	1993	
Grant Assistance				
Humanitarian/Technical: Humanitarian/Technical Asst. Account	.....	.....	[1] 350	350
Technical assistance:				
Economic support funds	5	[2] 230	[1] 100	335
USAID development assistance	.....	10	[1] 10	20
Pubic Law 480, farmer-to-farmer	.....	10	[1] 10	20
USDA technical assistance	.....	5	15	20
Subtotal	5	255	135	395
Medical:				
USAID disaster assistance, medical	5	20	.....	25
DOD excess medical donations	.....	100	.....	100
Subtotal	5	120	.....	125
Food assistance:				
USDA food aid	.....	165	[3]	165
DOD excess stock donations	.....	45	.....	45
Subtotal	.....	210	.....	210
Other DOD assistance:				
Transportation funds	.....	100	.....	100
Disarmament/non-proliferation	.....	400	.....	400
Subtotal	.....	500	.....	500
Total, grants	10	1,085	485	1,580
Credit programs (face value):				
USDA export credit guarantees	1,915	2,935	[3]	4,850
Eximbank guarantees	.....	300–400	200–600	500–1,000
OPIC guarantees	.....	40	125	165
Total, credits	1,915	3,275–3,375	325–725	5,515–6,015

UNITED STATES BILATERAL ASSISTANCE AND CREDITS FOR THE REPUBLICS OF THE FORMER SOVIET UNION—Continued

[In millions of dollars]

	Fiscal year—			Total
	1991	1992	1993	
Total, grants and credits	1,925	4,360–4,460	810–1,210	7,096–7,595

[1] Requires appropriation (total=$470 million).
[2] The $230 million of ESF planned for fiscal year 1992 includes $33.8 million of reprogrammed fiscal year 1991 funds.
[3] To be determined.

Note.—Total may increase for fiscal year 1993 after consideration of food assistance and CCC credit programs. Total does not include U.S. contributions to international financial institutions, including the Currency Stabilization Fund. DOD excess donations are preliminary estimates based on market value.

BUDGET COSTS OF UNITED STATES BILATERAL ASSISTANCE AND CREDITS FOR THE REPUBLICS OF THE FORMER SOVIET UNION: FISCAL YEAR 1992–93

[In millions of dollars]

	Face value	Budget cost
Grant assistance	1,570	1,570
Commodity Credit Corporation guarantees	2,935	390
Export-Import Bank guarantees	500–1,000	128–255
OPIC guarantees	165	5
Total, direct grants and credit programs	5,170–5,670	2–3–2,220

Note.—Totals for grant assistance and CCC guarantees may increase for FY 1993 after consideration of food assistance and CCC credit programs. The CCC estimate of $2,935 million is for FY 1992 only; for CCC: the subsidy estimate will be approximately $390 million using technical assumptions and revised risk assessments for Russia & Ukraine in the President's FY 1993 Budget; for Eximbank: the subsidy estimate is based on the technical assumptions and risk assessment in the President's FY 1993 Budget for Eximbank, sovereign-backed lending; for OPIC: program levels are based on estimated private ctor demand for its services. Its subs estimate relies more heavily on the commercial prospects of the projects and elements of their design, such as capital structure, management strength, and secondary sources of repayment, than the country—risk assessment; and prior to FY 1992, a requirement to calculate subsidies of guarantee programs did not exist.

Mr. LEAHY. Mr. President, I wish to state for the record and for the future reference by the administration that the estimates of proposed extensions of credit programs in the republics through Exim and OPIC will be my guides when preparing my recommendations on the ceilings on total Exim and OPIC program activity to be contained in the fiscal 1993 foreign operations appropriation bill. These estimates will form the basis of my consideration of any administration requests to reprogram funds from other uses in the foreign operations appropriations to the subsidy costs of Exim or OPIC credits in the republics. Any undue alterations in OMB estimates of the subsidy costs for such credit programs in the republics, or any undue expansion of the current estimated extensions of such credits in the republics, will be met by the utmost skepticism on my part. I have, as senators know, grave doubts about the ability of Russia or any of the republics to repay foreign debt, which is what these credit programs represent. I intend to be extremely cautious in agreeing to extensions of credit programs under the jurisdiction of the Foreign Operations Subcommittee.

Mr. President, another revision I proposed, and which was accepted, specifically states that "In any fiscal year, amounts made available for assistance

[1] Before committing to financing or insurance in any country, OPIC must have in place a bilateral executive agreement covering the operation of its programs. Such agreements have recently been signed and are in effect with Ukraine, Armenia, Kyrgyzstan and Kazakhstan, and OPIC expects its already signed agreement with Russia to be ratified by the Russian Supreme Soviet within the next few weeks. Agreements are under negotiation with the other republics, and signature is expected with each this fiscal year.

under this act shall not exceed amounts appropriated in advance in appropriations acts, and assistance under this Act shall not exceed the limitations in such appropriations acts."

Moreover, another provision added by the Foreign Relations Committee at my request requires that the administration notify the Appropriations Committee prior to any "obligation of funds made available to carry out this act, notwithstanding any other provision of this act." This means the administration cannot obligate any assistance without the prior approval of the Appropriations Committee. This protects the power of the Appropriations Committee to review all proposed obligations of funds for the republics, assess the policy and budgetary justification for the proposed obligations, and object to the obligation if it finds the justification inadequate.

Let me state for the record that, as chairman of the Foreign Operations Subcommittee, with primary jurisdiction over funds made available in the annual Foreign Operations Appropriations Acts, I intend to monitor proposed obligations of funds in the republics very closely. There is great risk of waste, fraud and abuse in the chaotic conditions in the republics, and I am determined to insist on valid budgetary justifications and on strict controls over the use of the money. The administration should understand that notifications of proposed obligations will not be automatically approved. There will be an ongoing dialogue between the subcommittee and the administration as the program is implemented.

Mr. President, I am indeed pleased that the Foreign Relations Committee has agreed to amend the structure of the bill to provide for authorizations of specific amounts for specific accounts. I had discussed this matter with the distinguished chairman of the Appropriations Committee, and strongly supported the letter he sent to the distinguished chairman of the Foreign Relations Committee requesting this change.

This will greatly reduce problems of overlap among several Appropriations subcommittees whose jurisdictions would be affected by the broad "such sums as may be necessary" authorization provisions in the reported bill. I, for example, as chairman of Foreign Operations, will now not have to approve notifications of proposed obligations of funds for programs in the U.S. Information Agency. Such notifications will be dealt with by the distinguished chairman of the Commerce, Justice and State Subcommittee, where they rightfully belong and where proper oversight of the money can be exercised.

Mr. President, I have gone on at some length on the Foreign Relations Subcommittee concerns in this bill, and I apologize to my colleagues. However, since all funds will have to go through the notification process prior to obligation, and since the administration's use of credit programs may prove to be controversial, I believe it is important to establish clearly in the RECORD now the criteria I will use, as chairman of the Foreign Operations Subcommittee, in evaluating future administration proposals.

Mr. President, in that regard, the parts that I have just referred to refer to those areas that come under the Foreign Operations Subcommittee of Appropriations jurisdiction, a subcommittee I chair, and of course under the overall Appropriations Committee, chaired by the distinguished senior Senator from West Virginia. I have had long discussions with him and we have put in a number of items in this. But, again, I thank the Foreign Relations Committee for accepting them.

Now, I have spoken primarily of those things that come under the jurisdiction—or the concerns, at least—of the Appropriations Committee and the subcommittee that I chair. I would like to go to another portion of the bill that goes into some areas involving the Agriculture Committee, which I also chair.

AMENDMENT NO. 2648

(Purpose: To strike the provision related to the creditworthiness requirement of the agricultural export credit guarantee program)

Mr. LEAHY. Mr. President, I send an amendment on the question of creditworthiness to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for himself, Mr. BYRD, Mr. WOFFORD, and Mr. DECONCINI, proposes an amendment numbered 2648.

On page 49, strike line 24 and all that follows through page 50, line 14.

Mr. LEAHY. Mr. President, if I could just explain this amendment a little bit so those who are watching would know what it is, because sometimes this gets into rather arcane things.

Mr. President, the former Soviet Union is a prime market for United States agriculture. It was a cash customer for many years. But times certainly have changed, and now the republics are all asking for export assistance.

The Department of Agriculture already has the authority to offer a number of different programs to move U.S. agricultural products. It has loan guarantee options, known as GSM 102 and 103. Under these, the U.S. government backs commercial loans so that other countries can buy American agricultural goods. If the foreign government fails to pay back the loans, the U.S. Treasury will.

These programs have a creditworthiness requirement—a clear and simple standard for determining if these loans should be backed by American taxpayers. The Secretary of Agriculture cannot offer loan guarantees if he determines that a country cannot pay back the loan.

Now the administration wants to weaken that standard in Section 18(d)(3) of this bill.

They want to undermine the creditworthiness law by requiring—by mandating—that USDA look at other factors, such as market potential, when deciding if a country can service its debt.

In their effort to weaken the standard, the administration has made this entire bill subject to a budget act point of order. According to the Congressional Budget Office, section 18(d)(3) of this bill means additional entitlement spending.

CBO states that "enactment of this section would indicate congressional support for providing export credit guarantees to the independent States of the former Soviet Union, and would provide additional justification for such aid even if their creditworthiness is questionable."

No one knows how much this provision will cost, no one knows how much in loan guarantees the administration will offer, but CBO estimates that the cost of this section could range somewhere between $100 million and $2 billion. That's a pretty big range.

If my amendment passes, which simply strikes section 18(d)(3), the Budget Act problems on this issue disappear.

Mr. President, as I said before, the former Soviet Union has been a good cash customer of the United States. However, with the breakup of the central government and changing economic conditions, all of the Republics are facing serious cash flow problems.

Currently the Republics have a hard currency debt of over $60 billion.

But to cover this debt, the former Soviet Union has hardly any foreign exchange reserves. Further, gold holdings have fallen to around $3 billion.

While several Republics have significant natural resources—oil, gas, minerals—existing capacity to extract and sell them for hard currency is limited. In some areas, production has been declining.

Up to now, the Russians have met all United States guaranteed agricultural loan payments, but only at the expense of other creditors. As all the Republics take on more debt, the situation will become more complicated. Larger payments will be due. The chance of default or the need to reschedule may increase in the short-term.

And that is why CBO identified this provision as triggering a Budget Act point of order.

Now, over the years, this short-term loan guarantee program, known as GSM 102, has gotten into trouble when the creditworthiness standard was ig-

nored or overturned because of foreign policy needs.

Iraq stands out as a case in point. As new evidence now shows, the administration continued to grant loan guarantees to Iraq, long after some warned that Iraq was not credit worthy. Why? Because the President wanted to makes friends with Iraq. The consequence of that policy? The American taxpayer is paying almost $1.9 billion to cover bad Iraqi debts.

Today we are looking at this same program, GSM 102. It is a short term loan guarantee program. A foreign government can get access to credit in a loan covered by the U.S. Government. It is like having Uncle Sam consign your mortgage. If you can't pay, he will.

But in this case, in the case of the Soviet Union, will the taxpayer get left holding the bag?

Mr. President, I am for a strong trading relationship between the former Soviet Union and the United States. I want to see healthy sales of agricultural products. Moreover, I want to protect our agricultural export programs.

No one, in Congress or agriculture, wants to see the GSM programs hurt by defaults. But hurt they will be if one or more of the republics defaults or needs to reschedule their loans. It is in the interest of American agriculture to see this creditworthiness requirement maintained.

The President should take the lead in developing an appropriate program for each Republic, rather than trying to water down the creditworthiness standard. He has the authority, already in law to provide longer term loan guarantees, direct loans, and even food aid.

To give us an honest program, the administration should not hide behind a short-term program, when the problems and opportunities require long term solutions. The President should think again about which program to use, or even if a new program is needed. But to provide billions of dollars of short term loan guarantees without the restraint of a viable creditworthiness standard is dangerous.

I urge the President to come forward with an honest program that balances the great need in the former Soviet Union with our budgetary constraints.

Mr. President, I want to see a degree of prudence and respect for the hard earned American tax dollar.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. ROBB). The Chair recognizes the Senator from Rhode Island [Mr. PELL].

Mr. PELL. I thank the Senator from Vermont for his kind words and for his offer of support when the bill is amended to his satisfaction.

I thank Senator LEAHY for offering this amendment to a section of the bill within his committee's jurisdiction. I wish to make clear to my colleagues the background of this process.

Under the coordinating mechanism that the Foreign Relations Committee developed when the Freedom Support Act was introduced earlier this spring, this portion of the bill that contained the administration's requested language on creditworthiness for USDA credits was determined to be within the Agriculture Committee's jurisdiction.

Accordingly, the Foreign Relations Committee offered to delete the parts of section 18 that fell within the Agriculture Committee's jurisdiction to allow the Agriculture Committee to address the issues as they saw fit and to offer any appropriate amendments during floor consideration of the bill.

However, the administration informed us that it would not comment on the bill as reported by the Foreign Relations Committee without being able to see the entire package, including the portion of section 18 that was agreed to be in the Agriculture Committee's jurisdiction. Accordingly, at the request of the administration, and with the approval of the Agriculture Committee, the Foreign Relations Committee left all of section 18 in the bill simply as a place-holder to accommodate the administration's request not to have any holes in the bill.

The committee did so with the understanding that it was not endorsing the parts of section 18 that fell within the Agriculture Committee's jurisdiction and with the expectation that the Agriculture Committee planned to amend the relevant portions of section 18 on the floor—which is just what we are doing at this time.

The PRESIDING OFFICER. The Chair recognizes the Senator from Indiana [Mr. LUGAR].

Mr. LUGAR. Mr. President, I appreciate the very thoughtful and logical arguments of my distinguished chairman of the Agriculture Committee, Senator LEAHY, of Vermont. He has given good reasons why the Appropriations Committee and especially the subcommittee that he chairs will be such an important part of this entire process. We are involved today only in the authorization of various sums. Clearly, activity by the Appropriations Committee and Chairman LEAHY's subcommittee will be of the essence if this process is to continue.

His suggestions have been constructive. As he pointed out, they have been adopted by the committee and by the Senate this morning.

With regard to the arguments made on agricultural credits, of course I am in agreement with him. I appreciated his leadership and the ability to work with him on the farm bill of 1990. A part of that debate went to the creditworthiness of agricultural credit recipients. There have been unfortunate experiences and the distinguished chairman has pointed out one of them with regard to Iraq.

Even a happier situation, in which people in Poland were largely assisted by our agricultural credits much earlier in the decade, led to considerable loans still on the books.

So, as a result, in 1990 the administration was asked to make certain creditworthiness, as tightened up in the farm bill, became a prime consideration. That standard should not be weakened.

Under the criteria that are given in the Agricultural Act of 1990, the administration will have, certainly, latitude to make those judgments.

So I support the amendment. We will be voting on it by rollcall vote. But my vote will be an aye, and I appreciate the constructive work of Senator LEAHY, bringing these items to our attention.

The PRESIDING OFFICER. Is there further debate? There being no further debate, the question is on agreeing to the amendment (No. 2648) offered by the Senator from Vermont. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY], the Senator from California [Mr. CRANSTON], and the Senator from North Carolina [Mr. SANFORD] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. ROTH] are absent due to illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 93, nays 2, as follows:

[Rollcall Vote No. 138 Leg.]

YEAS—93

Adams	Durenberger	Mack
Akaka	Exon	McCain
Baucus	Ford	McConnell
Bentsen	Fowler	Metzenbaum
Biden	Garn	Mikulski
Bingaman	Glenn	Mitchell
Bond	Gore	Moynihan
Boren	Gorton	Murkowski
Breaux	Graham	Nickles
Brown	Gramm	Nunn
Bryan	Grassley	Packwood
Bumpers	Harkin	Pell
Burdick	Hatch	Pressler
Burns	Hatfield	Pryor
Byrd	Heflin	Reid
Chafee	Hollings	Riegle
Coats	Inouye	Robb
Cochran	Johnston	Rockefeller
Cohen	Kassebaum	Rudman
Conrad	Kasten	Sarbanes
Craig	Kennedy	Sasser
D'Amato	Kerry	Seymour
Danforth	Kohl	Shelby
Daschle	Lautenberg	Simon
DeConcini	Leahy	Simpson
Dixon	Levin	Smith
Dodd	Lieberman	Specter
Dole	Lott	Stevens
Domenici	Lugar	Symms

Thurmond	Warner	Wirth
Wallop	Wellstone	Wofford

NAYS—2

Jeffords	Kerrey

NOT VOTING—5

Bradley	Helms	Sanford
Cranston	Roth	

So the amendment (No. 2648) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. CRAIG. Mr. President, S. 2532, the Freedom Support Act has all the right goals and intentions. Political and economic stability in the former Soviet republics is in our national interest; I would even go so far as to say that it should be a priority goal of our foreign policy. However, in looking at the Freedom Support Act, I must question whether it is the best way to ensure that we achieve our goals.

Mr. President, it is with some frustration that I am here today to speak out against this legislation. There are some important provisions in the bill that need to be passed, turning back restrictive laws that were enacted during the cold war. However, there are some overriding concerns I have about this legislation which I will outline. Let me reiterate that I feel we owe it to ourselves to assist the republics and to bring peace and stability to the region. There is a window of opportunity before us now, and I am truly disappointed that I cannot see my way to support this legislation.

Given my commitment to resolving our budget problems, one of my primary concerns with S. 2532 is its cost. There has been a great deal of talk about the costs associated with this authorization package. Some have stated that this legislation would only be 5 percent of our foreign aid budget. I have no problem with setting priorities within our budget and finding offsets to pay for this program. However, as I understand it, there is more to this bill.

The actual budgetary cost of U.S. activities resulting from S. 2532 in fiscal years 1992 and 1993 is expected to be $2.5 billion, according to the Congressional Budget Office [CBO] cost estimate. However, CBO's analysis is—of necessity, given the wording of the legislation—disturbingly vague. For example, the report states that:

> Estimating the cost of this legislation is extremely difficult. * * * the bill gives the President open-ended and flexible authority * * * and the administration's plans are undergoing constant revision. The administration does not have budget-quality estimates for its program * * *.

I feel uncomfortable with this carte blanche approach to authorizing such a large and involved aid package.

Beyond the cost of S. 2532, I also have some policy concerns with the bill. The focus of this aid package is the $12.3 billion increase in the U.S. International Monetary Fund [IMF] quota and the Currency Stabilization Fund. I understand that this increase in the IMF quota will not directly affect our budget because there are no outlays. When the IMF draws on the United States' quota, we receive an equivalent asset in return. However, if the borrower fails to repay its debt, the American taxpayer will be left to pick up the tab. With an economy trying to overcome 70 years of communism, I think there is good reason to be concerned about the republics' ability to pay.

Another problem I have with this provision of the bill is that the IMF's record does not induce me to support such a large increase in our quota. Its policies were less than impressive in Latin America, to give only one example. While assistance from the IMF and other international financial institutions may have eased some of the economic problems there, that assistance also postponed necessary economic reforms that would have resolved, rather than merely eased their situation.

As I mentioned before, a stabilization fund will be set up for the Russians through the IMF. A stable currency is very important if economic reform is going to succeed. It is my understanding that the Russian Government continues to print more rubles, as well as practicing other inflationary policies. There is nothing in the provisions covering the IMF Currency Stabilization Fund that will prevent the Russian Government from continuing this policy. If the Currency Stabilization Fund is going to work, there must be some controls that will shield the Russian Government from pressure to continue inflationary policies. Otherwise, we will have spent a great deal of money to accomplish nothing.

Mr. President, I have read several interesting articles outlining this problem and ask unanimous consent that a Wall Street Journal article be included in the CONGRESSIONAL RECORD at the end of my statement.

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

(See exhibit 1.)

Mr. CRAIG. One last point of concern that I would like to cover today is that of security. Russia maintains a sizable military, and few efforts are being made to dismantle it. There is no safeguard in the legislation to encourage downsizing the military as the country works on economic and political reforms. Like it or not, Mr. Yeltsin, the republics, and their efforts to move toward private markets remain vulnerable to the ex-Soviet conventional military establishment. Reducing the military won't be easy, but it is another important component if they are going to achieve stability and the kind of reforms this legislation is supposed to bring about.

One last point on the military: I am very frustrated by the continued presence of the Russian military in the Baltics. I realize the problems with the removal of these troops. We are told that they will be removed through attrition. However, I continue to hear of new troops being sent into the Baltics. It is my understanding that an amendment will be offered to address this problem, and I intend to support it.

Mr. President, what I have outlined here are my major concerns with this legislation. The bottom line is that I feel we need to do more than just hand out money. Efforts must be focused on privatization and democratization reforms. There must be safeguards to prevent that aid from being fed into the defunct state-run industries and safeguards to ensure the stabilization of the ruble. And finally, in order to ensure stability in the region, there must be reductions in the size, and changes in the mission, of the former Soviet conventional forces. In light of these concerns, Mr. President, I will not support this legislation.

EXHIBIT 1

IMF MONEY WILL BUY TROUBLE FOR RUSSIA

(By Steve H. Hanke)

After 46 years, Russia, Ukraine and most of the other ex-Soviet republics joined the International Monetary Fund this week. The eagerness of the post-Soviet republics to join the IMF for symbolic reasons is understandable. It is the substance of what membership in the IMF will entail for them that is troubling.

When Moscow signs the formal agreement with the IMF, the $24 billion in aid from the rich G–7 countries promised by President Bush and Chancellor Kohl on April 1 will be made available to the Russian government—including a $6 billion fund for the stabilizing of the ruble. The ruble stabilization fund will be transferred to the Russian Central Bank at that bank's request.

In principle, that hard currency is to be used only to prop up the value of the ruble. Armed with the IMF's $6 billion, the Russian Central Bank will intervene in the foreign-exchange markets to move the ruble from its current rate of about 150 to the dollar to a higher rate of 40 or 50 to the dollar.

TRANSFER WEALTH

For some months, the experts at the international Monetary Fund and some economists have worked hard to persuade Western governments of the need to transfer some of their taxpayers' wealth to Russia. Although the experts had success with the press and in some political quarters, the Bush administration for a long time avoided being stampeded.

The IMF finally wheeled out the big guns in March. In a five-page memorandum circulated to 50 power brokers, and reprinted on this page, former President Richard M. Nixon castigated the Bush administration for playing a "pathetically inadequate," "penny ante game" with Russia. That did the trick.

The IMF and some Western economists have argued that stabilization fund intervention is necessary because the ruble's current,

market-determined exchange rate is unrealistic. By reducing the supply of and increasing the demand for rubles, central bank intervention is supposed to move the ruble to a more "realistic" level.

So much for the theory. Let's examine instead what will most likely happen in Russia, based on the near universal experience of IMF-sponsored stabilization programs and the current political-economic environment in Russia. The Russian Central Bank will continue to print rubles at a rate that exceeds the rate of monetary growth in the West. Anticipating that the "excess supply" problem will continue, foreign-exchange traders will continue to pass rubles to one another like hot potatoes. In consequence, the ruble will continue its free fall.

To reverse the ruble's course, the Russian Central Bank will use dollars in its stabilization fund to purchase rubles in the foreign-exchange markets. As it intervenes, the Bank will print more rubles to replace the rubles that it has purchased. Eventually, the dollars in the stabilization fund will disappear, the stock of rubles will not have been reduced and the foreign-exchange value of the ruble will keep declining.

This will, of course, bring forth calls to replenish the stabilization entitlement program. Indeed, Michel Camdessus, the IMF's Managing Director, opened the door for additional funding requests at his news conference on April 15—and the fund has not yet even been established.

That the Russian Central Bank will be forced to continue to print rubles at a record clip should be clear to even a casual observer. A shake out of Russia's state-owned enterprises has not yet taken place. Indeed, there has been virtually no restructuring and privatization of those enterprises. Vneshconsult, a Moscow-based consulting firm, estimates that about 80% of the big state-owned enterprises are insolvent. Faced with interest rates of 50% on six month loans, the majority of enterprises can't afford to keep playing what amounts to a Ponzi game. They are refusing to pay back loans or honor bills, and many have already put workers on reduced work schedules. Overdue loans have soared from 34 billion rubles in January to 676 billion rubles by mid-March.

In an attempt to avert an economic and political shake-out, the Russian Central Bank has already begun to let its much advertised austerity program go by the boards. For example, a government document released on April 3 indicates that 200 billion rubles in new credits have recently been extended to bankrupt state-owned enterprises, and that twice as many rubles were printed in March as in January.

This is a far cry from the claim of Yegor Gaidar, Boris Yeltsin's top economic adviser, that the Yeltsin government had complete control over the ruble supply, and that the government planned to become even more tightfisted in the coming months. However, that was before Mr. Gaidar was forced to resign as Russia's finance minister, and before the Yeltsin government was forced by the Russian parliament to accept some economic compromises.

Consider the precedent of Poland, which is touted as an IMF success story. In late 1989, a Polish stabilization fund was established. On Jan. 1, 1990 it took 9,500 zloties to fetch a dollar. Now a dollar commands 12,800 zloties. Yugoslavia provides yet another, and alas a more relevant, example of a stabilization program gone awry. A member of the IMF since 1945, the government in Belgrade has recently claimed that inflation could reach an annual rate of 100,000% this year.

The ruble stabilization program will not achieve its narrow economic objectives. More important, it will not achieve its broader political goal: to lend the Yeltsin government a helping hand. To appreciate that, consider who the final beneficiaries of the Russian Central Bank's ruble-support operations will be.

SPECULATORS' POCKETS

The IMF-stabilization fund will flow from Western taxpayers into foreign-exchange speculators' pockets like water running downhill. Those foreign-exchange traders will get rich quickly, offending ordinary Russians, and providing the old communists, who have significant support in the Russian parliament, the popular anger they need to bring down President Yeltsin. Ironically, rather than assisting Boris Yeltsin and his friends, the stabilization fund will provide the parliament with yet another club to beat Mr. Yeltsin's government.

AMENDMENT NO. 2649

(Purpose: To make minor and technical amendments to the agricultural provisions of the committee amendment)

Mr. LEAHY. Mr. President, I have a series of minor technical amendments. The first group to be offered by myself and Senator LUGAR, as well as Senators KERREY, GRASSLEY, and KASTEN. These are minor and technical amendments. I send them to the desk, ask for their immediate consideration, and ask that they be considered en bloc.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for himself, Mr. LUGAR, Mr. KERREY, Mr. GRASSLEY, AND Mr. KASTEN proposes an amendment numbered 2649.

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

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

The amendment is as follows:

On page 48, strike lines 1 through 9 and insert the following new subsection:

(b) AMENDMENTS TO THE FOOD SECURITY ACT OF 1985.—Section 1110 of the Food Security Act of 1985 is amended—

(1) in subsection (b)—

(A) by inserting after "such countries" the following: "(including the independent states of the former Soviet Union)"; and

(B) by striking out "or cooperatives" and inserting in lieu thereof "cooperatives, private businesses, or other private entities";

(2) in subsection (f), by striking out paragraph (1) and inserting in lieu thereof the following new paragraph:

"(1) The Commodity Credit Corporation may provide for grants, or sales on credit terms, of commodities made available under section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)) for use in carrying out this section.";

(3) in subsection (g), by inserting before the period the following: ", except that this tonnage limitation shall not apply with respect to commodities furnished to the independent states of the former Soviet Union during fiscal years 1992 and 1993"; and

(4) by adding at the end the following new subsection:

"(m)(1) In carrying out this section, the President shall encourage private voluntary organizations and cooperatives to submit proposals that provide for—

"(A) the sale of a commodity in a country that is eligible under this section, including the marketing of the commodity through the private sector; and

"(B) the use of the proceeds generated in the humanitarian and development programs of the organization or cooperative, as provided in paragraph (3).

"(2) The President shall make available not less than 10 percent of the aggregate amounts of all commodities distributed under this section in each fiscal year to generate foreign currency proceeds as provided in this subsection.

"(3) Foreign currencies generated from any partial or full sale or barter of commodities by a private voluntary organization or cooperative under an agreement under this section may—

"(A) be used to transport, store, distribute, and otherwise enhance the effectiveness of the use of agricultural commodities provided under this title;

"(B) be used to implement income generating, community development, health, nutrition, cooperative development, agricultural, and other developmental activities within the recipient country; or

"(C) be invested, and any interest earned on the investment may be used, for the purposes for which the assistance was provided to that organization, without further appropriation by Congress.".

On page 48, strike lines 13 through 15 and insert the following new paragraph:

(1) by striking out subsections (a) and (b) and inserting in lieu thereof the following new subsections:

"(a) GUARANTEES AND CREDITS TO BE MADE AVAILABLE.—For the fiscal years 1991 through 1995, the Commodity Credit Corporation—

"(1) shall make available, for the promotion of exports to emerging democracies, not less than $1,000,000,000 of export credit guarantees under section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622), in addition to the amounts required under section 211 of such Act (7 U.S.C. 5641) for credit guarantees; and

"(2) may make available, for the promotion of exports to emerging democracies, direct credits under section 201 of such Act (7 U.S.C. 5621).

"(b) IMPROVEMENT OF FACILITIES, SERVICES, AND AGRICULTURAL GOODS AND MATERIALS.—

"(1) USE OF GUARANTEES.—A portion of direct credits or export credit guarantees available under subsection (a) shall be made available for the establishment or improvement by United States persons of eligible projects in emerging democracies to improve the handling, marketing, processing, storage, or distribution of imported agricultural commodities and products of the commodities.

"(2) ELIGIBLE PROJECTS.—A project shall be eligible under this subsection for credits or guarantees if—

"(A) the project includes facilities, services, and agricultural goods and materials; and

"(B) the Secretary of Agriculture determines that the credits or guarantees will primarily promote the export of United States agricultural commodities (as defined in section 102(7) of the Agricultural Trade Act of 1978 (7 U.S.C. 5602(7)).

"(3) PRIORITIES.—The Commodity Credit Corporation shall give priority under this subsection—

"(A) to opportunities or projects identified under subsection (d)(1);

"(B) to projects on private farms or cooperatives in emerging democracies; and

"(C) to United States persons who agree to assume a relatively larger share of the value of the project of United States origin.

"(4) LEVEL OF GUARANTEES.—The Commodity Credit Corporation shall not provide guarantees or credit in excess of 85 percent of the value of the project of United States origin.

"(5) FOREIGN AGRICULTURAL COMPONENTS.—Notwithstanding section 202(h) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(h)), the Commodity Credit Corporation shall finance or guarantee under this section only projects predominantly of United States origin. The Commodity Credit Corporation shall not finance or guarantee under this section the value of any foreign component of the project.";

On page 48, lines 21 and 22, strike "President" and insert "Secretary".

On page 49, strike lines 5 through 23 and insert the following new paragraph:

(1) ASSISTANCE FOR PRIVATE VOLUNTARY ORGANIZATIONS.—The President is encouraged to use funds made available under section 109 of Public Law 102-229 (105 Stat. 1708), and any funds made available under this Act, to assist private voluntary organizations and cooperatives in carrying out food assistance programs for the independent states of the former Soviet Union under—

(A) section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o);

(B) section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431); or

(C) title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.).

On page 50, between lines 14 and 15, insert the following new paragraphs:

(2) AGRICULTURAL TRADE ACT OF 1978.—

(A) DEFINITIONS.—Section 102(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5602(1)) is amended by striking out "feed, or fiber," and inserting in lieu thereof "feed, fiber, or livestock,".

(B) DIRECT CREDIT SALES PROGRAM.—Section 201 of the Agricultural Trade Act of 1978 (7 U.S.C. 5621) is amended by adding at the end the following new subsection:

"(f) RESTRICTIONS.—The Commodity Credit Corporation may not make export sales financing authorized under this section available in connection with sales of an agricultural commodity to any country that the Secretary determines cannot adequately service the debt associated with such sale.".

(C) PROCESSED AND HIGH-VALUE AGRICULTURAL COMMODITIES.—Section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622) is amended by adding at the end the following new subsection:

"(k) SALES TO THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.—

"(1) PROCESSED AND HIGH-VALUE AGRICULTURAL COMMODITIES.—In each of the fiscal years 1993 through 1995, the Commodity Credit Corporation shall establish an objective that not less than 35 percent of the agricultural commodities sold in connection with the guarantees provided under this section to the independent states of the former Soviet Union are processed products of agricultural commodities and high-value agricultural commodities.

"(2) ANNUAL REVIEW.—At the end of each of the fiscal years 1993 through 1995, the Secretary shall determine the extent to which sales of processed products of agricultural commodities and high-value agricultural commodities made to the independent states of the former Soviet Union during the fiscal year meet the objective set forth in paragraph (1).

"(3) JUSTIFICATION AND PLAN.—If the Secretary determines, on the basis of a review conducted under paragraph (2), that sales of processed products of agricultural commodities and high-value agricultural commodities do not meet the objective set forth in paragraph (1), the Secretary shall prepare a justification for why the minimum level was not achieved and what action the Secretary will take during the immediately subsequent fiscal year to increase sales of processed products of agricultural commodities and high-value agricultural commodities.

"(4) NOTIFICATION TO CONGRESS.—The Secretary shall provide the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate with the results of the annual reviews conducted under paragraph (2) and, as required by paragraph (3), any justification and plans for future action.

"(5) DEFINITION.—As used in this section, the term 'independent states of the former Soviet Union' means the countries that were formerly part of the Soviet Union, including Armenia, Azerbaijan, Byelarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.".

(3) AGRICULTURAL FELLOWSHIP PROGRAM FOR MIDDLE INCOME COUNTRIES AND EMERGING DEMOCRACIES.—Section 1543 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3293) is amended—

(A) in subsection (b), by adding at the end the following new paragraph:

"(4) INDEPENDENT STATES OF THE FORMER SOVIET UNION.—In addition to the countries that are eligible under paragraphs (1) through (3), the Secretary may determine that any newly independent state of the former Soviet Union may be eligible to participate in the program. The states shall include Armenia, Azerbaijan, Byelarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan."; and

(B) in subsection (d), by adding at the end the following new sentence: "The Secretary may provide fellowships under the program authorized in this section to private agricultural producers from eligible countries.".

Mr. LEAHY. Mr. President, Senator LUGAR and I bring before the Senate an en bloc amendment to the provisions of the bill reported by the Committee on Foreign Relations.

This amendment provides several minor and technical amendments to section 18 of the bill. It also contains provisions to give additional flexibility to the President in existing agricultural programs in the independent States of the former Soviet Union.

The managers of the bill have no objection to this amendment, and the Congressional Budget Office has determined that the amendment will not result in additional expenditures.

The Leahy-Lugar amendment changes several provisions in the Food for Progress Program.

First, our amendment authorizes the President to enter into agreements with private business for activities in the independent States of the former Soviet Union and other countries. This expressly encourages the President to support the efforts by the United States private sector to export commodities to the former Soviet Union.

Second, our amendment gives the Commodity Credit Corporation authority to provide credit to sell commodities made available under section 416 of the Agricultural Act of 1949. Current law only authorizes the grant of such commodities by the President.

Third, our amendment makes technical changes to the language in the committee bill which waives the existing cap of 500,000 metric tons of commodities for any shipments under this authority to the independent States of the former Soviet Union during 1992 and 1993.

Finally, our amendment states that the President shall encourage private voluntary organizations and cooperatives to sell commodities under the program for local currencies in the foreign country. This amendment would require that at least 10 percent of the commodities available each year under the program be made available to the private voluntary organizations and cooperatives for sale in local currencies and the proceeds used to carry out humanitarian and development projects. We encourage the administration to actively seek out so-called monetization projects early in each fiscal year with these organizations.

We firmly support this amendment to the Food for Progress Program as a means by which private voluntary organizations and cooperatives can become more directly involved in development of the private sector agriculture and agribusiness in the independent States of the former Soviet Union. The amendment lists the purposes for which the local currencies generated under the program can be used, including the transportation, distribution, and storage of commodities made available under the program. Other acceptable uses include cooperative development and agricultural development projects. We believe that the local currencies generated under this program should not be used for market development purposes, as there are other programs, including the Cooperative Market Development Program and the Market Promotion Program, more suited to such purposes.

The Leahy-Lugar amendment also makes several amendments to the emerging democracies authority found in section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990, the 1990 farm bill.

First, our amendment expands the authority of the Commodity Credit Corporation to provide direct credits to support eligible projects in emerging democracies. This authority is in addition to the current requirement that the Commodity Credit Corporation make available not less than $1 billion in export credit guarantees for eligible projects over fiscal years 1991 through 1995.

Second, our authority to provide financing or guarantees is expanded to include a broader range of projects. In addition to the current authority for facilities, an eligible project under this program may include services, agricultural goods, and materials. Such services may include management contracts or other technical services offered to purchasers, and agricultural goods primarily needed to enhance the effective use of United States agricultural commodities within the emerging democracy. For example, in the case of livestock, services eligible for such funding could include technical and management expertise necessary to provide for total animal health, preventive herd health, and the proper management needed to enhance overall efficiency and effectiveness of the sale. Agricultural goods in such an example could include products such as feed additives, vaccines, antibiotics, mineral and vitamin premixes, protein concentrates, other nutrient mixes, and other therapeutic agents for the treatment and control of diseases that may be necessary to create a nutritionally balanced animal feed ration and improve the health of livestock.

There are many important agricultural inputs which are not well covered by existing credit guarantee programs, yet sales of these services, goods, and materials would have an important impact on jobs in the United States and on the agricultural systems in the former Soviet Union. To maximize the benefits for U.S. economy, this amendment requires that such projects shall be predominantly of U.S. origin. As an example, we urge the Secretary to look at similar programs to finance or guarantee sales of goods or investments by the Export-Import Bank and Overseas Private Investment Corporation, as well as similar programs offered by other governments.

Third, our amendment sets additional priorities for the program. The Commodity Credit Corporation shall give priority to projects that will be carried out on private farms and cooperatives, rather than state-owned operations. The purpose of this is to encourage fledgling private sector in emerging democracies such as the former Soviet Union. Also, a priority is given to projects where the U.S. participant undertakes a larger share of the cost, and hence the risk, of the project.

Finally, our amendment limits the U.S. financing or guarantee to not more than 85 percent of the value of the project that is of U.S. origin. This requirement ensures that the risk of the project is shared by the U.S. Government and private investors, while covering a significant proportion of the risk associated with a project in these countries. We expect the Department to act upon as many feasible projects as possible under this authority.

In the committee bill, the President can provide or pay for technical assistance under the E (Kika) de la Garza Agricultural Fellowship Program. The Leahy-Lugar amendment designates that the Secretary of Agriculture, rather than the President, have this authority. The Secretary of Agriculture has authority for the entire program under current law.

We strongly encourage the President to assist the private voluntary organizations and cooperatives to meet their expenses in establishing and conducting activities in the independent States of the former Soviet Union. Many of these organizations have not traditionally operated in these countries. The Leahy-Lugar amendment encourages the President to make additional assistance available to assist private voluntary organizations and cooperatives in carrying out food assistance programs for the independent States of the former Soviet Union. Specifically, the President is encouraged to use funds made available last fall under section 109 of the Combined Forces in Europe and Dire Emergency Supplemental Appropriations Act (Pub. L. 102–229), which provides up to $100,000,000 for transportation by military or commercial means food, medical supplies, and other types of humanitarian assistance to the Soviet Union, as well as funds made available under the Freedom Support Act. Our amendment strikes the provisions in the committee bill that would allow the President to waive the funding cap under section 202(e)(1) of the Agricultural Trade Development and Assistance Act of 1954, because we are concerned that such waiver would take funds away from programs in other countries with chronic and acute food shortages, including the southern African region.

The Leahy-Lugar amendment clarifies the current definition of agricultural commodities in the Agriculture Trade Act of 1978. This definition makes explicit that livestock and products of livestock are eligible for the commercial trade programs, including the Export Enhancement Program, direct credits, and export credit guarantee program. The Secretary is encouraged to use the existing export promotion authorities to support the export of dairy breeding cattle to the independent States of the former Soviet Union.

Our amendment requires that the Secretary undertake the same evaluation of creditworthiness for participation in the direct credit program as is current law in the credit guarantee program. This provision prohibits that CCC from providing export sales financing in connection with sales of agricultural commodities to any country that the Secretary determines cannot adequately service the debt associated with such sale.

The Leahy-Lugar amendment establishes as an objective that not less than 35 percent of the sales to the former Soviet Union that are covered by the export credit guarantees should be processed product of agricultural commodities and high-value agricultural commodities. The term "processed product of an agricultural commodity" means a product of bulk or raw agricultural commodity that, as a result of the application of human labor, the use of machines, or other factors involved in a manufacturing process, or any combination thereof, is increased in value and made more appropriate for human consumption or use. The term is broad in scope, but includes meat, dairy, and poultry products, wheat flour, milled rice, refined sugar, vegetable oil, peanut products, and prepared, preserved, canned, frozen, refrigerated and other processed food products, including processed baby food. The term "high-value agricultural commodity" means an agricultural commodity whose value is substantially higher than the value of bulk or raw agricultural commodities, such as grains and oilseeds. The term includes, among other commodities, livestock, dairy cattle, chickens, eggs, fish, as defined in section 102(7) of the Agricultural Trade Act of 1978, breeder stock, plant seeds, fruits, and vegetables.

In meeting this objective, we expect the administration to consider the special nutritional needs of women and children in the former Soviet Union, as a possible nutrition crisis looms ahead for these groups. The collapse of the Soviet Union has resulted in a disruption of existing baby food supplies, a limited manufacturing capacity for baby foods, and an inadequate distribution system. The Agency for International Development has recently reported that children residing in orphanages, hospitals, and home boarding schools are among the most vulnerable groups in Moscow. In May, the Russian Ministry of Health reported that only 40 percent of the requirements of infants for dry milk mixtures would be satisfied by domestic food production and imports. Shortfalls are also expected for meeting the requirements of preschool children for fruits, vegetables, and meats. The urgent need for processed baby food, as well as other foods necessary for the health of young children and women, is obvious.

Our amendment requires that the Secretary annually review the extent to which the 35-percent goal for processed products of agricultural commodities and high-value agricultural commodities. Where the sales of these commodities under the program to the former Soviet Union are less than 35 percent of the total value of sales during such period, the Secretary shall prepare and provide to the agricultural committees of the Senate and House of Representatives a justification as to why the objective was not met and outline the actions the Secretary will un-

dertake to increase sales of these agricultural commodities in the short term.

The Leahy-Lugar amendment also makes small changes to the Cochran Fellowship Program. We are encouraged by the recent announcement that the Department of Agriculture will introduce the Cochran Fellowship Program this year in Russia, Ukraine, and Kazakhstan. The fellowships under this program will bring agricultural leaders from these new countries to the United States to develop the skils to build agricultural systems in their own countries, and enhance trade linkages with the United States. Our amendment clarifies that any of the Republics of the former Soviet Union may qualify for participation in the Cochran Fellowship Program, and that the Secretary of Agriculture is authorized to include private farmers in the Fellowship Program.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment (No. 2649) en bloc.

The amendment (No. 2649) was agreed to.

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

The PRESIDING OFFICER. Without objection, the motion to lay on the table is agreed to.

AMENDMENT NO. 2650

(Purpose: To exclude certain agricultural trade and assistance laws from the general waiver authority)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY] proposed an amendment numbered 2650.

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

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

The amendment is as follows:

On page 42, line 18, strike "and the Budget Enforcement Act of 1990" and insert "the Budget Enforcement Act of 1990, the Food, Agriculture, Conservation, and Trade Act of 1990, section 901b(c) of the Merchant Marine Act, 1936, the Agricultural Trade Act of 1978, the Agricultural Trade Development and Assistance Act of 1954, section 416 of the Agricultural Act of 1949, and the Commodity Credit Corporation Charter Act".

On page 43, line 19, strike "The" and insert "(a) IN GENERAL.—The"

On page 44, between lines 2 and 3, insert the following new subsection:

(b) ADVANCE NOTICE OF CERTAIN ACTIONS.—The President shall notify in writing the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives at least 15 days in advance of the implementation of an activity described in subparagraphs (B) and (C) of section 7(2) or subsection (b), (c), or (d) of section 18.

Mr. LEAHY. Mr. President, section 13(c) of the committee bill gives the administration a broad waiver authority from current law to meet the objectives of the Freedom Support Act. The committee bill already excludes certain laws from the waiver under the jurisdiction of the Appropriations and Budget Committees. My amendment adds the agricultural acts which are under the jurisdiction of the Committee on Agriculture, Nutrition, and Forestry and deal with export promotion and humanitarian food aid, as well as the underlying Commodity Credit Corporation Charter Act, to the list of existing legislation that will not be subject to the broad waiver authority.

The amendment also directs the President to notify both congressional agricultural committees of actions taken under specific sections of the bill related to agricultural policy, technical assistance, and humanitarian aid at least 15 days prior to their implementation. This notification is necessary because the Department of Agriculture believes that the bill provides more comprehensive and flexible authority, particularly for technical assistance which is a critical long-term need in the former Soviet Union. It is the intention of the Committee on Agriculture, Nutrition, and Forestry that the Secretary of Agriculture should work closely in cooperation with the committee to develop technical and other assistance appropriate to the former Soviet Union.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment No. 2650.

The amendment (No. 2650) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2651

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY] proposes an amendment numbered 2651.

Mr. LEAHY. 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:

Section 7 of S. 2532, the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act, is amended—

(1) on page 34, line 6, by inserting ", scholarly," after "educational";

(2) on page 35, line 14, by striking "and";

(3) on page 35, line 19, by striking the period at the end thereof and inserting "; and"; and

(4) on page 35, after line 19, by inserting the following new paragraph:

"(10) to support training for and preparation of American participants in assistance programs and related activities, including language, area, and technical background study at accredited institutions of higher education.".

Mr. LEAHY. Mr. President, this amendment would authorize the training of American participants in assistance programs for the Republics of the former Soviet Union and United States institutions of higher education. I understand it is acceptable to both managers of the bill.

Mr. COCHRAN. Mr. President, I am pleased to join in support of the Agriculture Committee amendment, which includes two very important provisions to broaden the scope of the Cochran fellowship program by giving the Secretary of Agriculture discretion to determine that any newly independent State of the former Soviet union may be eligible to participate in the program, and by providing that Cochran fellowships may be awarded to private farmers.

Since 1984, these fellowships have been available for training agriculturalists from middle-income countries which do not receive assistance through the U.S. Agency for International Development, the U.S. Department of Agriculture's Office of International Cooperation with the Foreign Agricultural Service and its attache service personnel in the field.

The fellowships offer training opportunities in the United States ranging from 2 weeks to 6 months. The program provides participants with ethnical instruction, practical field observations, and hands-on experience.

From 1984 through 1991, over 1,700 persons from 22 countries participated in this program. Eastern European countries participated for the first time in 1991, when 115 Cochran fellows were selected from Yugoslavia, Poland, Hungary, Czechoslovakia, and Bulgaria. The program has announced plans to expand into Russia, Ukraine, and Kazakhstan, and this amendment will help the Secretary of Agriculture do even more in the former Soviet Republics.

The program is yielding important benefits to participating countries in their agricultural development efforts and is making a cumulative contribution to U.S. market development initiatives.

I am pleased the administration is cooperating with us in this expansion, and I urge support for the Agriculture Committee amendment.

Mr. SYMMS. Mr. President, this amendment ensures that a portion of the assistance to be provided to the countries of the former Soviet Union will be used to help establish an efficient transportation system. I truly appreciate the managers' willingness to work with me on fashioning the

amendment, and I am pleased they have agreed to accept it.

Transportation is an essential building block in the construction of a sound economy, and having traveled recently to Vladivostok with our colleague Senator MURKOWSKI, I can attest to the dire need for transportation-related assistance in the Russian Republic. This amendment ensures the United States will provide necessary construction-related technical assistance as well as construction services and products, including materials, equipment, and supplies. And it calls for the utilization of private sector and academic expertise and services whenever possible to provide this assistance.

We have only limited knowledge of the extent of need for transportation assistance in the CIS countries, and that knowledge is based primarily on a recent World bank review of the transport sector in the Russian Republic. However, based on that review, one can safely say the needs are far greater than we can begin to fulfill with the aid provided through this amendment, but it's a start.

The most urgent needs are for highway improvements, railway rolling stock, air traffic control and communications equipment, port improvements, and spare parts. In every case, technical assistance will be necessary if the aid we provide is to be utilized for the long-term benefit of those CIS countries. And much of that technical assistance—for instance, the preparation of project feasibility studies, project management practices, and the development of market oriented procurement procedures—can and should be provided through U.S. trade associations, construction companies, and academic institutions.

In addition, there is an acute need for transportation products, including modern equipment, certain construction materials, and spare parts, which also can and should be provided by American companies.

Mr. President, I think this is a most important amendment because good transportation is so important to the development of a sound economy and because the amendment takes the right approach to the provision of foreign aid by involving America's private sector expertise and services. I hope the managers will protect the amendment in conference, and I thank them again for their valuable assistance in putting it together.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment offered by the Senator from Vermont.

The amendment (No. 2651) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, the last thing, I ask unanimous consent that at this point it be in order for the distinguished Senator from Vermont [Mr. JEFFORDS] and I to engage in a colloquy for the RECORD.

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

Mr. JEFFORDS. Mr. President, I seek the floor to enter into a colloquy with my distinguished senior Senator.

Mr. President, I have been informed that many of the emerging States have made inquiries about purchasing of dairy cattle and the accompanying equipment and technology to build their dairy industries. It is my understanding that if we can offer a subsidy to exporters, these countries will purchase our dairy cattle even if the price is higher than those offered by other countries. If this is the case, I feel we should take advantage of these opportunities to establish exporting markets with these newly formed countries.

I would like to ask the senior Senator from Vermont what authority USDA has to export dairy cattle.

Mr. LEAHY. Presently USDA can export dairy cattle under the Export Enhancement Program.

Mr. JEFFORDS. What is the present funding level for EEP?

Mr. LEAHY. The funding level for 1992 is $1.2 billion. The administration's request for 1993 is also $1.2 billion.

Mr. JEFFORDS. Does USDA have the authority to offer a subsidy for exporters?

Mr. LEAHY. They do have that authority under EEP.

Mr. JEFFORDS. Is USDA actively using this authority under EEP?

Mr. LEAHY. At the present time they have not been actively exporting dairy cattle.

Mr. JEFFORDS. Is there a specific reason for this?

Mr. LEAHY. It is my understanding that they are not using this authority because of the problems they encountered the last time they exported dairy cattle in 1985–86.

Mr. JEFFORDS. Have solutions to these problems been proposed?

Mr. LEAHY. Several exporters have proposed solutions to these problems. My committee took testimony on May 19, 1991, outlining some of these solutions. It is my hope that USDA can learn from the problems encountered in 1985–86 and work with exporters to correct those problems, taking into account the cost implications.

Mr. JEFFORDS. Mr. President, it seems to me that if USDA worked with some of these exporters to develop a dairy cattle export program, we could take advantage of these opportunities and establish these markets before they are lost to other countries. It is these types of opportunities that we must take advantage of to increase our domestic revenue and create jobs.

I yield the floor.

Mr. LEAHY. The junior Senator from Vermont is correct. That is why we had the hearing. I agree with him.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. NUNN. Mr. President, I yield to the Senator from Minnesota. He has an amendment that I believe is going to be accepted. I ask unanimous consent that I do not lose my right to the floor.

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

AMENDMENT NO. 2652

(Purpose: To support the development of local and regional democratic institutions in the independent States of the former Soviet Union)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE], for himself, Mr. HARKIN, and Mr. GORTON, proposes an amendment numbered 2652.

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

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

The amendment is as follows:

On page 52, after line 13, add the following:

TITLE II—INTERNATIONAL LOCAL GOVERNMENT EXCHANGE ACT OF 1992

SEC. 201. SHORT TITLE.

This title may be cited as the "International Local Government Exchange Act of 1992".

SEC. 202. FINDINGS; POLICY.

The Congress finds that—

(1) the independent states of the former Soviet Union have requested the assistance of American Federal, State, and local officials in making the transition from Communist political systems and centrally planned economies to democratic societies based on local and regional self-government;

(2) the United States is well-positioned, because of its long democratic heritage and traditions, to make a substantial contribution and traditions of the independent states of the former Soviet Union to a more democratic polity and to democratic institutions by building on current technical and talent assistance programs with the newly independent republics of the former Soviet Union;

(3) it is in the immediate economic and national security interests of the United States to ensure the peaceful, orderly, and successful transformation of such states into fully democratic societies;

(4) provision by the United States of the requested assistance would promote development of a democratic polity and would help establish democratic institutions responsive to the needs of the people, particularly in the localities and regions of the independent states of the former Soviet Union;

(5) establishment of democratic local and regional governance that fosters the development of a decentralized market economy and preserves local autonomy and minority rights is essential in order to prevent the de-

stabilization of the independent states of the former Soviet Union by serious economic and political deterioration or by interethnic tensions;

(6) such states have an educated labor force and the capability for productive economies, but they lack many of the basic organizations, institutions, skills, attitudes, and traditions of civil society on which democracy must ultimately rest;

(7) traditional United States foreign assistance programs and mechanisms are inadequate for responding to this new challenge because they are not designed to mobilize the practical expertise of the American people or to target and deliver practical assistance at the grassroots level in the widely divergent societies of the region;

(8) there is great willingness on the part of United States citizens to offer hands-on, person-to-person training, advice, support, and technical assistance to the peoples of the independent states of the former Soviet Union;

(9) State and local government officials in the United States can provide a vast pool of skills, talents, and experience which may be drawn upon to meet these urgent needs for democratic ideas and institutions;

(10) direct grassroots, people-to-people exchanges are the most appropriate means of ensuring that the rapid yet uneven evolution of social and political change will be responsive to the desires of the people of the independent states of the former Soviet Union;

(11) such exchanges can assist in the establishment of democratic regional and local governments where they do not now exist, and can assist existing local and regional governments to develop laws, policies, administrative and judicial procedures, regulatory competence, broad-based tax systems and effective service delivery mechanisms; and

(12) participants in such exchanges can work with national, regional and local officials to encourage intergovernmental cooperation through the establishment of laws, regulatory regimes, institutions, and channels of communication among government officials at all levels.

SEC. 203. STATEMENT OF PURPOSE.

The purpose of this title is to facilitate the establishment of—

(1) legitimate, democratically elected local and regional governments throughout the independent states of the former Soviet Union that will be able to provide for self-governance and the full range of efficient and equitable public services and management practices expected of such governments in a free society;

(2) cooperative intergovernmental relations between and among the independent states of the former Soviet Union and among its regional and local governments that will provide effectively for such common needs as economic development, intermodal transportation, environmental protection, and joint service provision;

(3) permanent governmental and non-governmental institutions throughout the independent states of the former Soviet Union able that will provide continuing training, research, and development with respect to local and regional governance and intergovernmental cooperation; and

(4) ongoing ties of assistance and friendship between the officials and institutions of State and local governments in the United States and the independent states of the former Soviet Union.

SEC. 204. DEFINITIONS.

As used in this title—

(1) the term "eligible organization" means—

(A) any organization of elected or appointed State, local, or regional governmental officials determined by the agency administering section 205 to have the capacity to engage in educational and technical assistance exchanges in public administration; or

(B) any private, nonprofit organization having expertise in public administration and experience in providing training or technical assistance; and

(2) the term "independent states of the former Soviet Union" includes the following states that formerly were part of the Soviet Union: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

SEC. 205. AUTHORITY.

(a) IN GENERAL.—(1) The President, acting through such agency as he may designate, is authorized to establish a program for technical assistance in local and regional self-government to the independent states of the former Soviet Union to carry out the purposes of this title.

(2) Of the amounts authorized to be appropriated, an appropriate amount should be made available for necessary administrative expenses by the implementing agency.

(b) GRANTS.—In providing assistance under subsection (a), the President shall, subject to the availability of appropriations, make grants to eligible organizations to cover the travel and administrative expenses incurred by such organizations in conducting—

(1) an assessment of the need by any independent state of the former Soviet Union for fiscal, legal, and technical expertise at the local and regional level; and

(2) training of local and regional governmental officials in democratic institution-building and public administration.

(c) LOCATION.—Funds made available under this title may not be used for any period in excess of 6 months with respect to any single visit authorized by this section.

SEC. 206. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—In addition to amounts otherwise available for such purposes, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

(b) AVAILABILITY OF FUNDS.—Funds authorized to be appropriated pursuant to subsection (a) are authorized to remain available until expended.

SEC. 207. TERMINATION.

This title shall terminate 5 years after its date of enactment.

Mr. WELLSTONE. Mr. President, first, let me thank both the managers, Senators PELL and LUGAR, for their support. Second, let me thank the Foundation for Social and Political Research, located in Moscow, and the International Center in our own country, for their help in conceptualizing and developing this proposal.

Mr. President, I will describe this amendment in a couple of minutes.

This was initially in bill form and now it is in amendment form. It is an important piece of legislation called the International Local Government Exchange Act of 1992. This amendment acknowledges that our country has flourished, in part, because we have had a grassroots political culture, and that certain elements of this grassroots political culture can be transferred to the Republics. This amendment provides for an exchange program whereby State and local officials and public administrators from our country can spend time in the new Republics, and their officials and experts can also come to our country. They can spend up to 6 months, Mr. President, exchanging ideas and expertise in a wide variety of areas related to local and regional government.

I think the important thing about this amendment—I could go on for hours about the benefits of this program, but I will not—is that I think a democratic polity is a critical prerequisite for a successful economy. We know from our own experience in our country that much of the design of programs and much of the creativity is at the State and local level. This is an effort to take what has often worked well in our country and transfer ideas and expertise to the people of the new Republics.

Finally, I want to thank both of the managers of this bill, because this is really, for me, an important moment in the U.S. Senate. I visited the Russian Republic with my wife, Sheila, in December. The idea for this exchange program came out of the conference we had there sponsored by the Foundation for Social and Political Research, where a number of different people from the Republics said this is something that would be critical to the success of their efforts to establish strong and effective systems of local government.

I am pleased about this amendment, I think it and the support it has received from my colleagues strengthens the bill. I would like to dedicate this amendment to my father, Leon Wellstone, who passed away in 1983, but who was born in Odessa in the Ukraine and lived in Khabarovsk. This is especially meaningful to me, and I thank Chairman PELL for his support for the amendment.

Mr. President, last week we heard Russian Federation President Boris Yeltsin promise that his democratic reforms were moving forward, and that the success of those reforms depends upon critical assistance from the West. Many of my colleagues and I have been deeply impressed by his commitment to reform, and have indicated consistent support for helping his Government and the Russian people establish a democratic polity and strong democratic traditions.

Last week, in anticipation of the upcoming debate this week on aid to the independent Republics of the former Soviet Union, I introduced legislation to authorize a comprehensive 5-year, people-to-people exchange program designed to help the Republics build strong, vital democratic institutions of local and regional governance. I have

reconfigured that legislation into this amendment, which I am offering on behalf of myself and Senators HARKIN and GORTON. I am grateful for their support, and urge all of my colleagues to join as cosponsors of this effort.

Establishing democratic local governments throughout the Republics that are responsive to local problems is critical to the democratic transformation of the Republics. The success of their efforts to democratize their systems of government and privatize their economy will depend in large part on the willingness of their diverse regional and local governments to stay in the Federation, maintain peaceful relations, and develop regimes to address the problems and concerns of the people of those Republics on the local level. No matter how many decrees issue from Moscow, reform will falter if local courts fail to protect individual rights, and if local governments are unable to protect their citizens or provide for a system which allows for the free flow of goods and services across local and regional jurisdictional lines, and unable to promote economic development and social welfare through efficient and equitable tax and regulatory systems. This amendment is designed to provide urgent technical assistance to local and regional governments in these and other areas.

Last December, I traveled to the former Soviet Union to assess firsthand a key moment in its political and economic transformation. During that visit, I attended a conference on federalism sponsored by the Foundation for Social and Political Research in Moscow, which included parliamentarians and other public officials from the various Republics, and experts and prominent scholars from all over the world, committed to establishing a workable system of Federal Government there rooted in and responsive to local needs. Almost without exception, the Russian officials at this conference expressed a strong desire for extensive consultations with knowledgeable and experienced administrators from the West who could help them to develop a democratic polity and establish democratic institutions. They especially underscored their need to develop expertise both to deal with the everyday problems confronting local and regional governments and to manage the dramatic changes that will flow from the establishment of autonomous and democratic institutions of local government.

While S. 2532 as reported by the committee authorizes extensive business, educational, and cultural exchanges, it does not directly address the critical question of establishing and strengthening local and regional democracy. This local and regional government support is essential if the long, grim legacy of centralized rule is to be broken and democracy is to flourish. I believe that unless the highly centralized and hierarchical command system of governance is abandoned in favor of a more decentralized system of local, regional, and national governments that is responsive to the needs of all citizens, the evolution toward democracy and economic reform could be aborted.

Mr. President, the fragility of the political situation prevailing in many regions and localities of the former U.S.S.R. underscores the urgency of adopting this amendment. To demonstrate the pressing need to establish viable democratic local and regional governments, let me briefly describe the acute problems of governance now faced by Russia, which to varying degrees are shared by other independent States of the former U.S.S.R.

The sudden collapse of the central totalitarian regime resulted in a flowering of nongovernmental institutions, such as civic associations, unions, and economic cooperatives. Unfortunately, there has not been a comparable development of democratic local government. Beyond the reach of central authorities, local governance in some areas is in danger of remaining under the sway of old guard Communist apparatchiks. For the most part, democratic governance is confined to the upper echelons of Yeltsin's government, the Russian Parliament, and the city councils of Moscow, St. Petersburg, and a few other cities. In many regions, holdovers from the Brezhnev era still retain considerable power. Despite Yeltsin's appointment of representatives of the president to most oblast governments, veteran party bureaucrats continue to dominate the scene. I view with particular alarm the growing tendency for reforms promulgated by the center to be sabotaged or ignored by local officials. Without the cooperation of local authorities, no meaningful political or economic reform is possible.

Not surprisingly, frictions between the national government and regional and local governments are on the rise. In rural areas, rural governments need to be created to replace collective farm officials who formerly held sway and to provide such services as maintaining farm-to-market roads. And local governments must be given the know-how to provide efficiently the public services needed by citizens.

While my amendment establishes an international exchange program for public administrators and public officials to be administered by the U.S. Information Agency, it will depend on contractor support from such organizations as the National Governor's Association, the National Association of Counties, the United States Conference of Mayors, and the National Academy of Public Administration. These, and similar organizations, can mobilize the most able and experienced of America's State and local officials to provide training and other technical assistance to their counterparts in the former U.S.S.R. National associations of State and local officials are well-suited to help build democratic regional and local governments and to develop mechanisms to promote intergovernmental and interethnic cooperation. They have experience in carrying out the kind of assistance activities proposed in my amendment; they operate extensive technical training programs for their memberships; and many have in the last year been inundated with requests for such technical assistance from the Republics. In discussions with representatives of these groups, they have indicated their strong interest in participating in a program similar to that outlined in my amendment. They have recently formed a consortium of groups ready to implement such an exchange program, and have been working with USIA under existing authorities to prepare their program plans. Of course, if there are other experienced groups able to provide such assistance in addition to those given priority in the legislation, USIA should give their proposals every consideration as well.

Mr. President, economic assistance alone will not guarantee the survival of democracy in the former Soviet Republics. Without the development of local and regional institutions that make democratic self-government possible, and without a democratic polity taking root across the Russian Federation, there will be no real reform. In contrast to the United States, the peoples of the former U.S.S.R. have virtually no history of local democracy and little experience with local self-government. They are now asking us to provide them with the expertise we have gained from over 200 years of democratic self-rule. If we are concerned about the fate of democracy in the independent states of the former Soviet Union, we dare not turn them down.

I urge my colleagues to support the inclusion of this amendment into the Freedom Support Act.

I yield the floor.

Mr. LUGAR. Mr. President, I commend the distinguished Senator from Minnesota for a very corrective amendment and a very moving tribute to his father. His cooperation and commendation of this legislation is much appreciated on this side.

Mr. PELL. Mr. President, I agree that this is an excellent piece of legislation, and it is a tribute to not only his father but also to Senator WELLSTONE.

I urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to amendment 2652.

The amendment (No. 2652) was agreed to.

Mr. WELLSTONE. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair recognizes Senator NUNN.

AMENDMENT NO. 2653

(Purpose: To authorize additional steps to promote the demilitarization of the independent states of the former Soviet Union)

Mr. NUNN. Mr. President, I rise to offer an amendment on behalf of myself, Senators WARNER, EXON, THURMOND and other members of the Armed Services Committee to section 8 of the Freedom Support Act as reported by the Foreign Relations Committee. I send that amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for himself, Mr. WARNER, Mr. EXON, Mr. THURMOND, Mr. BINGAMAN, Mr. COHEN, Mr. LEVIN, Mr. LOTT, Mr. MACK, Mr. MCCAIN, Mr. SHELBY, Mr. SMITH, and Mr. WALLOP, proposes an amendment numbered 2653.

Mr. NUNN. 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:

Beginning on page 35, strike out line 21 and all that follows through line 22 on page 36 and insert in lieu thereof the following:

(a) DEMILITARIZATION OF THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.—

(1) CONGRESSIONAL FINDING ON SIGNIFICANCE OF DEMILITARIZATION.—The Congress finds that it is in the national security interest of the United States—

(A) to facilitate, on a priority basis—

(i) the transportation, storage, safeguarding, and destruction of nuclear and other weapons of mass destruction of the independent states of the former Soviet Union;

(ii) the prevention of proliferation of weapons of mass destruction and destabilizing conventional weapons of the independent states of the former Soviet Union, and the establishment of verifiable safeguards against the proliferation of such weapons;

(iii) the prevention of diversion of weapons-related scientific expertise of the former Soviet Union to terrorist group or third countries; and

(iv) other efforts designed to reduce the military threat from the former Soviet Union;

(B) to support the conversion of the massive defense-related industry and equipment of the independent states of the former Soviet Union for civilian purposes and uses; and

(C) to use existing authorities and funding to expand military-to-military contacts between the United States and the independent states of the former Soviet Union.

(3) AUTHORITY.—The President is authorized, consistent with paragraph (1), to establish programs for—

(A) transporting, storing, safeguarding, disabling, and destroying nuclear, chemical, and other weapons of the independent states of the former Soviet Union, as described in section 212(b) of the Conventional Forces in Europe Treaty Implementation Act of 1991 (Public Law 102-228);

(B) establishing verifiable safeguards against the proliferation of such weapons;

(C) preventing diversion of weapons-related scientific expertise of the former Soviet Union to terrorist groups or third countries;

(D) facilitating the conversion of military technologies and capabilities and defense industries of the former Soviet Union into civilian activities; and

(E) establishing science and technology centers in the independent states of the former Soviet Union for the purposes of engaging weapons scientists and engineers previously involved with nuclear, chemical, and other weapons of mass destruction in productive, nonmilitary undertakings.

(3) FUNDING AUTHORITY.—In recognition of the direct contributions to the national security interests of the United States of the activities specified in paragraph (2), the President is authorized to make available such sums as may be necessary of funds made available under sections 108 and 109 of Public Law 102-229, funds made available to carry out the provisions of section 23 of the Arms Export Control Act, and funds made available to carry out this Act, to carry out the provisions of paragraph (2).

(4) PRIOR NOTICE OF OBLIGATIONS TO CONGRESS.—Not less than 15 days before obligating any funds made available for a program under paragraph (2), the President shall transmit to the appropriate congressional committees a report on the proposed obligation. Each such report shall specify—

(A) the account, budget activity, and particular program or programs from which the funds proposed to be obligated are to be derived and the amount of the proposed obligation; and

(B) the activities and forms of assistance under paragraph (2) for which the President plans to obligate such funds.

(5) QUARTERLY REPORTS ON PROGRAMS.—Not later than 30 days after the end of each fiscal year quarter for fiscal years 1992 and 1993, the President shall transmit to the appropriate congressional committees a report on the activities carried out under paragraph (2). Each such report shall set forth, for the preceding fiscal year quarter and cumulatively, the following:

(A) The amounts expended for such activities and the proposes for which they were expended.

(B) The source of the funds obligated for such activities, specified by program.

(C) A description of the participation of all United States Government departments and agencies in such activities.

(D) A description of the activities carried out under paragraph (2) and the forms of assistance provided under that paragraph.

(E) Such other information as the President considers appropriate to fully inform the Congress concerning the operation of the programs authorized under paragraph (2).

(6) DEFINITIONS.—As used in paragraph (4) and (5)—

(A) the term "appropriate congressional committees" means—

(i) the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Appropriations of the House and the Senate, wherever the account, budget activity, or program is funded from appropriations made under the international affairs budget function (150), and the activity funded is a foreign relations activity;

(ii) the Committees on Armed Services and the Committees on Appropriations of the Senate and the House of Representatives, wherever the account, budget activity, or program is funded from appropriations made under the national defense budget function (050), and the activity funded in a defense activity; or

(iii) all congressional committees referred to in clauses (i) and (ii)—

(I) wherever the account, budget activity, or program is funded from appropriations made under the national defense budget function (050), but the activity is a foreign relations activity; or

(II) wherever the account, budget activity, or program is funded from appropriations made under the international affairs budget function (150), but the activity funded is a defense activity;

(B) the term "defense activity" means any activity which, if the subject of legislation, would require such legislation to be referred, under the rules of the respective House of Congress, to the Committee on Armed Services of the Senate or the Committee on Armed Services of the House of Representatives; and

(C) the term "foreign relations activity" means any activity which, if the subject of legislation, would require such legislation to be referred, under the rules of the respective House of Congress, to the Committee on Foreign Relations of the Senate or the Committee on Foreign Affairs of the House of Representatives.

On page 44, line 2, insert "(other than section 8(a))" after "Act".

Mr. NUNN. Mr. President, this amendment, dealing with measures to facilitate demilitarization of the former Soviet Union, has been worked out in most details by our two committees on a bipartisan basis. And I hope we will be able to say shortly that all details have been worked out. I had previously been informed that all details had been worked out, but have just been notified that perhaps we have one remaining problem. We have reached agreement on the substance of the amendment, which I believe deals adequately with the jurisdictional as well as substantive concerns of both committees.

Mr. President, when this bill was first introduced, the Senator from Rhode Island and I, and the Senator from Indiana, all conferred and decided, along with the Senator from Virginia, that even though some of this legislation would normally go to the Armed Services Committee, in the interest of time and to expedite the matter, which I felt needed expediting, we would not request sequential referral to our committee. In the meantime, we would work with the Foreign Relations Committee to iron out any wrinkles, since a lot of this legislation does relate to matters that we dealt with last year on the defense authorization bill. So that is the background here, and we are working out this amendment in accordance with that agreement.

Essentially, this amendment makes the following substantive change in section 8 of the bill as reported out of the Foreign Relations Committee. It would make the so-called Nunn-Lugar funding available for United States projects to assist defense conversion in the former Soviet Union, primarily in Russia and Ukraine, where defense en-

terprises are concentrated. We agree with the general approach to conversion in the bill as reported, which is to focus on improving the climate for investment in defense conversion by the U.S. private sector.

This approach is not foreign aid in the usual sense of the term. It is certainly not charity. By helping to downsize the old Soviet defense establishment, and by limiting the likelihood of proliferation of weapons and weapons know-how, this approach is a prudent investment in our own national security. It is for that reason that last year I had this particular proposal in the original legislation that was considered in the Armed Services Committee, then scaled down to what became known as the Nunn-Lugar amendment. We took out the section on defense conversion because at that time, unlike now, it was a controversial subject.

This is also an investment in improving the business environment for American companies. There is no question that the defense sector of the former Soviet Union contains valuable human and material resources. This approach to facilitating defense conversion in the countries of the former U.S.S.R., therefore, should result in the long-term in American profits and American jobs that will fully justify our initial investment.

Mr. President, I want to take this opportunity to congratulate the Senator from Rhode Island and the Senator from Indiana and express my support for the overall bill under consideration. I also congratulate the Senator from Delaware [Mr. BIDEN], who has been very involved in this legislation, as well as others.

After a fact-finding trip to Russia and Ukraine in March of this year, Senators LUGAR, WARNER, BINGAMAN, and I issued a unanimous bipartisan report that pointed out a number of deficiencies, some of which we felt were critical, in the administration's approach to the former Soviet Union. Our report also outlined a number of detailed recommendations which we felt were necessary to deal with the prospects of democracy and reform in these countries. Our report contained numerous recommendations for U.S. assistance. I am gratified that almost all of our suggestion are contained in the legislation before us.

The one area that I hope to emphasize in our defense authorization bill that is not emphasized in this bill is the area of military-to-military visits and also exchange programs in general.

I know Senator BRADLEY is working on legislation in regard to exchange programs with Americans. I think it is critical at this time that we have an open policy, an innovative policy of having substantial number of former Soviet military officers visit our Nation. I think it can serve many purposes, including exposing them to democracy and a market economy, acquainting them with our own defense and military people, and most importantly, taking some of the pressure off back home in terms of the military and their frustrations, which are inevitable, growing and potentially destabilizing.

Mr. President, with the inclusion of the amendment that my colleagues and I are proposing today, and with the amendment Senator WARNER will be offering shortly, which I am a coauthor of, I believe this bill will merit the support of the Senate.

The situation in the former Soviet Union is no less critical now than it was when Senators LUGAR, BINGAMAN, and I visited Russia and Ukraine last March.

Now, as then, it is squarely in the national security interests of the United States to assist the difficult transition underway there from totalitarianism to democracy, and from a centrally mobilized command economy to a pluralistic, demand-driven market economy.

Our assistance should include greatly expanded human contacts, in addition to humanitarian, financial and technical assistance. And as I have stated, it is in our interests to expand people-to-people exchanges of the sort sponsored by private American organizations such as Friendship Force. It is in our interests to develop extensive military-to-military exchanges that will assist the officer corps of Russia and the other new countries of the former U.S.S.R. to move to new military roles and missions as well as to new principles of civilian oversight.

Mr. President, exchanges of this kind are in keeping with the letter and the spirit of this bill, which I hope will be promptly and overwhelmingly endorsed by the Senate.

I hope that we do not get bogged down with so many amendments that this bill languishes, because I think it is absolutely essential to our national security that we move forward.

Mr. President, I know that the Senator from Virginia will propose an amendment to my amendment. I would like to state in advance that this is a part of our original package, that he is a sponsor of this amendment and I am a sponsor of his secondary amendment, which I hope will be accepted by the Senate and incorporated as a part of this amendment to the Freedom Support Act.

The PRESIDING OFFICER. The Chair recognizes the Senator from Virginia [Mr. WARNER].

AMENDMENT NO. 2654 TO AMENDMENT NO. 2653

(Purpose: To attach conditions to the proposed program set forth in the Nunn amendment)

Mr. WARNER. Mr. President, I have a second-degree amendment at the desk, and I ask unanimous consent that it be given immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows

The Senator from Virginia [Mr. WARNER], for himself, Mr. NUNN, Mr. COHEN, Mr. EXON, Mr. LEVIN, Mr. LOTT, Mr. MACK, Mr. MCCAIN, Mr. SHELBY, Mr. SMITH, Mr. THURMOND, Mr. WALLOP proposes an amendment numbered 2654 to amendment No. 2653.

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

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

The amendment is as follows:

At the end of proposed section 8(a)(1), as proposed to be inserted by the Nunn, et al, amendment, insert the following new paragraph and renumber remaining paragraphs and internal references to paragraphs in the Nunn, et al., amendment accordingly:

"(2) EXCLUSIONS.—In addition to the conditions on eligibility set forth in section 5(b), United States assistance under paragraph (3) may not be provided unless the President certifies to the Congress, on an annual basis, that the proposed recipient is committed to—

(A) making a substantial investment of its resources for dismantling or destroying such weapons of mass destruction, if such recipient has an obligation under treaty or other agreement to destroy or dismantle any such weapons;

(B) forgoing any military modernization program that exceeds legitimate defense requirements and forgoing the replacement of destroyed weapons of mass destruction;

(C) forgoing any use in new nuclear weapons of fissionable or other components of destroyed nuclear weapons; and

(D) facilitating United States verification of any weapons destruction carried out under section 212 of the Conventional Forces in Europe Treaty Implementation Act of 1991 (Public Law 102-228)."

Mr. WARNER. Mr. President, I rise in support of the underlying amendment offered by the distinguished chairman of the Armed Services Committee and now to offer a second-degree amendment on behalf of myself, Senator NUNN, Senator THURMOND, Senator COHEN, Senator EXON, Senator LEVIN, Senator MCCAIN, Senator BINGAMAN, Senator WALLOP, Senator SHELBY, Senator LOTT, Senator MACK, and Senator SMITH.

In my opinion my second-degree amendment is essential in order to protect the United States national security interest as we proceed along the path of providing assistance to our former Soviet adversaries now the several independent States of the former Soviet Union.

As my colleagues well know, I have long been a supporter of assistance to the new independent nations of the former Soviet Union and was an original cosponsor of the first Soviet aid package passed by the Congress, the so-called Nunn-Lugar amendment. Indeed, as I said on April 2 before the Senate, the day after President Bush announced his intention to submit an aid package for the former Soviet Union,

The President's proposed aid package holds out the prospect of being the single most important contribution that the West can make to help the new States achieve their goal of self-determination and democratic values.

My feelings on this issue were reinforced as I sat along with my colleagues in the House chamber last week and listened to the historic address by the Russian President Yeltsin.

However, since President Bush announced his aid package on April 1, I have been concerned that his proposal lacks the sufficient clear linkage that I deem essential between the provision of assistance to the former republics and actions by those Republics to reduce the military threat to the United States. The bill, which is before the Senate today likewise, in my judgment does not sufficiently have linkage in it that would do that.

Therefore, my amendment is to cure that deficiency.

Mr. President, in my opinion we cannot ask the American citizens, the taxpayers, to support such a substantial aid package as is now before this body. To give assistance, well-deserved, well-intentioned, and needed assistance to our former adversaries unless we as a Nation are able to demonstrate a direct benefit to the United States, namely, a reduction in the continuing military threat to our Nation posed by the military weapons and the military establishment of the newly independent states of the former Soviet Union.

Mr. President, during the debate on the original Nunn-Lugar legislation last fall, many Members of this body raised serious questions about a continuing threat to the United States posed in particular by the massive strategic nuclear arsenal of the former Soviet Union which is largely still intact among the several new independent States. Since that legislation was enacted, we have seen further historic and very positive developments in Russia and other new independent States of the former Soviet Union toward democracy an demilitarization, which I discussed on April 2 before the Senate. I believe that the strict conditions in the Nunn-Lugar bill governing United States assistance contributed greatly to continued progress toward democracy in Russia and the other former republics.

More recently, in May, Russia and the three former Soviet Republics with nuclear weapons on their territories reached agreement in principle to become signatories to the START Treaty. The joint statement of Presidents Bush and Yeltsin at the recent Washington summit to further reduce strategic nuclear weapons in both our countries is another step forward. These are welcome developments, but I caution that the details of implementation of the Lisbon agreements as well as the summit agreements are still under discussion.

Later this month, a very high level delegation from the United States will visit the Russian Republic and perhaps others for the purpose of moving forward the concept of reducing military tension and indeed implementing the agreements reached here between Presidents Bush and Yeltsin.

Today, the massive strategic nuclear arsenal of the former Soviet Union remains essentially intact. Whether through inertia or intention, modernization and production of both conventional and strategic weapons continue in these new Republics, albeit at a greatly reduced rate. We must keep in perspective the potential continuing threat posed by these weapons of mass destruction and our responsibility to the security of the citizens of the United States.

I, therefore, believe it is essential that we continue to work with Russia and the other new independent States toward mutually beneficial reductions in the continuing military threat to the peoples of both the United States and the new States. Conditioning United States financial assistance to the former Soviet Union on their own commitment to threat reduction is in the best interest of both our countries.

Mr. President, what we are proposing in this second degree amendment is very modest, and actually has been adopted once before by the Congress in November 1991. In essence, this amendment would restate four of the vital conditions contained in the original Nunn-Lugar legislation. If this amendment is adopted, prior to the provision of funding for demilitarization activities authorized in this section, the President must certify to the Congress on an annual basis that the proposed recipient is committed to:

First, making a substantial investment of its own resources for dismantling or destroying weapons of mass destruction;

Second, forgoing any military modernization program that exceeds legitimate defense requirements and forgoing the replacement of destroyed weapons of mass destruction;

Third, foregoing any use in new nuclear weapons of the fissile or other components of the destroyed weapons; and

Fourth, facilitating U.S. verification of any weapons destruction carried out under the Nunn-Lugar legislation.

I believe my colleagues will agree that these conditions are reasonable and do not set an unachievable standard. In fact, the President has already made such a certification this year for Russia, Ukraine, and Belarus.

Mr. President, we would be remiss in our responsibilities if we did not require these same conditions as a part of this package and legislation now before the Senate.

Therefore, I urge the Senate to continue basically the same conditions that were imposed in the Nunn-Lugar legislation on the bill before the Senate.

I yield the floor.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER (Mr. WELLSTONE). The Senator from Indiana.

Mr. LUGAR. Mr. President, I deeply appreciate the work of the distinguished Senator from Virginia in the amendment that he has offered and his recapitulation of the work of the Senate last November which has proved to be important in focusing attention on the problems of proliferation of tactical nuclear weapons and their collection and destruction.

Let me just take this opportunity, and I hope the Senator from Georgia is within earshot, because I simply want to commend the distinguished chairman and ranking member of the Armed Services Committee for their leadership in both the endeavors we are talking about today and in a trip to Russia in March that included the distinguished chairman and ranking member, Senator BINGAMAN, and myself.

Just for the sake of the historical record, upon our return, we were permitted a meeting with the Secretary of State, Mr. Baker, and an opportunity, face to face, to describe to him elements which we felt were important for the administration to embrace. And in fact he acted swiftly after that meeting to incorporate these elements and many others that were a part of his purview into a draft of the Freedom Support Act. Secretary Baker was present with the four Senators that I have mentioned in the Oval Office of the White House as President Bush embraced the essentials of the work that we are undertaking today.

I commend once again the distinguished chairman and ranking member of the Armed Services Committee for organizing very substantial efforts to bring before their committee and before the Senate essential items that we must adopt, in my judgment, to ensure that that relationship with the Russian Republics is sound.

For that reason, I support the amendments that they have offered, the original amendment offered by Senator NUNN, and the perfecting amendment by Senator WARNER. I think they are an excellent statement not only of policy but likewise of the relations between our committees.

Mr. WARNER. Mr. President, I wish to thank my distinguished colleague from Indiana and likewise the distinguished chairman of the committee for the cooperation that they individually provided to us in accepting these amendments, as well as their respective staffs.

The PRESIDING OFFICER. Is there further debate?

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I am waiting for the Senator from Delaware [Mr. BIDEN] who has been a very key participant and has a keen interest in this particular amendment. While we are waiting for him, 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.

Mr. REID. I also ask permission of the managers of the bill, if they will accept a unanimous consent request for me to speak out of order as in morning business for 5 minutes and set the pending amendment aside.

The PRESIDING OFFICER. Is there objection?

Mr. WARNER. Mr. President, reserving the right to object, would not procedure allow Senators to speak as in morning business and not require the amendment to be laid aside? That is, the underlying amendment and the second-degree amendment?

I would have to interpose an objection on behalf of the chairman of the Armed Services Committee and myself to setting aside the amendment.

I would not object if the Senator desires to speak as in morning business for 5 minutes.

The PRESIDING OFFICER. Any Senator has a right to speak out of order at this time.

Mr. REID. I would so proceed, then, and withdraw my request to set the amendment aside.

Mr. WARNER. Mr. President, parliamentary inquiry. The inquiry is, at the conclusion of the remarks of the Senator from Nevada—whatever time he wishes to take—the pending business remains the Nunn amendment, modified by the second-degree amendment of the Senator from Virginia?

The PRESIDING OFFICER. The Senator from Virginia is correct.

Mr. WARNER. I have no objection.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

HEALTH CARE

Mr. REID. Mr. President, there is a debate going on as we speak about health care delivery in this country. And many times—in fact, most of the time we talk—we like to talk hypotheticals. We do not talk reality; we do not identify with real problems that face this country in regard to medical care.

I received a letter in my office a day or two ago, addressed to me, from a friend of mine who is a physician in Las Vegas, NV; a doctor who specializes in internal medicine, one who has a reputation for fairness, for being a fine physician. He was associated at one time with the University of California, Los Angeles Medical School. He wrote me a letter and, in effect, indicated that there is a problem. He accompanied his communication with a letter that he sent to the Medicare people. In fact, the person to whom the letter was sent was Mr. Michael Hudson, Health Care Financing Administration, in Baltimore, MD.

In effect, Dr. Alan Feld, the physician that I talk about, indicated he had been taking care of a person with a severe case of asthma for an extended period of time. And he would occasionally see this woman when her asthma exacerbated. When it got very bad, she could not breathe.

He was able, with relative ease, to treat this woman in his office. He would treat her acute episodes in his office with some intravenous process. This woman was covered by Medicare.

Medicare, as you know, is regulated by HCFA, and that is who this letter was written to. Dr. Feld submitted a bill for his treatment for $100.54. That is exactly $50.94 for the doctor, and $50 for this intravenous treatment.

Medicare would not pay this. In fact, they agreed to reimburse him for taking care of this woman, but only $28.50.

He said, "I will not continue this. I have been taking care of this woman for years. She is OK, and this is wrong." He said, "The next time this happens"—and wrote and told them—"I am going to send her to the hospital. She will be taken care of in the emergency room."

Sure enough, a while later this woman had a severe asthma attack. I do not know how many people here have ever seen anyone with a severe asthma attack, but it is very, very scary for a nonmedical person, and probably scary to some people who treat these individuals on a frequent occasion.

He sent her to the emergency room of one of the hospitals in Las Vegas. They took care of this woman, charging about $1,200. The exact amount, in fact, for the treatment that she received was $1,227.50 for the emergency room care, plus $260 for the physician's charges, for a total of $1,487.50.

Of course, this bill will be paid. In fact, Medicare will not cover all of it, indigent care will be supplied by the taxpayers of Clark County, NV.

What I am trying to say here, Mr. President, is we wonder why we have a mess with health care delivery? We have a problem because of situations like this where, in effect, somebody can be taken care of for $100 in a doctor's office. But instead, the only way they can be taken care of and have their bill paid is if they go to the emergency room and pay, instead, $1,500.

We have to be realistic about what is happening in our country. The health care delivery system is falling apart for reasons like this. And I think we, as a legislative body, must start talking about reality. We have to understand that the system is broken, and we need to do something to take care of it. And a lot of the problems we are having is with Medicare—those people who do the reimbursement not being realistic about what it costs, and looking at what the budget is today and not down the road.

We must be concerned that the things we talk about relating to health care affect human beings, individuals, and are not just theories in medical schools across the country.

Mr. President, I ask unanimous consent the letter to which I referred be printed in the RECORD, and I yield the floor.

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

ALAN W. FELD M.D., CHARTERED,
Las Vegas, NV, May 18, 1992.

Mr. MICHAEL HUDSON,
Health Care Financing Administration,
Baltimore, MD.

DEAR MR. HUDSON: Mrs. BV has been followed in this office for many, many years, representing one of the most severe, resistant, and difficult to treat cases of asthma I have ever encountered in all my years of medical practice.

Over the years, we have been able to limit her hospitalizations to very few, by treating her acute exacerbations in the office. Such treatment includes careful examination, and administration of appropriate medications both intramuscularly and intravenously. The level of success of our treatments has truly been dramatic.

Recently, Medicare has chosen to deny payment for most of this treatment. For example, see the enclosed Explanation of Medicare Benefits form dated March 26, 1991, dealing with the office care of an acute episode on January 22, 1991. You will note that Medicare allowed $28.02 toward our professional charge of $50.94, and totally denied the $50.00 charge for the intravenous treatment which was successful in aborting the attack and preventing a hospitalization.

Enclosed is a copy of my letter dated March 29, 1991 protesting to Medicare, and a copy of my letter dated June 12, 1991 to Dr. Turney of the Medicare Advisory Committee on Medicare-Physician Relationships. Medicare responded by allowing us the magnificent sum of $2.56 for the slow intravenous infusion of aminophylline.

As a result of this outrageous, insulting, and unacceptable refusal on the part of Medicare to honor our extraordinarily reasonable fees for this type of emergency treatment, we resolved that, in the future, we would refer Mrs. V to the emergency room when she next presented with an acute exacerbation of asthma. She did, indeed, present with a severe exacerbation of acute asthma on April 20, 1992, of precisely the type we have treated time and time again over the past approximately twenty years in our office, without emergency room or hospital assistance or charges. On this occasion, however, because of the arrogant treatment from Medicare, we referred Mrs. V to the emergency room for treatment.

Enclosed is the billing from the emergency room to cover her charges for the treatment which they provided at that time. Please

note that the emergency room charged $1,227.50, plus the physician charges of $260.00, for a grand total of $1,487.50!

Now isn't that just wonderful! Medicare was willing to pay only $28.00 of our $100.00 charge, yet they will now pay the bulk of this almost $1,500.00 charge from the emergency room for treating the very same exact problem in the same patient!

This type of irresponsible and sophomoric administration on the part of the Medicare administration is resulting in an increase in costs rather than a control of costs. When Medicare is unwilling to pay a Board Certified Cardiologist a modest fee for caring for a life threatening emergency, the inevitable result will be that that emergency will be referred to the emergency room where Medicare will be faced with extraordinarily higher costs. The simple reason for this is that we are not able to provide free care in our expensive office facilities as Medicare would apparently like us to do.

I thought you might be interested in this single episode, which I am sure will be duplicated many times in the future for this patient and probably for thousands of patients all over the country. If you have any comments, I would certainly enjoy hearing from you.

Very truly yours,

ALAN W. FELD, M.D.,
CHARTERED.
ALAN W. FELD, M.D.,
F.A.C.C., F.A.C.P.

The PRESIDING OFFICER. The Senator from Maine is recognized.

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

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

RUSSIAN DEMOCRACY

Mr. COHEN. Mr. President, no Member of Congress could help but be moved when the speaker at the rostrum of the House of Representatives greeted America "on behalf of the Government and people of new Russia * * * the newborn Russian democracy * * * free Russia."

It was no wonder that the House Chamber resounded with applause when he proclaimed that:

During the last few months, Russia has really lived through events of world wide importance. With a single impulse, the nation has thrown down the old fetters of slavery. Free, she is entering now the dawn of new life, joining the ranks of democracy. * * *

And again when he declared that:

* * * there are now being firmly established in the minds of the nation principles that power is reposed and springs from the people. Government by the consent of the governed.

And, especially, when he pronounced that:

Russia wants the world to be safe for democracy.

Unfortunately, Mr. President, none of us was there to hear those rousing words. And the reason none of us was there was that they were spoken 75 years ago this week. They were spoken by another Boris—Boris Bakhmeteff, the new Ambassador to Washington from the provisional government of Alexandr Kerensky, which assumed power after the fall of the czar.

And, of course, only a few months after those words were spoken, Lenin had dispatched them to the ashheap of history. The great hopes for a democratic Russia applauded on the House floor 75 years ago were crushed by ruthless forces that took advantage of the flux and fragility that reigned after one regime collapsed and while another had yet to be built.

Mr. President, Justice Holmes reminded us that we look to the past not out of desire but necessity. If we are looking for a model for the current situation in Russia, we could do worse than using the situation Russia found itself in 75 years ago. And we would be wise to remember the warning Ambassador Bakhmeteff offered then:

It is not easy to comprehend what it means to reorganize all of Russia along democratic lines. Such work involves the whole of our social, economic, and political relations. The entire State structure is affected by the changes involving village, district, county; in fact, every part from the smallest to the central State. We should not forget that in this immense transformation various interests will seek to assert themselves, and until the work of settlement is completed a struggle among opposing currents is inevitable. * * * Attempts on the part of disorganizing elements to take advantage of this moment of transition must be expected. * * *

And after 75 years of Communist rule, the impediments to building democracy today are certainly no less than they were in 1917. When President Yeltsin told us that "the ominous lesson of the past is as relevent today as never before," I think he undoubtedly was aware that even as he spoke, reactionary forces in Russia were not sitting idly by. In Moscow and across Russia, former apparatchiks are working to undermine economic and political reforms, hoping that hopelessness will provide the opportunity to restore their power.

The legislation before the Senate cannot ensure the successful transformation of Russia into a democratic society with a market economy. But it can help to maintain the hope that these reforms will succeed and, in so doing, help to maintain the Russian people's resolve to stay the course in pursuing these reforms.

Mr. President, we seek to assist Russia in its transformation not as some kind of humanitarian gesture, not as a favor, not as a reward. We do so because our own interests demand it.

The transformation of the former Soviet republics to market economies and democratic, law-based institutions is of incalculable significance to the United States. As Secretary Baker has termed it, we have a once-in-a-century opportunity to build a peaceful, cooperative relationship with a democratic Russia.

While the peoples of Russia, Ukraine, and the other former Soviet republics must take the necessary and difficult steps to change their societies, we must take appropriate steps to increase their chance of success.

We have already begun some of these steps. Among other efforts, the United States has been providing:

Food and credits to buy U.S. agricultural products;

Medical supplies;

Technical assistance on many fronts ranging from how to set up modern financial and legal systems to how to bring food from field to market with minimal spoilage; and

Assistance in safely storing and destroying weapons.

Only with private sector investments, however, will there be available the tremendous resources needed to rebuild industry and infrastructure in Russia and the former Soviet republics. This bill, and especially an agreement on economic restructuring between Russia and the International Monetary Fund [IMF], are crucial if the private sector is to have the confidence necessary to making significant investments in Russia.

To help promote investment in Russia by American companies, this bill would allow Russia to use credits from the Export-Import Bank, the Overseas Private Investment Corporation, and the Private Sector Revolving Fund. It also calls for the establishment of American business centers, similar to the center now operating in Poland, to provide office space, business facilities, market analysis, and other services to United States firms and state economic development agencies exploring investment opportunities.

In addition to leveraging United States assistance in order to promote private sector investments, the bill seeks to aid Russian entrepreneurs who are in the front lines in creating a market economy. It calls for the establishment of enterprise funds, as we have already done in Eastern Europe, to make loans directly to small private businesses in Russia and the other republics. It also calls for the creation of a Eurasia foundation, modeled on the successful Inter-American Foundation, which assists private enterprise at the grass-roots level through training, technical assistance, and small-scale grants and loans.

The bill endorses U.S. participation in an international fund to help stabilize the ruble. By helping to make the ruble convertible, this will support the efforts of Russia and other republics to integrate their economies with the rest of the world, which is critical to their being able to help themselves. This would require no new funds from the United States, but would use funds already held by the International Monetary Fund.

The President does want the Congress to approve an additional contribution to the International Mone-

tary Fund that the United States committed itself to over a year ago, although it is worth nothing that these funds will be placed in an IMF account that pays interest. According to the Treasury Department, during the 1980's, U.S. participation in the IMF resulted in a net financial gain of $628 million per year as a result of the interest that countries pay to borrow from the IMF and the exchange rate adjustments that have favored the U.S. dollar.

At the same time that we help the independent states of the former Soviet Union in their move toward democracy and free markets, it is also important that we continue to move forward in defanging the bear, especially when it comes to destroying those weapons that pose the greatest danger to the United States. In that regard, it is worth nothing that S. 2532 authorizes funds to promote demilitarization and defense conversion, prevent the diversion of weapons-related scientific expertise to terrorist groups or third countries, and improve proliferation safeguards.

Mr. President, it has been stated often that our Nation has won the cold war. Let us not turn an old saying on its head by snatching defeat from the jaws of victory. Let us not allow the stirring words of Boris Yeltsin to be forgotten from our memory the way Boris Bakheteff's were lost to tyranny 75 years ago.

Today we have an opportunity to make history. Depending on the final tally of our vote today, we may either secure the peace for our children and grandchildren or hand over our cold war victory to the forces of tyranny.

I urge my colleagues to make the right choice and vote to support this crucial legislation.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

RECESS WARS IN THE BALKANS

Mr. BYRD. Mr. President, Secretary of Defense Cheney strongly indicated in a meeting with the press, yesterday, that the administration is prepared to deploy and use American combat forces in the Balkans. If the report in the Washington Post of today is accurate, Mr. Cheney has signaled a major change in the policy of the administration toward inserting United States combat forces into the situation in Bosnia, and is backing it up with the deployment to the Adriatic Sea of an amphibious ready group of 6 ships and 2,200 marines.

There is a civil war going on in the Balkans. It is deplorable. Unfortunately, it is a piece of a larger mosaic in Eastern Europe and the Republics of the former Soviet Union—a sad, historically familiar tale of ethnic conflicts, animosities, tensions, and atrocities. The question is, Should the United States be about to intervene in these situations, even if under the banner of keeping the peace? The consequences of inserting U.S. combat forces is obvious. American men and women in uniform run the risk of injury and death in a foreign land.

The President is clearly obligated to consult with the Congress on this matter if this is the plan. If considerations are running along this line, then I believe the President needs to consult with the congressional leaders in both parties and on both sides of the hill.

If it is true that a new policy has been agreed to, if it is true that we are going to take a major new, historic step of inserting ourselves in the wars and strife of the Balkans, then again I say the President has an obligation to air it with the Congress—to consult with the Congress, before the Congress takes a recess. The Senate is departing on the July 4 recess presumably tomorrow night. I hope that we are not going to be treated to a recess war. I think that that would be a mistaken act. It does not matter whether United States forces are inserted into Bosnia or the other states of the former Yugoslavia at the request of the United Nations, or at the request of the European Community, or at the request of the warring parties or of anyone else. That is not the issue. The issue is a decision to engage ourselves in a foreign conflict—a foreign conflict that surely does not threaten the critical security interests of the United States in any way.

There is certainly no question that the situation in Sarajevo, Bosnia, is dangerous. A French Government effort to break into the siege being executed by Serbian forces on Sarajevo failed yesterday after gunfire erupted at the Sarajevo airport.

Mr. President, the situation in Yugoslavia is a throwback to the early years of this century—a powderkeg region which provoked the First World War. Intervention now, should it come, would be a step of the utmost significance, a step which would certainly serve as a precedent for U.S. policy throughout that region. Can the U.S. military do much good in that region? Are American lives to be put at risk for adventures in ethnic policing? What is the American national interest here? How are we to justify the expenditure of funds, and the possible loss of lives in such an adventure? What is the basis for this decision if it is to be that decision? Who else would be involved.

Now, what is going to happen if a U.S. aircraft were to be shot down and Americans are killed in action? Is the President contemplating sending in reinforcements telling the Nation to line up behind "our boys" fighting in Yugoslavia?

If this is going to be planned, I think the American people ought to be told what the risks are and what the possible consequences are of a White House recess war in the Balkans. And, if not during the recess, then the same would hold true at a later time.

We well know the risks of engaging in conflicts about which the American people have not been adequately informed. The lack of a fully informed consensus among the people means trouble if we experience the loss of American service men and women. The commitment of American life and treasure should not occur conveniently while the Congress is out of town, if there is any such thinking going on at the other end of Pennsylvania Avenue or at the Pentagon.

We have seen these tactics before and the administration would be well advised not to go down this road without adequate consultation and thorough briefings. Apparently, some at the Pentagon have expressed reservations over the risks of a growing U.S. involvement in the Balkans. One senior admiral, according to press accounts, expressed the anxiety that the U.S. military will be committed in the Balkans for much longer than civilian policymakers now anticipate. "Just try to define the end point in Yugoslavia," he said. That is a comment that should give every Member of this body a lot to think about, if we have time. However, our time to think about it may be running short. We may find, upon returning from the July recess, that we are in the thick of some very unusual soup in the Balkans.

Mr. President, I yield the floor.

FREEDOM FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES AND OPEN MARKETS SUPPORT ACT OF 1992

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Who yields time?

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. What is the pending amendment?

The PRESIDING OFFICER. Amendment No. 2654 by Mr. WARNER to amendment 2653.

Mr. NUNN. Mr. President, I believe we have worked out the wrinkle that was the problem on this amendment, and I will have an amendment in the nature of a modified amendment in just a few moments. I would like to be able to bring it up.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. PELL. 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.

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

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

Mrs. KASSEBAUM. Mr. President, I would like to respond to the Senator from West Virginia. I certainly can appreciate his concerns about a commitment of force in the protection of the humanitarian aid to Sarajevo.

I would like to say, Mr. President, I strongly support the President's decision to send a strong force and make a commitment to making such that that humanitarian relief can yet get into Sarajevo. In some ways we are breaking with precedent, but I think if it comes at the request of the Security Council of the United Nations, in concert with our allies, we must be prepared to help alleviate the suffering, and do what we can to protect that delivery of medicine and food.

I would like to see us think carefully through what our responsibilities are when such situations as this occurs because I think a case can also be made that we should help in Somalia to make sure that relief can get to that war-torn country where people are dying by the thousands.

It is not an easy nor is it a trivial decision. I am sure there are many who would wonder if we should just haphazardly start to engage around the world and pick a trouble spot here, and a trouble spot there. But I think there are clearly-defined reasons why and when it should be done.

I feel strongly, Mr. President, that that was the correct decision, and I admire the President for directing our efforts in that regard if and when the request comes from the United Nations.

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

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

AMENDMENT NO. 2653, AS MODIFIED

Mr. NUNN. Mr. President, I send to the desk a modified amendment which makes the changes that have been agreed to by the Senator from Delaware, the Senator from Virginia, and myself.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 2653), as modified, is as follows:

Beginning on page 35, strike out line 21 and all that follows through line 22 on page 36 and insert in lieu thereof the following:

(a) DEMILITARIZATION OF THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.—

(1) CONGRESSIONAL FINDING ON SIGNIFICANCE OF DEMILITARIZATION.—The Congress finds that it is in the national security interest of the United States—

(A) to facilitate, on a priority basis—

(i) the transportation, storage, safeguarding, and destruction of nuclear and other weapons of mass destruction of the independent states of the former Soviet Union;

(ii) the prevention of proliferation of weapons of mass destruction and destabilizing conventional weapons of the independent states of the former Soviet Union, and the establishment of verifiable safeguards against the proliferation of such weapons.

(iii) the prevention of diversion of weapons-related scientific expertise of the former Soviet Union to terrorist groups or third countries; and

(iv) other efforts designed to reduce the military threat from the former Soviet Union.

(B) to support the conversion of the massive defense-related industry and equipment of the independent states of the former Soviet Union for civilian purposes and uses; and

(C) to use existing authorities and funding to expand military-to-military contacts between the United States and the independent states of the former Soviet Union.

(3) AUTHORITY.—The President is authorized, consistent with paragraph (1) to establish programs for—

(A) transporting, storing, safeguarding, disabling, and destroying nuclear, chemical, and other weapons of the independent states of the former Soviet Union, as described in section 212(b) of the Conventional Forces in Europe Treaty Implementation Act of 1991 (Public Law 102-228);

(B) establishing verifiable safeguards against the proliferation of such weapons;

(C) preventing diversion of weapons-related scientific expertise of the former Soviet Union to terrorist groups or third countries;

(D) facilitating the conversion of military technologies and capabilities and defense industries of the former Soviet Union into civilian activities; and

(E) establishing science and technology centers in the independent states of the former Soviet Union for the purpose of engaging weapons scientists and engineers previously involved with nuclear, chemical, and other weapons of mass destruction in productive, nonmilitary undertakings.

(3) FUNDING AUTHORITY.—In recognition of the direct contributions to the national security interests of the United States of the activities specified in paragraph (2), the President is authorized to make available such sums as may be necessary of funds made available under sections 108 and 109 of Public Law 102-229, funds made available to carry out the provisions of section 23 of the Arms Export Control Act, and funds made available to carry out this Act, to carry out the provisions of paragraph (2)

(4) PRIOR NOTICE OF OBLIGATIONS TO CONGRESS.—Not less than 15 days before obligating any funds made available for a program under paragraph (2), the President shall transmit to the appropriate congressional committees a report on the proposed obligation. Each such report shall specify—

(A) the account, budget activity, and particular program or programs from which the funds proposed to be obligated are to be derived and the amount of the proposed obligation; and

(B) the activities and forms of assistance under paragraph (2) for which the President plans to obligate such funds.

(5) QUARTERLY REPORTS ON PROGRAMS.—Not later than 30 days after the end of each fiscal year quarter for fiscal years 1992 and 1993, the President shall transmit to the appropriate congressional committees a report on the activities carried out under paragraph (2). Each such report shall set forth, for the preceding fiscal year quarter and cumulatively, the following:

(A) The amounts expended for such activities and the purposes for which they were expended.

(B) The source of the funds obligated for such activities, specified by program.

(C) A description of the participation of all United States Government departments and agencies in such activities.

(D) A description of the activities carried out under paragraph (2) and the forms of assistance provided under that paragraph.

(E) Such other information as the President considers appropriate to fully inform the Congress concerning the operation of the programs authorized under paragraph (2).

(6) DEFINITIONS.—As used in paragraphs (4) and (5)—

(A) the term "appropriate congressional committees" means—

(i) the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Appropriations of the House and the Senate, wherever the account, budget activity, or program is funded from appropriations made under the international affairs budget function (150);

(ii) the Committees on Armed Services and the Committees on Appropriations of the Senate and the House of Representatives, wherever the account, budget activity, or program is funded from appropriations made under the national defense budget function (050); and

(B) the committee to which the specified activities or paragraph 3, if the subject of separate legislation, would be referred, under the rules of the respective House of Congress.

On page 44, line 2, insert "(other than section 8(a))" after "Act".

Mr. NUNN. By way of explanation, the only change in the original amendment relates to certain wording as to where the reports flow. There is no substantive change in this modification. It is a matter of striking out language that injected new terminology regarding defense activity or foreign relations activity, and simply substituting in lieu thereof a referral to the Parliamentarian under the normal rule.

So the result is exactly the same, as I view it, as the original amendment. I think some people are comforted by the fact that the modified amendment does not inject any new terminology like foreign relations activity or defense activity into the equation.

The original amendment basically had both of those terms and then said that those terms would be decided by the Parliamentarian. This eliminates those terms and simply says that the Parliamentarian will make a referral based on the rules of the House and of the Senate. Other than that, there is no change in this amendment.

So as I understand the parliamentary procedure right now, there is a Warner amendment pending. My amendment has been modified and the Warner

amendment would be the amendment in question. I hope that the Warner amendment as well as the original underlying amendment will be accepted.

Mr. BIDEN. Mr. President, I want to thank my colleague from Georgia, the chairman of the Armed Services Committee. I think he is probably right. There may be a distinction without a difference, but he was kind enough to accommodate that. I thank him very much for that, and I, too, hope that the amendment is accepted. Again, I thank the Senator from Georgia.

Mr. PELL. Mr. President, I thank my colleagues for the accommodation. I am very glad that they have agreed. I believe we should support the agreement.

Mr. LUGAR. Mr. President, I join the distinguished Senator from Rhode Island in accepting both the Warner amendment and the Nunn amendment, as modified.

I simply say that I appreciate always when two good friends, the Senators from Georgia and Delaware, are able to reconcile very small differences, and I have already commended the distinguished Senator from Georgia in his absence for his extraordinary leadership which led to this bill.

So I repeat that commendation, because it is sincerely meant and felt by a number of us, both the leadership in the fall as well as in the spring.

Let me just indicate that we have one additional distinguished Senator who wishes to speak to this issue before we vote. So I will yield at this point, commending both amendments to the Senate for adoption.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I rise in support of the Nunn-Warner amendments to S. 2532, the Freedom Support Act.

There is no doubt that we can further the cause of peace by assisting the republics of the former Soviet Union. It is important that the free world provide the incentives to help the people of these Republics overcome the economic and social chaos caused by 75 years of Communist rule. For that reason I believe the President's initiative to provide this aid should be applauded. I fully realize that many people in this Nation are opposed to this aid package because of our own economic problems. But, Mr. President, those who oppose this aid proposal are looking at it in the short term. This aid package will hopefully be a long-term solution to relieving the suffering of the Russian people and provide economic development from which our Nation can benefit in the future. Mr. President, although I support the concept of the aid provisions, I believe and the American people demand that there be some guarantee toward reducing the military potential of the former Soviet Union. There is no doubt that there are still individuals who are willing to take advantage of any misstep by President Yeltsin and return to the days of military confrontation and Communist control.

The amendments introduced by the chairman of the Armed Services Committee, Senator NUNN, and the ranking member, Senator WARNER, will provide assurance that prior to furnishing this assistance to the independent states of the former Soviet Union that they are committed to relinquishing their offensive military capabilities. The key point of the amendment that I wish to emphasize is the Presidential certification. That certification requires that the proposed recipients of any aid are committed to: Making a substantial investment of their resources for dismantling or destroying weapons of mass destruction; forgoing any military modernization programs that exceed legitimate defense requirements and foregoing the replacement of destroyed weapons of mass destruction; forgoing any use in new nuclear weapons of fissionable or other components of destroyed nuclear weapons; and facilitating U.S. verification of any weapons destruction carried out under the Conventional Forces in Europe Treaty Implementation Act of 1991.

Mr. President, in my judgement these are reasonable conditions which will ensure that the recipient of the aid is complying with treaty obligations and ceases the modernization of its offensive capabilities. I have no doubt that the American taxpayer, who will bear the burden of funding this aid package, will demand these guarantees, I and hope that the Senate will see the wisdom of these conditions.

The PRESIDING OFFICER. Is there further debate?

Mr. PELL. Mr. President, I suggest that we vote on the pending proposal.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2654.

The amendment (No. 2654) was agreed to.

Mr. PELL. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2653, as modified and amended.

The amendment (No. 2653), as modified, as amended, was agreed to.

Mr. PELL. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

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

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

POW'S AND MIA'S IN SOUTHEAST ASIA

Mr. MCCAIN. Mr. President, it has been nearly 20 years since the formal ending of the Vietnam War and the return of those who were held captive in Southeast Asia.

That issue has still not been resolved, as we all know, and much to the surprise of friends and adversaries alike, the American people still view the issue of missing in action in Southeast Asia as one of critical national importance. I think that is a profound, unique aspect of the American character that a few Americans should hold such a high place in the affection and hearts of the American people.

Mr. President, I applaud and appreciate every day the efforts of so many people to keep this issue alive and to help get this issue resolved.

The unfortunate part of this entire issue, however, Mr. President, is that there are those who are involved in this effort, this movement, this cause, who have become either so involved and, in some cases, so deranged that they have convinced themselves that there is a massive conspiracy to prevent the return of our POW's.

We do not have a shred of evidence of a conspiracy, Mr. President. The fact is that it is impossible for there to have been a conspiracy unless you chose to believe that hundreds if not thousands of American man and women in military service as well as in service to our country, were involved in an act that is so despicable that it is hard for me to contemplate—to consciously engage in a conspiracy that would sacrifice the lives of American fighting men in Southeast Asia.

Mr. President, unfortunately there are some people who not only believe this but they will attack with the utmost cruelty people who they believe either do not agree with them or obstruct their attempts to uncovering this fantasy.

Unfortunately, the reputation of some very outstanding Americans have been damaged to some degree—hopefully not permanently.

I deeply regret this. Unfortunately, it detracts from the effort that is ongoing both in the Congress of the United States, the Government of the United States and among the American people to receive a full accounting of those who are still missing in action.

Mr. Speaker, the latest manifestation of this character assassination was exhibited this morning in a press conference in front of the Capitol. At that time, the character, the integrity, and the reputation of Senator KERRY of Massachusetts was attacked in a most savage and unconscionable fashion.

Mr. President, before I go much further I would like to point out what is obvious. Senator KERRY and I are of a different party. We are of different philosophy. And as a member of the MIA/POW Committee of which he is the

chairman, I have had significant differences of opinion with Senator KERRY, and I may continue in the future to have different views. But there can be no doubt whatsoever, about the integrity, the honesty, the zeal and the industry with which Senator KERRY has attacked this issue and the way he has conducted has chairmanship. Mr. President, anyone who alleges otherwise is either abysmally ignorant or full of malice.

Mr. President, I know that Senator KERRY is personally hurt by these allegations. More so, because of the efforts that he has put in over a long period of time, not only as chairman of this committee but in his efforts for nearly 20 years, to ascertain the whereabouts of those who are still listed as missing in action in Southeast Asia.

Mr. President, when attacks like this are made on people, others must stand up and defend their reputation and their integrity. In fact, we have to do more that this. We not only have to defend them, but we have to attack those who get away with such malice; otherwise, that malice will continue.

I just want to cite a couple of facts to set the record straight. There was an allegation made this morning that Senator KERRY destroyed or ordered the destruction of some documents that were a part of the committee's deliberations. Mr. President, that is patently false.

Senator KERRY—not to get into too much detail—ordered the destruction of some document while retaining the original in the files, in S–407. Senator KERRY would never destroy any document under any circumstances, nor is he about to begin to do so now.

In the opinion of most members of the committee this document, which was a staff work product prepared by only a few of the committee investigators, did not come anywhere close to proving that American POW's are alive in Southeast Asia.

Mr. President, there are other charges that have been levied at Senator KERRY which I will not dignify with a response except to say to you that I have now known Senator KERRY for 6 years. I have had a deep involvement with him on this issue and other issues. And, as I said, I have had disagreements and I continue to have the prospect of disagreements. But the allegation lodged against a good and decent man who is doing the best that he can to help primarily the families of those who are still listed as missing in action is not only undeserved but I think the American people will steadfastly reject it.

I intend, Mr. President, to continue to do what I can to help Senator KERRY and the vice-chairman, Senator SMITH, and work with the rest of the members of the committee on this very important issue. At the same time, I intend to do everything that I can to preserve the reputation and integrity of a man who has spent so much time and so much effort on behalf of this issue.

Mr. President, I want to mention one other aspect of this issue very quickly and that is the issue of declassification of POW/MIA information. Mr. President, I had an amendment on last year's defense authorization bill which calls for the declassification of most of this information. The Department of Defense has already begun that effort.

All members of the select committee are united in their support of the expeditious declassification of all POW/MIA information with appropriate exclusions to protect methods and families' right to privacy. There are specific rules which govern the declassification process. Abiding by these rules will not impede the select committee's ability to secure declassification, nor would it postpone declassification beyond the committee's own expeditious timetable.

No one should assume that leaking classified information is done to hasten the process of declassification, nor is its purpose to provide the American people with access to information which could enable them to make informed judgments about the fate of our POW/MIA and our government's efforts to account for their fate and recover them.

Disclosing false accounts of committee meetings, or selected information from intelligence files which do not, by themselves, accurately reflect our best understanding of this issue is a terrible disservice to the families, to the committee and to the American people. Such distortions and deceptive selectivity are intended to render an informed resolution of the POW/MIA issue by the committee and the public impossible to attain.

By seeking full declassification of the files in accordance with the Senate rules and disclosing all records of committee activity, the committee hopes to provide the public all information it needs to make informed decisions.

We also seek to assure the administration that our purpose in seeking declassification is to fairly and honestly inform the public and not to disseminate half truths or untruths about any question relating to the MIA/POW issue.

Apparently those who attacked Senator KERRY do not share the committee's good faith objective.

This attack on Senator KERRY represents an intentional deception of the American public. However, I can assure every American that Senator KERRY is devoted to the resolution of this issue and has acted in every respect with compassion for POW/MIA families with firm determination to answer every question related to this issue which is in his power to answer.

Mr. President, conspiracy mongering and accusations of coverup concerning this issue do not just wrongly indict Government officials or Members of Congress. They also libel hundreds if not thousands of uniformed members of our armed services whose complicity would be necessary to effect a coverup on this scale.

Senator KERRY's name has now been added to the list of victims whose patriotism has been attacked by people who lack any sense of honor. I can assure my friend from Massachusetts he is in good company, and I ask all Members to remember these facts when weighing the false accusations.

I am confident that the American people will reject those allegations for what they are—lies.

Mr. President, I yield the floor.

FREEDOM FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES AND OPEN MARKETS SUPPORT ACT OF 1992

The Senate continued with the consideration of the bill.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Indiana [Mr. LUGAR].

Mr. LUGAR. Mr. President, I commend the distinguished Senator from Arizona for a very important statement on fairness to our colleague. He expressed in eloquent and moving terms a sentiment I am certain all will share.

AMENDMENT NO. 2655

(Purpose: To support the use of telecommunications technologies in delivering educational and instructional programming to the independent states of the former Soviet Union)

Mr. LUGAR. Mr. President, I send to the deak an amendment on behalf of the distinguished Senator from Montana [Mr. BURNS], cosponsored by Senator ADAMS, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mr. BURNS (for himself and Mr. ADAMS), proposes an amendment numbered 2655.

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

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

The amendment is as follows:

On page 34, between lines 17 and 18, insert the following new paragraph:

(6) to support the use of telecommunications technologies to deliver, to any of the independent states of the former Soviet Union, educational and instructional programming produced in the United States by grant recipients under the Star Schools Program Assistance Act or under the Distance Learning Program established under subtitle D of title XXIII of the Food, Agricultural, Conservation, and Trade Act of 1990, including instruction pertaining to kindergarten through grade 12 education, democracy, market economics, job training, and agricultural technical assistance.

Mr. BURNS. Mr. President, this amendment adds what I think is a crit-

ical element to have the activities authorized to receive funding under this legislation—that is the use of telecommunications technologies. The amendment speaks specifically to making use of the Star Schools grant recipients to deliver educational and instructional programming to the independent States of the former Soviet Union.

Here in the United States we have discovered that distance learning—the use of telecommunications technologies in education—is a cost-effective way to spread our educational resources to hard to reach areas—urban and rural alike. What better way than this to reach out to Russia and the other independent States?

Not everyone can afford to participate in cultural and educational exchanges. Not every educational institution or business that has some instructional or technical advice to offer to Russia and the independent States can afford to go there. But they can, for example, access U.S. programmers who are beaming information via satellite into Eurasia.

The use of telecommunications technologies makes it possible to transmit up-to-date information quickly and efficiently. It will open new horizons for the citizens of Eurasia—just like it is doing for students in rural Montana who can now take Russian from a teacher in Spokane, WA, through the Pacific Northwest Star Schools Partnership.

This is not just a good way to undertake what historian Paul Johnson has called "one of the largest tasks of re-education in history." It is a necessary one. It is the only way that we can reach the milions of people who want to learn about the concepts and practices of democracy and a free market economy.

Books, programs, and exchanges will only reach a limited few, and it will probably be the ones who are already at the top. As we have seen in this country, it is information-age technologies that can bring power through information to the individual. On the international front, author Lewis Perelman says that policymakers need to recognize that, "low-cost information technology has taken the place of the high-cost Marshall plan scheme of a bygone industrial age."

My amendment speaks to this issue. It says we should encourage and support efforts in this country to apply what we've developed in distance learning to the reeducation of millions of students—children and adults alike—in the independent States of the former Soviet Union.

I do want to take a minute to mention a specific effort that is already underway to do just what I've described.

The Educational Service District 101 [ESD 101] in Spokane, WA, which I mentioned earlier is not only doing great work in Washington, Oregon, Idaho, Alaska, and Montana, they have recently signed an agreement with the Russian Ministry of Education and Telecommunications to begin the planning phase of an effort to offer educational and other programming to Russia.

Their initial efforts will focus on the Tver region because that region already has the ground stations and cabling to educational facilities in place. They hope to expand to the Moscow region within a year or two, as soon as their telecommunications infrastructure is in place.

Their objectives are as follows:

First, to provide educational programming to Russian students through specific program development and/or program exchanges.

Second, to provide an exchange of educational philosophy and teaching methods between American and Russian educators. This would be accomplished in part by making available programming such as the Satellite Telecommunications Educational Programming [STEP] in service offerings.

And third, to provide the Russian business community and leadership the opportunity to become knowledgeable with the democratic process, in particular those addressing the free enterprise system.

This is an innovative and important effort, Mr. President, and I urge the administration to fund this project if my amendment is adopted.

Mr. LUGAR. Mr. President, I know of no objection to the amendment on our side. I commend it, and I am hopeful the Senate will accept the amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. PELL. Mr. President, this seems like an excellent amendment, and I know on our side we would like to see it adopted.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 2655) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nebraska [Mr. EXON].

AMENDMENT NO 2656

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON] proposes an amendment numbered 2656.

At the appropriate place in the bill insert the following:

SEC. . STRATEGIC DIVERSIFICATION.

The Office of Barter within the U.S. Department of Commerce and the Interagency Group on Countertrade shall within six months from the date of enactment report to the President and the Congress on the feasibility of using barter, countertrade and other self-liquidating finance methods to facilitate the strategic diversification of United States oil imports through cooperation with the former Soviet Union in the development of their energy resources. The report shall consider among other relevant topics the feasibility of trading American grown food for oil, minerals or energy produced by the former Soviet Union.

Mr. EXON. Mr. President, I rise to offer an amendment to require the Office of Barter within the U.S. Department of Commerce and the Interagency Group on Countertrade to report to the President and the Congress on the feasibility of using barter, countertrade and other self-liquidating finance methods to facilitate the strategic diversification of United States oil imports through cooperation with the former Soviet Union in the development of their energy resources. The report will consider among other relevant topics the feasibility of trading American grown food for Soviet produced oil, minerals or energy.

Strategic diversification recognizes the simple fact that America needs oil and the former Soviet Union needs food and countless other goods produced in the United States. This amendment attempts to start a process to match the needs of these former adversaries. It attempts to turn a former enemy into a future customer.

The United States will be importing oil for many years. The United States should diversify its oil purchases in a manner which will best serve American interests. In this case, it is in the American interest to expand and diversify the available sources of oil and help create new markets for American products.

This amendment seeks the consideration of an oil import strategy which can meet our energy needs and serve our economic and trade needs as well.

The former Soviet Union holds the planet's largest reserves of oil. Because the new democracies of the former Soviet Union have 1950's and 1960's oil exploration and extraction technologies, /made only b/ in recent years oil production in the region has plummeted.

This amendment calls on the President to consider a long-term strategy to work with the former Soviet Union and develop its energy production through the use of barter, countertrade, and other nontraditional means of finance including trading American food for Soviet oil. A barrel of oil purchased or bartered with the former Soviet Union could facilitate additional American sales of food and products whereas a barrel of oil from a Persian Gulf nation would simply add to a bilateral trade deficit.

In other words, oil from the former Soviet Union could equal new Amer-

ican exports. The United States is falling behind the curve. France, Poland, Germany, and Cuba all have announced food for oil transactions. There is great interest from American business in such transactions, unfortunately there has been limited leadership from the United States Government.

One key exception is Ambassador Robert Strauss. I met with Ambassador Strauss and explained my interest in barter and countertrade transactions. I was delighted to learn of the Ambassador's shared interest and have read reports of his advocacy of food for oil exchanges with the former Soviet Union. Now is the time to seize the opportunities created by a freed Soviet Union. Now is also the time to kick the Office of Barter created in 1988 into full gear.

This amendment is intended to nudge the President into mobilizing the expertise in his Government to consider a commonsense approach to expanding U.S. trade and meeting U.S. energy needs.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, we are prepared to accept the amendment on our side of the aisle.

Mr. PELL. On this side of the aisle, we accept this amendment, which has already been agreed to the Senate in another form, and suggest we vote on it.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from Nebraska [Mr. EXON].

The amendment (No. 2656) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. EXON. Mr. President, I thank the Chair and I thank the managers of the bill for their cooperation.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Dakota [Mr. PRESSLER].

AMENDMENT NO. 2657

(Purpose: To express the sense of the Congress with respect to Russian involvement in Moldova)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER] for himself and Mr. DECONCINI proposes an amendment numbered 2657.

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

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

The amendment is as follows:

On page 52, after line 13, add the following new section:

SEC. . POLICY TOWARD MOLDOVA.

(a) FINDINGS.—The Congress finds that—

(1) many, including civilians, have died in conflict in Moldova in recent weeks;

(2) on June 17, 1992, Presidents Bush and Yeltsin signed a Charter for American-Russian Partnership and Friendship in which the countries agreed to "reaffirm their respect for the independence and sovereignty and the existing borders of the CSCE-participating states, including the new independent states, and recognize that border changes can be made only by peaceful and consensual means, in accordance with the rules of international law and the principles of CSCE";

(3) actions by Transdniester officials for secession from Moldova, including their use of force and the imposition of an economic blockade, violate CSCE principles and international law;

(4) the presence of the Russian 14th army in Moldova and the use of at least some of its units in the Moldovan conflict aggravates the situation, violates international law and the independence and sovereignty of the Republic of Moldova;

(5) the presence of the Russian army in foreign countries formerly part of the Soviet Union without the agreement of the host country is a potential cause of instability and conflict; and

(6) the appointment of international observers, under the aegis of the United Nations, the CSCE, or other international fora to monitor the withdrawal of Russian troops from Moldova would serve to lessen tensions and promote a more orderly withdrawal of former Soviet troops.

(b) POLICY.—It is the sense of the Congress that—

(1) the United States should urge, through all possible means, the Russian Government to withdraw the 14th army from the independent and sovereign state of the Republic of Moldova;

(2) the United States should urge the parties to the conflict in Moldova to abide by a cease-fire and urge an end to the economic blockage of the Republic of Moldova;

(3) during and after the negotiating process on a timetable for the withdrawal of Russian armed forces from Moldova, the United States should support the establishment of a joint military monitoring committee consisting of representatives of the military of all affected states, the United States, and the representatives of other countries, as mutually agreed upon, to observe the orderly and expeditious withdrawal of former Soviet troops from Moldova; and

(4) the activities of this group should be similar to the greatest extent practicable to the activities of the Joint Military Monitoring Committee on Angola.

FREEDOM IN MOLDOVA

Mr. PRESSLER. Mr. President, the purpose of my amendment is to reinforce the administration's position that the Russian Army must withdraw from the Republic of Moldova. It also supports the idea of a cease-fire in Moldova and proposes an international commission to monitor the withdrawal of Russian troops from this independent and sovereign state. I thank the Senator from Arizona, [Mr. DECONCINI] for being an original cosponsor of this amendment.

Mr. President, over the last few weeks many innocent people have died in Moldova in addition to those military personnel who have been killed. I fear they may not be the last. In fact, if Moldova is broken up by force by the Russian separatists in Moldova, a precedent will be set that military force can be used to accomplish political ends in the former Soviet Union. This scenario may be repeated tomorrow in the Baltic States or perhaps in Ukraine.

The situation in Moldova could not have occurred without the participation of at least some units of the 14th Army of Russia. For this reason, President Bush has called upon the Russian Army to withdraw. President Yeltsin seems to agree and has called for a cease-fire and negotiations.

Unfortunately, President Yeltsin's position does not appear to be shared by some of the Russian military and ex-Communists in the Government. According to Russian State Secretary Gennadii Burbulis, Russia is prepared to apply economic sanctions to force Moldova to agree to the creation of a Dniester Republic.

Mr. President, this is an outright statement of support for the illegal secession of the self-proclaimed Dniester Republic. It is a blatant violation of a key CSCE principle that borders must only be changed through diplomacy and with the consent of the people involved.

When President Yeltsin was in Washington, he and President Bush signed a Charter for American-Russian Partnership and Friendship in which the countries agreed to "reaffirm their respect for the independence and sovereignty and the existing borders of the CSCE-participating states, including the new independent states, and recognize that border changes can be made only by peaceful and consensual means, in accordance with the rules of international law and the principles of CSCE."

Why then, are at least some units of the 14th Army supporting the Communist secessionists in the Dniester region? Why is the Russian Government allowing its fellow Russians in the Dniester region to impose an economic blockade of Moldova? Mr. President, I believe these questions deserve a thorough answer.

Mr. President, actions as opposed to rhetoric appear to be very different in today's Russia. On the one hand, Russia has recognized the Government of Moldova. By doing so, it also has recognized the State of Moldova, including its present-day boundaries. The United States also has recognized the Government of Moldova. No country has the right to violate the sovereignty of Moldova.

Over and over again, Russian officials have protested actions supposedly taken by the new States which, according to them, violate the rights of minorities. Mr. President, in Moldova the

opposite situation exists. It is the Moldovan population of the Dniester Republic, 40 percent of that area's population, that is discriminated against by the Communist officials. I would like to remind Senators that self-proclaimed Dniester officials were several of the first to rise up to support the hardliners' coup attempt last August. These officials are not interested in human rights but in power and in returning to the system of the former Soviet Union.

Mr. President, I have been contacted by the Moldovan representative to the United Nations. He has asked the United States to postpone its assistance to the Russian Federation until it withdraws the 14th Army from the Republic of Moldova. He also asks the United States to send observers to the region of conflict in order to verify the ceasefire—which currently is not holding—and to monitor the withdrawal of the 14th Army. I couldn't agree with the Moldovan Ambassador to the United Nations more. He is absolutely correct.

Mr. President, the resolution I submit is designed to promote a peaceful solution to the situation in Moldova. It asks the United States to urge, through all possible means, the Russian Government to withdraw the 14th Army from Moldova, as President Yeltsin earlier agreed to do. It supports a viable ceasefire for the region. Finally, it urges the formation of a joint military monitoring committee to observe the orderly and expeditious withdrawal of former Soviet troops from Moldova.

Mr. President, I urge the adoption of this amendment that puts the United States firmly on the side of peace and future stability in Moldova and Russia. I urge adoption of the amendment.

I believe it has been agreed to on both sides.

Mr. PELL. Mr. President, indeed this is a good amendment, and we will be glad to accept it.

Mr. LUGAR. We support the amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from South Dakota [Mr. PRESSLER].

The amendment (No. 2657) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2658

(Purpose: To support the independent states of the former Soviet Union in the issuance of independent currencies)

Mr. PRESSLER. Mr. President, I send a second amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER] proposes an amendment numbered 2658.

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

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

The amendment is as follows:

On page 52, after line 13, add the following new section:

SEC. 21. RUBLE STABILIZATION.

(a) FINDINGS.—The Congress finds that—

(1) the lack of a convertible currency is a significant obstacle to the achievement of economic growth and a barrier to United States trade and investment in the independent states of the former Soviet Union;

(2) due to the nature of the Communist economic system, the economies of the states of the former Soviet Union has inherited a monetary system in which the ruble remains the medium of commerce and trade;

(3) the sovereign states of Estonia, Latvia, and Lithuania have indicated their intent to issue, or have issued, currencies independent of the Russian ruble;

(4) the sovereign state of Ukraine, as well as other states of the former Soviet Union, have indicated their desire to issue separate currencies independent of the Russian ruble;

(5) the International Monetary Fund requires control of fiscal and monetary policy as well as the establishment of a commercial banking system and a central bank compatible with international norms, as a prerequisite for a stabilization fund;

(6) section 10(b) of this Act states that the United States will support the establishment of a fund or, alternatively, funds, under the International Monetary Fund;

(7) the introduction of a stabilization fund for the Russian ruble without similar stabilization programs for the Ukranian grivna, Lithuanian litas, Latvian lett, Estonian Kroon, and other currencies issued by states currently tied economically to the ruble could precipitate disastrous fiscal and monetary conditions, including higher inflation, devaluation of property, commodity hording, shortages, and a further decline in agricultural and industrial production that will complicate the steps these governments have taken toward genuine market reform; and

(8) Article IV, section 1, subsection (iii) of the IMF Articles of Agreement states that each member shall "avoid manipulating exchange rates or the international monetary system in order to prevent effective balance of payments adjustment or to gain an unfair competitive advantage over other members".

(b) POLICY.—It is the sense of the Congress that the President should urge the Secretary of the Treasury to instruct the United States executive director to the International Monetary Fund to take concrete steps to support the right of these sovereign and independent states to issue currencies independent of the Russian ruble.

THE IMF

Mr. PRESSLER. Mr. President, this amendment urges the United States Representative to the International Monetary Fund to take concrete steps to support not just the Russian Federation but also the other States of the former Soviet Union and the Baltic States.

My amendment goes to the heart of criticism about this legislation I consider to be very relevant—that much of the focus of this bill is aimed at Russia. In many cases, it is not responsible to treat Russia as the successor state of the Soviet Union. Of course, it is the largest of the former republics and the most populous. It has considerable potential economic power. But the other 11 countries emerging from the former Soviet Union and the three Baltic States must not be treated as Russian satellites for any purpose.

National sovereignty and fiscal survivability for any country is firmly based in its currency. British opposition to a single currency economic unit for Europe vividly demonstrates no country wants another to dictate its monetary and fiscal policies.

The International Monetary Fund has made plans for just one stabilization fund—for the Russian ruble. The IMF claims that only Russia has taken the steps required to support a stabilization fund, that its Communist-dominated parliament has gone further than, for example, the Baltic States. However, it was Lithuania, not Russia, that became the first member of the International Monetary Fund.

No one doubts that Russia's neighbors will benefit if Russia makes a successful plunge into the free market. However, unless there is a provision, or an arrangement of some sort, to help stabilize the currencies in countries that do not plan to remain in the so-called ruble zone, their own steps toward a free market may be doomed.

Just recently, Estonia introduced its own currency—the kroon. Lithuania and Latvia have indicated their intent to do so as soon as possible. Ukraine has also taken steps toward this goal. Each of these nations is interested in returning to the international financial community. Unfortunately, Mr. President, one legacy of some 70 years of communism is that the economies of these countries are intimately tied to that of Russia.

I am not advocating a stabilization fund for each of the countries with new currencies. This would not necessarily work and it may be a waste of U.S. taxpayer dollars. However, I do believe there must be an agreement between Russia and these states that no country will institute a beggar thy neighbor approach. In addition, the IMF should explore all possible ways to support these countries.

Mr. President, I long have believed the United States must focus on all the nations of the former Soviet Union. I criticized efforts by the United States to hold together a monolithic Soviet state for the sake of simplicity and stability.

The reality is that unnatural states that do not rest upon the consent of the governed are inherently unstable. Just last year, very few were able or

willing to realize that the Soviet Union could not and should not survive. These people were surprised and mistrustful of the true democratic stirrings in, among others, the Baltic States, Moldova, Armenia, and Ukraine.

The distinguished minority leader, Senator DOLE, understood what many in the State Department did not grasp. For this reason, he introduced S. 9 at the beginning of the 102d Congress. His bill was an attempt to remind the United States that the Soviet Union and Yugoslavia should not be monopolized by Russia and Serbia. His reasoning was absolutely correct and remains pertinent today. Mr. President, this is precisely the reason that it is vital to have a non-Russian centric approach to the former Soviet Union.

My amendment supports trade creation, free markets, and the potential for United States exports and also will help the Baltic States and nations such as Ukraine return to the world financial community.

I urge adoption of the amendment.

Mr. President, I believe the amendment has been agreed to on both sides.

The PRESIDING OFFICER. Is there further debate?

Mr. LUGAR. Mr. President, we support the amendment.

Mr. PELL. Mr. President, this amendment has been seen on this side of the aisle, and is an excellent amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from South Dakota [Mr. PRESSLER].

The amendment (No. 2658) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

AMENDMENT NO. 2659

(Purpose: To assist business and commercial development in the former Soviet Union)

Mr. PELL. Mr. President, I send an amendment to the desk on behalf of Senators RIEGLE and GARN, and I ask for its immediate consideration. This amendment deals with the matters within the jurisdiction of the Banking Committee.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Rhode Island [Mr. PELL], for Mr. RIEGLE (for himself and Mr. GARN), proposes an amendment numbered 2659.

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

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

The amendment is as follows:

On page 31, after line 24, insert a new paragraph as follows:

"(C) technical assistance administered by the Department of the Treasury designed to encourage reform and restructuring of banking and financial systems and better understanding of international norms of financial policy and regulation;"

On pages 32 and 33, redesignate paragraphs (C) through (F) as paragraphs (D) through (G).

Strike all from page 33, line 19 through page 34, line 5 and insert the following:

"(4) to fund additional export promotion activities by the Department of Commerce in support of expanded trade and investment relations with United States businesses including—

"(A) trade missions to bring United States firms together with trade and investment partners from the region;

"(B) creation of additional Foreign Commercial Service posts and assignment of additional Foreign Commercial Service officers in the region;

"(C) an information center to provide market and sectoral information on the independent states to United States firms;

"(D) creation of binational business development committees to identify problems and opportunities in key business sectors and to address policy constraints and problems facing individual investments;

"(E) establishment of additional American Business Centers in the region, pursuant to the provisions of section 10 of this act, to provide information and services for United States firms, trade associations and State development agencies engaged in support of mutually beneficial trade;

"(F) identification of priority business sectors, business training and exchange, and technical assistance for development of standards; and

"(G) support for trade promotion activities of industry consortia and demonstration projects."

At the appropriate place in the bill, insert the following new section:

"SEC. . EXPORT CONTROL POLICY.

"(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that the United States should—

"(1) cooperate with and assist the independent states of the former Soviet Union in developing export control systems and enforcement mechanisms capable of barring proliferation of military systems, militarily critical technologies, and weapons of mass destruction; and

"(2) consistent with such nonproliferation objectives, implement a licensing policy and cooperative arrangements through COCOM that will—

"(A) encourage expanded trade and investment between COCOM member states and the independent states of the former Soviet Union;

"(B) encourage development of economic infrastructure, such as telecommunications and banking systems, capable of supporting market reforms; and

"(C) assist redeployment of defense capabilities to civilian uses.

"(b) TECHNICAL ASSISTANCE.—The Secretary of Commerce, the Secretary of State and the heads of other agencies as appropriate should provide the greatest possible technical assistance in support of the efforts described in subsection (a)(1)."

Mr. RIEGLE. Mr. President, I rise to offer an amendment Senator GARN and I have jointly crafted to the legislation reported by the Foreign Relations Committee authorizing assistance to the states of the former Soviet Union.

Early in April Senators PELL and HELMS introduced S. 2532, the legislation proposed by the administration to help maintain stability in the independent states of the former Soviet Union and to integrate those states into the community of democratic nations. Most items in that bill dealt with matters within the jurisdiction of the Foreign Relations Committee and the bill was referred to that committee. Several sections, however, dealt with matters within the jurisdiction of other committees, including the Banking Committee.

Chairman PELL immediately consulted me and Senator GARN about how to handle matters in S. 2532 that were in Banking Committee jurisdiction. We subsequently agreed that such matters should remain in the bill marked up by Foreign Relations, but that the Banking Committee would have an opportunity to make changes to any such provisions during floor consideration of S. 2532, the Freedom Support Act. The amendment I am offering with Senator GARN is designed to strengthen sections of the bill dealing with: First, the promotion of United States exports to the new states composing the former Soviet Union; and second, assistance being provided by our Government to support free market systems in those states. The amendment also adds a new section to the bill that deals with export control policy. Each of these provisions deals with matters solely within the jurisdiction of the Banking Committee. Let me give a brief explanation of each of them.

First, the amendment strengthens the export promotion activities in the bill reported by the Foreign Relations Committee by directing the Commerce Department to undertake a more elaborate list of activities in support of U.S. businesses in that region. These include: First, creating bilateral business development committees; second, expanding support for industry-sponsored trade promotion activities; and third, increasing business-related technical assistance that has proven effective in other markets.

Second, it adds a new provision to the technical assistance portion of the bill that authorizes the Treasury Department to help restructure the banking and financial systems of these new states to support the creation and development of private enterprise and free market systems.

Finally, the amendment adds a new section on export control policy that sets out a sense of the Congress than our country should cooperate with the independent states of the former Soviet Union to develop export control systems capable of barring the proliferation of militarily critical technologies

that could help build weapons of mass destruction. This latter charge fits into the understanding among Cocom members that it is in the interest of all democratic countries to work together to prevent the proliferation of weapons of mass destruction and the means for delivering them.

It is my hope that this amendment will help United States exporters expand markets in the independent states of the former Soviet Union and thus help create new prosperity there and in our own country. It should also strengthen this bill's effort to increase the security and economic well-being of the world as a whole by slowing the proliferation of weapons of mass destruction.

I very much appreciate the cooperation of Chairman PELL and Senator LUGAR in handling this matter and look forward to participating in any conference on those portions of this bill dealing with matters within the jurisdiction of the Banking Committee.

Mr. GARN. Mr. President, I rise to support the amendment offered by Senator RIEGLE that addresses several issues in the Freedom Support Act that fall within the jurisdiction of the Banking Committee. The amendment strengthens sections of the bill dealing with export promotion and financial reform and adds a new section on export control policy. By substantially expanding the export focus of the bill, the amendment emphasizes support for expanded trade and job creation by the U.S. private sector.

This emphasis is important because U.S. support for economic and political reform in the newly independent republics is not simply an act of charity; it is good for America. I know that the bill before us is being referred to as the Russian aid bill but assisting Russia and the other republics is an investment not only in their future but in our own as well.

Most importantly, the efforts authorized by this legislation are a critical ingredient for ending, once and for all, the military confrontation that has threatened the world with nuclear destruction and diverted economic resources from civilian needs in this country. In addition to the savings from an end to direct military confrontation, a cooperative political relationship with the republics would be the basis for the kind of "new world order" suggested by President Bush in which the great powers would cooperate to end international violence and terrorism.

In economic terms, this support program will help to open up a massive new market for U.S. goods. The newly independent republics contain a vast wealth of natural resources, advanced technologies and human capital. Those resources have to be brought to market if the republics are to prosper. The expansion of world energy supply, increased economic activity and prosperity generated in the region will increase the security and economic well-being of the world as a whole.

I believe that those resources should be tapped with the help of U.S. industry. If the republics want to move to the market and understand capitalism, they could have no better teachers than U.S. entrepreneurs and businessmen. The potential exists for an economic alliance with the new republics of unimagined economic benefit for the United States. That is what this bill should be about and that is the emphasis that this amendment would add to the legislation.

The amendment pursues these objectives through three changes in S. 2532 as reported by the Foreign Relations Committee. First, the section of the bill dealing with export promotion would be rewritten to direct the Department of Commerce to undertake $35 million of expanded activities in direct support of U.S. businesses in the region. In addition to the export promotion activities reported by the Foreign Relations Committee, the amendment adds creation of binational business development committees, support for industry trade promotion activities and business-related technical assistance that have proven useful in other markets.

Second, the amendment would add a new section to the bill setting out the sense of the Congress that cooperation on export control policy should be pursued with the newly independent republics in support of expanded U.S. trade and investment, U.S. development of economic infrastructure such as telecommunications systems, and redeployment of defense capabilities to civilian uses. Finally, an additional technical assistance component would be added to the bill directing the Teasury to provide assistance in the reform and restructuring of banking and financial systems.

In addition to the benefits I have already suggested, the amendment should strengthen the administration of the assistance effort for the former Soviet Union by assigning trade and financial responsibilities directly to the agencies with expertise in those areas, the Commerce and Treasury Departments. While I realize that the bill as proposed by the administration provided the greatest possible flexibility in the use of funds, management of individual program elements by agencies with the relevant expertise eliminates the redtape and delays associated with approval and funding of all programs by a single agency.

I welcome the support of the Foreign Relations Committee for this amendment and urge its adoption.

Mr. PELL. Mr. President, this amendment would add an additional technical assistance component to section 7(2) of the bill, directing the Treasury to assist in the reform and restructuring of banking and financial systems.

It would revise section 7(4) of the bill to direct the Department of Commerce to undertake a more elaborate list of activities in support of U.S. businesses in the region.

Finally, it would add a new section to the bill setting out the sense of the Congress regarding export control policy toward the former Soviet Union.

Mr. LUGAR. Mr. President, we are prepared to accept the amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 2659) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. PELL. The bill is open to further amendment.

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

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

AMENDMENT NO. 2660

Mr. MCCONNELL. Mr. President, on behalf of myself and Senator KERRY, of Massachusetts, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. MCCONNELL], for himself and Mr. KERRY, proposes an amendment numbered 2660.

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

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

The amendment is as follows:

On page 35, after line 19:

( ) To promote drug education, interdiction and eradication programs including:

(A) initiatives to ban poppy growth;

(B) law enforcement training and measures to reduce the flow of precursor chemicals and illicit narcotics in and through the Republics;

(C) coordination and cooperation at the regional and international level with organizations such as the United Nations;

(D) the establishment of bilateral counternarcotics agreements to assist law-enforcement agencies in conducting criminal investigations and gathering narcotics related information.

Mr. MCCONNELL. Mr. President, this amendment offers us an opportunity to work out counternarcotics cooperation arrangements before a crisis develops.

With the dramatic political changes in Eastern Europe two serious problems are emerging—both local use and trafficking are becoming problems.

In 1991, 1.5 million drug users were reported in the former Soviet Union—doubling past estimates.

While no one is mourning the demise of the traditional security services in terms of democratic interests, changes have meant there is not the same control over trafficking as in the past.

In the past border control and lack of convertible currency limited the drug problem in and through Eastern Europe and the Republics.

The State Department now estimates that traditional smuggling routes out of Southwest Asia through the Central Asian republics will be exploited by the major drug traffickers moving opium and heroin. This expansion on top of the Central Asian republics poppy cultivation potential represents a significant emerging threat.

A number of important efforts are already underway: the U.N. Drug Control Program sent representatives in to the Central Asian republics to identify ways to assist in poppy eradication. They are due to report shortly. In the Eastern European democracies the United States is supporting demand reduction and law enforcement training in the Czech and Slovak Republics and DEA educational efforts in Poland.

We should build on this base while we have an opportunity and establish close cooperative arrangements with the Republics in counternarcotics before we all have a problem we cannot manage.

This amendment simply adds to the list of permissible authorized activities that the administration should emphasize in our new bilateral relations.

I understand this is acceptable to both sides.

Let me just repeat, it simply adds to the list of initiatives the President is allowed to carry out under this bill:

Initiatives to ban poppy growth;

Law enforcement training and measures to reduce the flow of precursor chemicals and illicit narcotics in and through the Republics;

Coordination and cooperation at the regional and international level with organizations such as the United Nations;

The establishment of bilateral counternarcotics agreements to assist law-enforcement agencies in conducting criminal investigations and gathering narcotics related information.

That is the actual text of the amendment. It is my understanding there is no problem with this amendment.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. We commend the distinguished Senator from Kentucky for a very constructive amendment. We support it on our side.

The PRESIDING OFFICER. If there is no further debate? The Senator from Rhode Island [Mr. PELL].

Mr. PELL. Mr. President, I believe this is an excellent amendment. We accept it on this side of the aisle.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 2660) was agreed to.

Mr. MCCONNELL. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2661

(Purpose: To include the establishment of an efficient intermodal transportation system among the activities supported by the bill)

Mr. MCCONNELL. Mr. President, Senator SYMMS asked that I offer an amendment on his behalf which adds to the authorities section. His amendment recommends we assist in supporting the establishment of efficient transportation assistance.

So I send Senator SYMMS' amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. MCCONNELL], for Mr. SYMMS, proposes an amendment numbered 2661.

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

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

The amendment is as follows:

On page 35, line 14, strike out "and".

On page 35, line 19, strike out the period and insert in lieu thereof "; and".

On page 35, between lines 19 and 20, insert the following new paragraph:

(10) to support the establishment of an efficient intermodal transportation system to ensure the safe and efficient movement of its people, products, and materials by providing—

(A) technical assistance in developing laws and regulations for the procurement of transportation construction-related services;

(B) technical assistance in preparing transportation construction-related feasibility studies, and project design, specifications and management; and

(C) transportation infrastructure construction services and products, including the provision of materials, equipment, and supplies.

In undertaking the activities in this paragraph, the United States agencies shall, whenever possible, use the services and expertise of established transportation associations, academic institutions and private entities.

Mr. MCCONNELL. Mr. President, it is my understanding that the managers have taken a look at this amendment of Senator SYMMS and find it acceptable.

Mr. LUGAR. The Senator is correct. We support the amendment on this side.

Mr. PELL. Mr. President, we accept the amendment and find it a good one.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment offered by the Senator from Kentucky on behalf of the Senator from Idaho.

The amendment (No. 2661) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2662

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. MCCONNELL] proposes an amendment numbered 2662.

At the appropriate place in the bill, insert the following new section:

Subsection 132(f) and 132(g) of Public Law 102-138 are hereby repealed.

Mr. MCCONNELL. Mr. President, among the agreements signed recently by President Bush and President Yeltsin was the United States-Russian property agreement laying out our expectations with regard to access to our respective embassies. For good reason, for the past several years we have legislatively restricted Russian access to the Mount Alto facility.

Members of the Foreign Relations, Intelligence and Appropriations Committees have debated the merits of various options to address the massive security problems with our new embassy in Moscow. The new agreement to which I referred, entered into by the State Department and the Russian Government, reconciles our major differences in a reasonable and satisfactory manner. I might add, it finally reconciles our differences.

In return for being able to use the embassy at Mount Alto, the new government in Russia has made several important concessions.

First, they have signed a construction agreement permitting the United States to build a new secure office building using American workers, American supervisors, plans, and materials from America.

Second, while that building is under construction, we will continue to occupy the old embassy facility under the terms of a new 99-year fixed-rate lease. The State Department estimates this agreement will save us close to $42 million in leasing or rental fees.

Third, Mr. President, the United States will acquire a little over 1 acre of land with a building on it which is now adjacent to our existing structures. The land, the building and the property will all be owned by the United States to assure absolute security of our enlarged compound.

Finally, Mr. President, all outstanding legal and financial claims bearing on the construction of our bugged facility have been resolved.

While I think we all would have been happier if this mess could have been cleaned up several years ago, I think the agreement reached is a good one from a U.S. security and financial standpoint. With our disputes settled, it seems to me the time has come to allow the Russians access to the Mount Alto facility. My amendment simply strikes the prohibition previously existing to that access.

I believe this has been approved by the managers, but I will wait to hear them respond to that.

Mr. PELL. Mr. President, I have just one question, and that is, the provision in law to be repealed by this amendment contains a prohibition against Soviet use of the Mount Alto complex here on Wisconsin Avenue until the new United States chancery in Moscow is ready for occupancy. How long a time do you expect it would take to build that chancery?

Mr. McCONNELL. I am told about 4 years.

Mr. PELL. So this means that the Russians would not be able to occupy the Mount Alto complex for 4 years?

Mr. McCONNELL. No, they can occupy Mount Alto immediately.

Mr. PELL. I did not hear.

Mr. McCONNELL. The staff informs me the Soviets can occupy Mount Alto immediately under the amendment.

Mr. PELL. I am informed we have a Senator who wants to speak to this. 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. PELL. 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. PELL. Mr. President, we think it is a good amendment on this side of the aisle, and we are glad to support it.

Mr. LUGAR. Mr. President, we are prepared to accept the amendment on this side.

The PRESIDING OFFICER. Hearing no further debate, the question is on agreeing to the amendment.

The amendment (No. 2662) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. PELL. Mr. President, the bill is open to further amendment. Seeing no Senators present at the moment, 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. D'AMATO. 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. D'AMATO. Mr. President, I rise today for the purpose of offering an amendment to this legislation. My amendment is rather straightforward.

I intend to support this legislation, but I am very much concerned and I have none other than the admonition to support this legislation from someone who understood very clearly the dangers that the Communist regime posed to the world peace.

And that was President Nixon. He said to a number of Senators, and I think to many both Democrats and Republicans, that it would be foolish not to support democracy at this time; that it absolutely did not make sense given the trillions of dollars for defense that we have invested, not to go forward. But he said because we are making an investment in democracy, we would be making an investment in freedom in the future, in our own economic well-being, and also in the fullness of time we would be saving billions that otherwise would have to be going to the same kind of arms race.

I believe that the former President was right. I believe that President Bush is right. But I am concerned about one thing that Mr. Nixon brought up. He said we should not be bailing out the banks, that one of the things we had to see to was not a package of aids that would simply be a transference of economic wealth from the United States or others to the international banks and to others who had made bad loans to the former Communist government. That would be wrong. That would be a mistake. That would be something that I believe would absolutely fly in the face of logic.

I have studied this bill very carefully. I find no logic in it that would preclude moneys that would be coming from this bill to going to these financial institutions.

Let me tell you what we are talking about. We received this from the Congressional Research Service. The table of debt owed by the individual republics to the private financial institutions, the total debt owed is $43 billion, and apparently the Republics came to an agreement as to what percentage each of them would be held accountable for. Russia owes 61.3 percent or $28.2 billion: Ukraine, 16.4 percent, $7.6 billion; Belarus, 4.1 percent, $1.9 billion and it goes on, down to the last of the Republics which has the smallest amount, Estonia, six-tenths of 1 percent with $276 million. So even regarding the smallest of the Republics, we are talking about a substantial sum of money.

I want to help the Republics and help ourselves, and I want to help ensure freedom. But I do not want to have a situation where loans that were made for Lord knows what purposes, 10, 15, and 20 years ago, loans just to the international institutions that now total $43 billion. That does not include government-to-government loans, that we in this package are inadvertently going to be sending hundreds of millions, if not billions of dollars, to bail out international financial institutions. That is not what this aid package is for.

I have discussed this matter with—and my staff and some of the people involved in this bill, and I was told, "How about putting this in the form of a sense-of-the-Senate resolution." I want to comply, and I want to make this bill go. But a sense-of-the-Senate resolution does not mean a thing. It is not going to do anything. It is not going to preclude these dollars from going to these banks. Therefore, I am going to offer this amendment that would preclude the funds the U.S. gives to the former Soviet Republics to pay back any of the loans from the international institutions.

Why should there not be this restriction? The purpose of this legislation is not to bail out the private banks that made these bad loans to the former Soviet Union but, rather, to assist the former Soviet Republics in attempting to bring about democracy, and to sow the seeds that will, in the long run, pay great dividends to the American taxpayer, to our children and to our own economic well-being.

AMENDMENT NO. 2663

(Purpose: To prohibit the use of funds from this act to pay for the indebtedness of Republics of the former Soviet Union to international financial institutions).

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. D'AMATO] proposes an amendment numbered 2663.

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

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

The amendment is as follows:

On page 52, after line 13, insert the following new section: Sec. 21. None of the funds made available by this Act may be used to pay indebtedness of the republics of the former Soviet Union to international financial institutions.

Mr. D'AMATO. Mr. President, again, I do not know how we could be opposed to this amendment if our purpose is to aid the republics and to give them an opportunity to plant the seeds of economic progress in the free capital system. But I certainly do not think we

should be involved in attempting to redeem banks that poured money down a black hole. The banks that made those loans were charging incredible interest rates, and made their own profits. They absolutely should not be bailed out by the American taxpayers. That is why I have offered this amendment.

Let me say this: This amendment is straightforward: "None of these funds made available by this Act may be used to pay indebtedness of the Republics of the former Soviet Union to international financial institutions."

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

The PRESIDING OFFICER. Is there sufficient second?

At the moment, there is not a sufficient second.

Mr. D'AMATO. Then I am going to continue to talk until we get a sufficient second, to be quite candid with you, because I am not going to be denied an opportunity to have a vote on this. I will read my full statement, if my colleagues want me to do so, and repeat this and my contentions over and over.

Mr. LUGAR. If the Senator will yield, I appreciate the Senator's seriousness and purpose, but we have not yet seen the amendment. If the Senator would withhold his request until we have an opportunity to examine the amendment, we would be appreciative.

Mr. D'AMATO. Certainly.

Mr. President, my purpose in offering this amendment today on the Russian aid bill is simple. My amendment would prohibit the former Soviet republics from using any aid that the United States provides to pay its international debt to private financial institutions. I do not think the purpose of this bill is to pay for the bad loans that were made by the international community, for Lord knows what purpose.

We are looking to help these democracies. That does not mean that we are responsible or they should be responsible to the international banking community for the loans that were made during Lord knows whose days, whether they were Stalin's or not. We do know that there are a substantial quantity of these loans over $40 billion.

The group that will benefit the most from this aid package will be the private banks, unless we see to it that this provision is in law. One of the things that President Nixon said when he came to lobby on behalf of an aid package is: Make sure that you are not going to be simply bailing out the banks and that the money gets in there to help the people and help the economy of this country.

I think he was right. The fact is that we have to see to it that we do not provide an indirect bailout by the American taxpayers of international financial institutions. That is what this Senator is concerned about.

Presently, the former Soviet republics collectively owe some $43 billion out of a total of $61 billion of international debt to these banks. The remainder, as reported by the Bank of International Settlements is owed to official institutions, mainly European.

According to the Congressional Research Service, Russia, the largest of the republics, owes $28 billion, nearly four times more than the Ukraine. If we do not condition American aid to the former republics like this, we will be, in part, bailing out the banks who made these irresponsible loans to the dying Soviet Union. That is not our purpose.

We are looking here to revitalize and give democracy an opportunity. Having poured money down a black hole, these banks faced an almost certain loss on their unwise investments. Now, without this condition, they face the possibility of recapturing some of those losses. These are loans that they have never thought they would get paid back. We should not be now bailing them out. We in the Congress cannot allow this to happen.

We cannot allow banks that have made irresponsible loans to the corrupt system of the former Soviet Union to benefit from this aid which was destined for the people of the former Soviet Republics. If the banks were willing to take the risk in the first place by loaning these billions of dollars, then let them take their losses. That is the economic system and principle that we are attempting to encourage them to become part of.

Mr. PRESSLER. Mr. President, will my colleague yield for a question?

Mr. D'AMATO. I am happy to yield for a question.

Mr. PRESSLER. I have a question. But I first would like to ask to be named a cosponsor of this legislation.

Mr. D'AMATO. Mr. President, I ask unanimous consent that Senator PRESSLER be added as an original cosponsor; and I ask unanimous consent that Senator DECONCINI also be added as a cosponsor.

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

Mr. PRESSLER. Mr. President, my question to the Senator from New York is, as he knows, there is a great deal of controversy about this legislation throughout the country. And as we speak to our constituents, we must be very candid about exactly what we are doing.

It is not true that the title of this legislation is "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act"? That title does not say anything about paying off banks, or anything else. But to make this a truth-in-legislating—I would say the amendment of the Senator from New York is a truth-in-legislating amendment, to be certain that the American people know exactly what we are doing. Is that not the case?

Mr. D'AMATO. That is exactly the case, Mr. President. I believe that the American people should know that this is not our intent. And, indeed, we have provided legislative protection to see to it that this money goes to emerging democracies and to the people, and not to bail out the banks for the international loans that should not have been made, or that were made and that have now gone sour. That is not the intent of this Senate.

I want to be able to meet my constituents. When they say to me: "Listen, we have problems in America. How come you were out there taking care of the international banks?"

I want to say: Wait a minute. We made involvements in democracy that in the longrun will pay dividends here to our safety, future, and economic well-being. But not that I went and bailed out some bank that was charging you usurious interest rates because the loans were shaky, at best.

That is not the purpose of this bill. I hope that the mangers of the bill, after having an opportunity, will see the merit to it, because I think it is essential that we let the American people know that is what we are about.

The PRESIDING OFFICER. The Senator from Indiana, Mr. LUGAR, is recognized.

Mr. LUGAR. Mr. President, we appreciate receiving the amendment. We have examined the amendment, and we are prepared to accept the amendment.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, we concur in that thought. We have seen that amendment, and are prepared to accept it and vote on it.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from New York.

The amendment (No. 2663) was agreed to.

Mr. D'AMATO. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. D'AMATO. I thank the managers of the bill, and I thank my colleagues for their support.

The PRESIDING OFFICER. The Senator from Arizona.

AMENDMENT NO. 2664

(Purpose: To restrict assistance for Russia until its armed forces are removed from the Baltic states)

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

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Arizona [Mr. DECONCINI], for himself, Mr. PRESSLER, Mr. RIEGLE, and Mr. D'AMATO, proposes an amendment numbered 2664.

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

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

The amendment is as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . RESTRICTIONS ON ASSISTANCE FOR RUSSIA.

(a) IN GENERAL.—No United States economic assistance (other than humanitarian assistance) may be provided by the Government of the United States to the Government of Russia until the President of the United States determines, and so certifies to Congress, that—

(1) significant progress toward removal of Russian or Commonwealth of Independent States armed forces from Estonia, Latvia, and Lithuania has been achieved;

(2) no artillery exercise or similar training operation by Russian or Commonwealth of Independent States armed forces on the territory of Estonia, Latvia, or Lithuania is any longer being conducted, without the express permission of the government of such country;

(3) the air and naval forces of Russia or the Commonwealth of Independent States are not interfering with traffic in the air space or territorial waters of Estonia, Latvia, and Lithuania; and

(4) neither the Government of Russia nor the military command of the Commonwealth of Independent States has introduced into Estonia, Latvia, or Lithuania any additional armed forces since the date of enactment of this Act, including any additional military personnel, military equipment, or related civilian personnel, without the express permission of the host government.

(b) INTERNATIONAL MONITORING OF TROOP WITHDRAWAL.—During and after the negotiating process on a timetable for withdrawal of troops in joint military monitoring committee shall be formed consisting of representatives of the military of all affected states, the United States, and representatives of other countries, as mutually agreed upon. The activities of this group should be similar to the greatest extent practicable to the experience of the Joint Military Monitoring in Angola.

(c) DATE OF CERTIFICATION.—Any certification made under subsection (a) shall be effective for a period of six months, and the President may recertify the requirements of that subsection for additional periods of 6 months.

(d) REPORT.—Whenever the President makes determinations under paragraphs (1) through (4) of sebsection (a), the President shall submit a report to the Congress setting forth the basis for each such determination.

(e) DEFINITIONS.—For purposes of this section—

(1) the term "humanitarian assistance" means food, clothing, medicine, or other humanitarian assistance; and

(2) the term "United States economic assistance" means economic assistance (including in-kind assistance) provided by grant, sale, loan, lease, credit, guarantee, or insurance, or by any other means (including contributions to international financial institutions), by any agency or instrumentality of the United States Government, and such term does not include funds transferred under section 221 of the Soviet Nuclear Threat Reduction Act of 1991 (Public Law 102–228) for use in reducing the Soviet military threat in accordance with that Act.

Mr. DECONCINI. Mr. President, this amendment addresses the administration's proposal to provide credit guarantees and technical assistance to the newly independent countries of the former Soviet Union. Although I have serious reservations about some of the approaches the President has taken in the Freedom Support Act, I do believe the United States can and should play an important role in providing some technical and humanitarian assistance to all of the countries of the former Soviet Union, not just Russia.

Russia being the dominant one, obviously they will have the predominant amount. And the emphasis will certainly be on funds distributed to Russia.

I have met personally with leaders of almost every one of these countries, and I am convinced that we can play a constructive part in their economic development and their transition to democracy. In our sense of urgency to help lock in, so to speak, the democratic reconstruction of Russia and elsewhere, however, we must not allow ourselves to stand by while Russia engages in what I consider blatantly undemocratic and provocative action.

If these actions are allowed to go unchecked, unmentioned, they will threaten not only the freedom movement in Russia and the other CIS States, but the very security of the whole of Europe. It is for this reason that I am pleased to join my friend from South Dakota, Mr. PRESSLER, who has worked in this area far more than I have, and has the expertise of traveling to the former Soviet Union, as I do. We think some action needs to be taken. And we have not taken a sledgehammer to anybody with this amendment.

I am glad to see Senator RIEGLE, Senator D'AMATO, Senator HELMS, Senator WALLOP, Senator SYMMS, Senator GORE, Senator BRADLEY, Senator ADAMS, Senator MIKULSKI, Senator DODD, and Senator WOFFORD join as cosponsors of this amendment to S. 2532. Our amendment would restrict all but humanitarian assistance to Russia until that country shows progress in removing its troops from the sovereign nations of Estonia, Latvia, and Lithuania.

Mr. President, for more than 50 years, the United States refused to recognize the illegal occupation of the Baltic countries by the Soviet Union. How many in this body, and previous Members, have spoken about the captive nations, voted on resolution after resolution in support of the captive nations, and indicated that they will never be accepted as part of the Soviet Union? And today, that has paid off. They are independent, sovereign states, thanks a lot to the Congress of the United States, which has continuously stood fast to not permit them to be incorporated and infringed upon by the former Soviet Union.

Today, the Soviet Union is gone; it is dead. Today, the Baltics are at long last independent. I would like to say they are free. I do not think that is a fair statement. They cannot be completely free as long as they are still being occupied by the very same army which humiliated and terrorized the Baltic people for five long decades.

Approximately 120,000 Russian Federation troops remain on Baltic soil today, because the Russian Government says it has nowhere to put them. I do not doubt that the relocation problem is a serious one. I have seen some of those bases. I have seen the lack of housing in Moscow and other parts of Russia.

But I do question the sincerity of the Russians to resolve these particular problems as expeditiously as they could. They have done little or nothing. As a matter of fact, they have taken provocative steps in just the other direction.

I know that tremendous pressures are being placed on President Yeltsin's government by the economic and social problems associated with downsizing the huge former Soviet army. I have great admiration for Mr. Yeltsin's display of courage when he led the Soviet people through those tense days of August 1991. He was a patriot, and he is. Since then, Mr. Yeltsin has managed to walk a very difficult line between still influential hardliners in the military in Russia, and those such as Prime Minister Gaiclar, who are struggling against incredible odds to keep the freedom movement alive in Russia.

President Yeltsin recently visited the United States. We all witnessed that, and realized the tremendous impression that he has made. He has inspired us to believe even more strongly than before in a new period of United States-Russian relations which promise exciting mutual benefits for all countries, and for a safer world.

But to ignore that dark cloud that still remains from the era of repression and mistrust only imperils the bright, new age we are now entering between the two countries. I am speaking not of the economic problems involved in relocating Russian soldiers, but of the attitude and the actions of those managing these particular soldiers and their other military units, their attitudes which portray old Soviet thinking.

It is one thing to say there is no place to house returning troops, and quite another to keep sending replacements into the Baltics every few months.

Fully 80 percent—80 percent, Mr. President—of the Russian forces in the Baltic States today are comprised of conscripts who are drafted for a 2-year period. What does that mean? It means that 40 percent of those soldiers who are there today will be eligible for release from the Russian army in December of this year; and the remaining 40

percent will be out in December 1993, 18 months from now.

Why, we have to ask ourselves, are they being replaced? What is happening is when these drafted military conscriptions run out, they leave. They go out of the army; they go out of the military.

And the Russians send in more into these countries. It does not take a rocket scientist to figure out the math here. Yet the Russians refuse even to stop rotating these replacements. Is that asking too much? Would that not be a message to all of us in the world that they are very sincere about their commitment to get the troops ultimately out of there, realizing they cannot remove them this year? It is one thing to say troops must not be allowed to stay there and quite another to stage military exercises on foreign soil without the permission of the host countries, the supposedly sovereign nations of these three Baltic countries.

Could you imagine how the United States would react if another country, without first obtaining our permission, tried to conduct military exercises on our soil? Can you imagine how the United States would react if another country arbitrarily engaged in military overflights of our space? And yet, Russian authorities do this to the Baltic countries with regularity almost on a daily basis at their whim. The Russian Federation routinely violates the letter and the intent of the February communique signed this year by the Russians and the Latvian negotiators regarding troop levels and attitudes and activities that would be able to be permitted in Latvia and in Lithuania.

In an effort to discourage the Lithuanian Government officials from collecting further data on violations, the Russian army has recently tear-gased Lithuanian observation posts. That is a friendly gesture, is it not? Do not come over and even look because, if you do, you are going to cry not only inside because your country is occupied by a foreign military but because they are going to hit you with tear gas. These countries are not even permitted to go on those bases. They do not even know exactly how many there are. They only know by counting the troops because they have to come across the country when they are stationed there.

I ask unanimous consent that a copy of the recent Russian violations of Latvia and Lithuania be printed in the RECORD at this point because it demonstrates how flagrant this is.

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

[Republic of Latvia, Ministry of Defense]

INFORMATION ABOUT THE INFLUX OF ADDITIONAL RUSSIAN MILITARY REINFORCEMENTS INTO LATVIA

The Russian Federation is not living up to the obligations set forth in the communique adopted during the Latvian-Russian bilateral talks of February 1, 1992, which state that Russia will not increase the numerical level of its armed forces, will refrain from unilateral actions and regularly inform the Latvian side of the number of Russian military personnel on Latvian territory.

The following Russian army violations have been observed in the past two months:

On April 3, at 14:28, a civilian AN-26 airplane landed at the Lielva city airport with 2 officers and 22 enlisted personnel aboard. The military personnel refused to show identification or provide their names;

On April 4, at 12:00, at column of 14 closed Russian vehicles broke through a barrier of cement posts on the Lugāži road from Estonia and entered Latvia;

On May 19, at 10:30, approximately 30 Russian army personnel with sergeant's insignia arrived by train at the Ventspils railway station. They were transported from the station with army cargo trucks;

During the last week of May, flights to aerodromes located in Latvia, at Lielvārde, Skulte and elsewhere, by Russian military cargo transport planes AN-12 have increased many times. There are suspicions of an influx of new recruits;

On May 25-26, forty new recruits reported to the Dobele division (located at Dobele, Ventspils and Ādaži), of which 15 remained at Dobele;

The evening of May 29, a medium landing ship from Baltiisk, Kaliningrad region, entered the Liepāja military port carrying 35 soldiers in naval uniforms, who could be found on warships in the winter port on June 1;

On May 30, at 11:30, two Russian military cargo trucks (license plate #86-21 DB and 86-20 DB) arrived at the "Pejju" homestead not far from Ape with 3 officers and 30-40 enlisted personnel. As the road ended at this homestead, the military personnel crossed the Latvian-Estonian border on foot;

On May 30, at 16:00, a Russian army helicopter MI-24 landed forty soldiers in Veclaicēne county (Alūksne rayon) near the "Teju" homestead, who then boarded cargo trucks (license plate #86-21 DB, 86-20 DB, 469PX) and drove off over the Trumpupe into Estonia;

On June 2, at 01:10, two closed army cargo trucks crossed the border from Russia at a border control post near Zaiceva (Alūksne rayon) with 38 new recruits, which then entered Alūksne;

On June 2, at 21:40, two cargo vehicles (KAMAZ lic.plate #60-00 ЭВ and URAL lic.plate #36-21 ПВ) with 38 new recruits, that wished to enter Latvia, were detained at the Veclaicēne border control post. The vehicles returned to Russia, but on June 3 at 01:00 entered Latvia at the Zaiceva border control post.

On June 3, at about 10:00, a Russian warship (BDK-047) entered Liepāja harbor with approximately 170 new recruits aboard, who were dressed in civilian clothing. The ship anchored at the outer pier, slip number 56. After Latvian border guards did not allow the recruits to disembark, the ship headed out to sea in the direction of Riga.

We have received word of an expected influx of additional Russian Army reinforcements at many military units.

VALDIS V. PAVLOVSKIS,
Deputy Minister.

[Received by the American Latvian Association on June 5, 1992 by fax from Riga. Translated by Mārtiņš Jānis Zvaners, American Latvian Association, June 5, 1992.]

[From the Estonian American National Council, Inc., June 30, 1992]

FOREIGN TROOPS IN ESTONIA

Neither the Soviet Union nor Russia has given exact figures about the number of troops stationed in Estonia, Latvia and Lithuania. In addition, a great many civilians work in the military units and bases. They should leave along with the military.

The Russian representatives announced in January that there are 128,000 CIS soldiers in 806 units in the Baltic States. Of these, 28,000 are officers and 13,000 junior officers. 63,000 are in Lithuania, 40,000 in Latvia and 25,000 in Estonia. There were nearly 30,000 in the motorized infantry and coastal defense combat units, air force 20,000, air defense forces 20,000. The rest were in the district headquarters, technical, construction, chemical and civil defense forces, maintenance and rear guard units and institutions, in military schools (25,000), the Baltic naval fleet and naval air force (20,000), border guards (10,000) and special forces (1,000). Currently about 110,000 CIS troops remain in the Baltics.

According to Estonian State Ministry information, in April there were 22,000 troops in Estonia, nearly half of them enlisted men. 3,666 of the enlisted troops were supposed to leave Estonia in the spring and Russia wanted to replace them with 3,100 conscripts. Thus, there should now be 18,500 soldiers in Estonia, 10,400 of these officers and junior officers. The figure 125,000 claimed by the Russian representative at the most recent negotiations is therefore exaggerated. The Estonian government does not plan to give permission for any new troops to be brought to Estonia; however, they have already been brought to Tallinn and Paldiski. If Estonia succeeds in preventing the bringing in of more trainees and new recruits, by next spring the last of the enlisted troops will have left Estonia. What would the officers do without anyone to command?

The military units in the Baltic states are under Russian jurisdiction, although they are subordinate to many CIS armed forces commands. The ground forces are commanded by the Northwest Group of Force [Loode] command (headquarters in Riga), the air assault forces by Moscow. The air forces answer to the 46th Air Army in Smolensk and the 15th Air Army Command in Riga, the air defense forces to the command in St. Petersburg. The navy, the coastal defense units and naval air force are subordinated to the Baltic fleet and its naval air components headquarters in Kaliningrad, the border guards to the district border command in Riga, and the special forces or spetsnaz to the GRU or naval headquarters in Moscow. The interior forces and OMON, which answer to the Department of the Interior, are supposed to be gone by now. The administration and finances of all units is handled by the Northwest Group of Forces. This arrangement makes the control of the forces and their movements super difficult for both Estonia and Moscow.

In the Baltic States at the beginning of the year, there were four ground divisions and two training centers (training divisions)—two motorized infantry divisions, a tank division-tank training center, an air assault division and an air assault training center and a coastal defense division in the Baltic States. In addition, there were two air assault battalions, a special forces brigade, an artillery brigade and regiment and other units. There were a total of 11 air force regiments.

The motorized artillery divisions and coastal defense divisions in Estonia and

Lithuania are at cadre strength of manning only. They are fully armed and equipped, but staffed at about one third of what would be required in case of war. The most dangerous unit of those located in the Baltic States is the air assault division in Lithuania (7,780 men in January), a mobile and combat ready attack unit. The tank training center in Latvia and the air assault training center in Lithuania both dealing with the training of sergeants and specialists are strong. The latter center is unique in all the former Soviet Union. The information in the table below is from official Soviet sources. The Baltic States have a right to get part of the ex-Soviet armament and technology for themselves, especially the light armaments. The tanks, artillery, rockets, etc. are covered by the CFE Treaty. Besides the various forces described above, there are air defense rocket batteries, radar stations, and other technical installations. Various support and rear units, installations and warehouses are not even mentioned.

Armaments and military technology	Estonia	Latvia	Lithuania
Tanks	153	165	488
Other combat armored vehicles	303	123	1253
Artillery over 100 mm	8	52	269
Motars 120 mm	32	21	36
Rockets and missiles	12	7	66
Helicopters	10	42	61
Fighter aircraft	163	213	60
Bombers	20	.....	.....
Attack aircraft & fighter bombers	29	147	60
Air defense interceptors	114	38	.....
Reconnaissance aircraft	.....	28	.....

The withdrawal and reduction of Russian forces has only affected air defense, support and rear units and has not, for all practical purposes, touched the combat forces. Foreign troops are still in all three Baltic capitals. Merely renaming the Baltic Military District as the Northwest Group of Forces has not changed anything. Even the Russian border guards wish to continue their activities in these independent countries for many years.

During the negotiations, Russia is both trying to delay withdrawing the troops and trying to get legal status for them. It is clear, that the problem is not the families of the officers or the housing of the troops, but primarily the leadership of the CIS armed forces.

There is no longer any justification or military reason for keeping ground forces, coastal defense and assault air force units in the Baltic nations. Which nation plans to attack Russia via Europe? And even if someone were to attack, the cadre composition forces would not be able to repel a strong attack. They would need reinforcements and time for training. These forces are suitable only for use against the Baltics' inadequately trained and armed fledging defense forces. Especially inappropriate are all Russian military training units and centers, to which soldiers are brought for instruction. Paldiski's nuclear reactors pose a threat to the whole region. Some small justification can be found for the air defense forces. More time can be allowed for the removal of their early warning radar stations. Some of the radar stations must be given to the Baltic States. Russian naval bases cannot be permitted in the Baltic States. The Baltic Sea does not need so many military craft.

The Russian forces in the Baltics are not there for anyone's defense, but serve to exert pressure on the Baltic States. By continuing the occupation, they hope to keep the Baltic States in the Russian sphere of influence and to prevent them from getting NATO protection. Some of the Russian top brass may even be awaiting the restoration of the Soviet Union.

The contribution to the local crime rate and environmental damage caused by the military cannot be ignored. Serious political destabilization is caused by the potential assistance which these foreign troops could give to the Russian colonists here, who would like to carry out a variation of Moldova in the Baltics—to create their own "Northeastern Estonian Republic."

Strong international pressure is needed to get the Russian troops out of Estonia, Latvia and Lithuania.

Mr. DECONCINI. These actions are not about economic or social problems. These are about the flagrant disregard for the sovereignty of other nations. How can we rebuild our relationship with Russia on a foundation of trust when this type of conduct with three other independent, supposedly sovereign countries, who are also struggling with social and political and economic problems just as severe to the people that live there as they are in the Republic of Russia?

Do we tell the Baltics to just be patient while their dignity and their rights are trampled on for another decade? That is what is going to happen if the United States does not stand up and say, "You have to work out some arrangement. You have to put it on a line that you are going to take some positive action."

My amendment does not ask for pulling the troops out this year or next year. And I will go into that a little bit later.

The Senator from North Dakota has had a great deal of influence on this, that we should not put in a bottom line to the effect that they have to get out by 1994 or 1995 because of the sensitivity. But I submit, Mr. President, unless we begin holding all countries, large and small, to the same standards embodied in international law and the CFCE principles, the new world order will not be based on any lasting peace and stability. It will be once again based on might versus right as we are now seeing what is happening in the Balkans.

We know what is happening in that part of the country. We see a total disregard for their sovereignty where power is used brutally. Do not think that this could not happen in the Baltics because it could.

The longer Russian troops remain in the Baltics, the greater the danger to the security of the region. It is in everybody's interest here to force this issue. If Russia fails this test of international behavior, what other test will they fail? Will history once again record that the little states were sacrificed out of fear cloaked in the name of stability?

We cannot afford to take a chance on what might happen in Russia. The news media carry reports almost daily about statements of senior officials in the Russian Government who make inflammatory comments regarding the Baltics.

The June 15 issue of the Financial Times ran the following headlines: "Russian Military Seeks Permanent Baltic Presence." If you control the Government—maybe Mr. Yeltsin does not. I believe he does. He has demonstrated his will to do it, to stand up to the tanks before. He has to have the courage to get that Parliament to make some kind of agreement. His Government must move ahead and do something to remove those troops.

Last week, on the eve of an agreement to end the bloodshed in Moldova, the Russian Army issued a tough warning to the Baltics that it will open fire if Russian soldiers are attacked. If Russian soldiers are attacked? You might ask, what has happened, all of a sudden, to the fact that they are occupying foreign soil. This is a violation of the Helsinki Act that Russia committed itself to, the Baltics have committed themselves to, and will be resigned again in July 9 in Helsinki. This type of outrageous statement only fuels speculation about Russian intentions of deliberately provoking some violence in the northern part of Estonia, in particular a territory which Russia would very much like to keep as its own for military purposes.

Mr. President, now is the time to insist that Russian troops be brought home before that tiny spark could ignite things forever in this area and never be the same as they are today.

I urge my colleagues to vote for this amendment. A vote in favor of this amendment is a vote affirming the hard-won sovereignty and independence of the Baltics. A vote against this amendment says, in my judgment and my opinion, in effect, that it is OK for Russia to continue to occupy Latvia, Lithuanian, and Estonia with troops of 120,000 at least in violation of international principles, including virtually all 10 of the Helsinki Act principles. We must not be a party to this, to sacrifice these principles, just because it is easier to go along with the powers that be. It is not fair, and it is not right.

Mr. President, this amendment, as I said, does not say troops will be removed this year. It indicates that the President must first certify and then issue a certification report every 6 months indicating the specific steps the Russian Government is taking to effect the removal of these troops in these three countries. Is that asking too much? Is that a sledgehammer? Is that not reasonable? Could they not be doing that today? And if they are, why do they not announce it?

Mr. President, I hope my colleagues will vote for this and can conclude that this is a reasonable amendment that is not going to turn the world upside down or a killer amendment that is going to defeat this package. It is not offered in that sense, and I truly hope that it will prevail.

Mr. PELL addressed Chair.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. PELL. Mr. President, the issue of the former Soviet Army units in the Baltic countries is a very complex and complicated one and a very sensitive one as well. The Russian Government, the new Government, has argued, I think correctly, that when they have housing for the troops, they will withdraw them. By the same token, I think many people in the border communities want them withdrawn and we want them withdrawn, and I believe the Russians would like to have them withdrawn if they had a place to put them.

The committee bill that we have would actually contribute to movement of troop withdrawal by authorizing technical assistance and helping the reformers who want the troops removed from the country. We should bear in mind this will strengthen the hand of the Yeltsinites to move ahead down the path of reform. If we torpedo it in any way, I think it would be rather disagreeable and reminiscent of Kerensky so many years ago. I am hopeful that the Governments of Russia, Latvia, Lithuania, and Estonia will resume their talks of troop withdrawal as soon as possible.

The drafters of this in the administration strongly oppose the amendment because of the underlying objective of helping all the countries of the former Soviet Union move forward.

The administration at this time is not in a position to certify the conditions in the amendment. Our assistance program in itself would be very much jeopardized.

I also offer at this time an amendment in the second degree, that would amend this.

AMENDMENT NO. 2665 TO AMENDMENT NO. 2664

(Purpose: To restrict assistance for Russia until its armed forces are removed from the Baltic States)

Mr. PELL. Mr. President, I offer the amendment in the second degree because of the concern I share with the Senator from Arizona. I will desist while the clerk reads the amendment.

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Rhode Island [Mr. PELL], for himself and Mr. LUGAR, proposes an amendment numbered 2665 to amendment No. 2664.

Mr. PELL. 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:

In the pending amendment, strike all after the first word and insert the following:

RESTRICTIONS ON ASSISTANCE FOR RUSSIA

(a) IN GENERAL.—Commencing twelve months following enactment of the Act, no United States economic assistance (other than humanitarian assistance) may be provided by the Government of the United States to the Government of Russia until the President of the United States determines, and so certifies to Congress, that—

(1) significant progress toward removal of Russian or Commonwealth of Independent States armed forces from Estonia, Latvia, and Lithuania has been achieved;

(2) no artillery exercise or similar training operation by Russian or Commonwealth of Independent States armed forces on the territory of Estonia, Latvia, or Lithuania is any longer being conducted, without the express permission of the government of such country;

(3) the air and naval forces of Russia or the Commonwealth of Independent States are not interfering with traffic in the air space or territorial waters of Estonia, Latvia, and Lithuania; and

(4) neither the Government of Russia nor the military command of the Commonwealth of Independent States has introduced into Estonia, Latvia, or Lithuania any additional armed forces since the date of enactment of this Act, including any additional military personnel, military equipment, or related civilian personnel, without the express permission of the host government.

(b) INTERNATIONAL MONITORING OF TROOP WITHDRAWAL.—During and after the negotiating process on a timetable for withdrawal of troops a joint military monitoring committee shall be formed consisting of representatives of the military of all affected states, the United States, and representatives of other countries, as mutually agreed upon. The activities of this group should be similar to the greatest extent practicable to the experience of the Joint Military Monitoring in Angola.

(c) DATE OF CERTIFICATION.—Any certification made under subsection (a) shall be effective for a period of six months, and the President may recertify the requirements of that subsection for additional periods of 6 months. The last sentence of section 5(b) applies to ineligibility for assistance under this section.

(d) REPORT.—Whenever the President makes determinations under paragraph (1) through (4) of subsection (a), the President shall submit a report to the Congress setting forth the basis for each such determination.

(e) DEFINITIONS.—For purposes of this section—

(1) the term "humanitarian assistance" means food, clothing, medicine, or other humanitarian assistance; and

(2) the term "United States economic assistance" means economic assistance (including in-kind assistance) provided by grant, sale, loan, lease, credit, guarantee, or insurance, or by any other means by any agency or instrumentality of the United States Government, and such term does not include funds transferred under section 221 of the Soviet Nuclear Threat Reduction Act of 1991 (Public Law 102-228) for use in reducing the Soviet military threat in accordance with that Act.

Mr. PELL. Mr. President, this amendment basically gives a 1-year grace period when the suspension of aid caused by the lack of agreement to remove Russian troops from the Balkan States would be remedied.

What it does is postpone the attainment of the objectives we all share. I think to pass this bill now, with the present amendment in it, would be to the disadvantage of the objectives we share.

I would also add, that amendment—I erred in not saying it was proposed by both the Senator from Indiana [Mr. LUGAR], and by myself, together.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. Mr. President, the amendment offered by the Senator from Arizona and myself was offered on a bipartisan basis. This is an attempt by the administration to water it down, to give them 12 months before they have to do anything about getting troops out.

I am going to oppose the Pell second-degree amendment and strongly support the DeConcini-Pressler amendment. Let me tell you why.

I had a discussion earlier today with Secretary of State Baker on this matter and I could not get a clear answer as to why it is that, by attrition, Russia cannot reduce the troops in the Baltic States.

The Russians say they cannot take the troops home, but they are sending new recruits. By attrition, as Secretary Cheney pointed out when I asked him before the Foreign Relations Committee just the other morning, they could, in a matter of months, substantially reduce the troops—by attrition.

This second degree takes all the teeth out of the Pressler-DeConcini amendment because nothing would happen for another 12 months.

I do not accept the arguments for keeping the troops there. Russia says they do not have space to bring them home, but they are sending new ones.

Also, the argument has been put forth that, somehow the troops there protect Russian minority there. There are no threats to the Russian minority there. Indeed, they are very well treated.

The Russians want to be European, they want to keep troops on their western front, and that they just do not want to move them.

The amendment of the Senator from Rhode Island, which I believe the administration would agree with, will effectively take the teeth out of this amendment.

My colleague from Arizona and I have worked on this amendment for some time. We worked with various groups. I think before we send money to the Soviet Union we should prepare to tell our taxpayers how we can justify indirectly supporting keeping their troops in foreign countries.

The three countries we are talking about are independent nations and it is costing the Russians a lot of money to keep troops there. Supply lines are long. Young people could be brought

back into the Soviet Union. They are going to have to be converted into the free enterprise system or into the Russian economy anyway, eventually. It is certainly just as efficient to do that now as later.

All the arguments about this seem very puzzling as I believe Russia has a deep mentality that they want to keep troops there on the front with Russia for some reason.

Mr. President, many Senators have noted that this bill is a vital symbol. Yet, we must ensure that signal is one of United States support for the end of totalitarianism in the former Soviet Union. That signal must not be that this bill puts the stamp of approval on recent Russian actions—including the use of at least some Russian forces in Moldova and continuing belligerent statements by officials of the Government of Russia dangerously asserting that military action may be required to protect the Russian minority outside Russia.

Therefore, this amendment proposes a litmus test. If the Senate is serious about helping the peoples of the former Soviet Union, we must establish prudent standards of acceptable behavior in the United States-Russian friendship. I like to call this a minimum standard of action by the Russian Government as a prerequisite to U.S. taxpayer largesse. If we do not set some minimum, reasonable standards to protect the United States taxpayer, we will strengthen the hand of the opponents of reform—or, the enemies of President Yeltsin himself.

Mr. President, this amendment does not ask for anything that the Russian Government should not be prepared or able to give in the short term. It requires nothing opposed to their own interests. Essentially, this amendment requires three actions that have three simple solutions.

First, the amendment requires significant progress on the withdrawal of former Soviet troops from the Baltic States. This requirement easily could be satisfied by removing the units most offensive to the Baltic governments—those in the capital cities near the governments of the recently liberated Baltic nations.

Second, it calls for an end to military maneuvers by the Russian army in the Baltic States without notifying the Baltic governments. This is simple enough. Every child in America is taught that he or she should not play in a neighbor's yard without asking permission.

Third, this amendment requires the Russian military to refrain from bringing new Russian conscripts into the areas where its unwanted troops are still stationed. By mere attrition—that is, not replacing the troops that will naturally rotate out after their 2-year term is up—troop levels could be decreased immediately.

This action would have the added benefit of helping Russia reduce its military spending and allow the youth of Russia—tomorrow's entrepreneurs—to spend their youth seeking business contacts, not playing war games against the passive Baltic populations.

Mr. President, we heard several arguments that may be made that this amendment is too harsh, that it asks too much of the nascent system Russia calls democracy—their first attempt in 1,000 years of history. President Reagan, who more than any other person helped bring down Soviet dictatorship, used to say, "trust, but verify." The Senator from Arizona and I are merely asking for visible signs of good will that also represent good policy.

Mr. President, the Russian Government claims it will not be able to abide by these conditions because of the great social costs required by the shrinkage of the military. Moving 120,000 troops will not be easy. Yet, in a 9-month period, the Soviet Government moved 115,000 troops from Afghanistan. Recently, the Russian Government announced it will remove 50,000 troops from Azerbaijan. Tens of thousands also will be removed from central Asia.

Why not negotiate a reasonable timetable for withdrawal from the Baltic States? This is a test of whether Soviet imperialists have changed their spots in addition to changing their flag.

Housing for the withdrawing troops is a difficult issue. But housing shortages affect almost all victims of Soviet-style communism. As we discuss ways to convert the military-industrial complex, are there not ways to employ these troops in building houses in Russia? After all, the Soviet Union has used its troops over the years to fight wars, harvest potatoes, and build roads, buildings, and bridges.

In addition, domestic Russian efforts can be supplemented by offers from the Swedish, Norwegian, and other governments to help build housing for the departing Russian troops.

Why not bring some of the troops back to Russia and have them build housing, if troop housing is a problem?

Perhaps the United States can explore ways to offer technical assistance programs that will help train unemployed soldiers to start their own businesses, similar to those offered by the U.S. Government in this country. In addition, the Russian Government could find additional money to remove the troops if it would invest funds currently used for active intelligence operations to demilitarize Russia.

None of the Baltic governments have told the Russians they must leave—only that they must leave the service of a foreign army on their territory. In fact, in Lithuania, Russian families are offered the option to purchase the home they live in and can become a member of Lithuanian society.

Mr. President, many people, including some in the State Department, are under the erroneous assumption that the Russian Government has been making significant steps toward the removal of troops and that it has entered into good faith negotiations on the withdrawal of troops. That assertion simply is not supported by the facts. There is a great distance between the rhetoric—specifically President Yeltsin's statements of good will—and reality. The reality consists of troop withdrawal proposals stretching into 1997 and continued military maneuvers. The reality is continued insults to Baltic sovereignty by the Russian military.

Russian actions should not be taken lightly. The Baltic governments and the Russian Government are not equal bargaining partners. For example, the Latvian Government is equipped with only about 1,800 border guards and a national guard of about 10,000. Former Soviet forces account for anywhere from 40,000 to 58,000 troops in Latvia. The Latvians, as well as their Lithuanian and Estonian neighbors, are short of clothing and equipment for their troops. They currently are outfitted only with light weapons. They do not have tank forces or motorized divisions.

Instead of good faith efforts, Russian negotiators are pressuring the Baltic States to sign an agreement to force the three Baltic governments into legitimizing the status and presence of Russian forces on their territory. And that is what this body should be concerned about. The Russians are trying to force the three Baltic governments to sign agreements to legitimize their military presence there. I cannot understand how we can send aid to Russia while it is sending more recruits into three independent countries that do not want the soldiers there.

The Baltic governments want to discuss the withdrawal of these forces, not the conditions of occupation.

Mr. President, it is entirely understandable that Baltic governments are horrified by the statements of Russian military figures that the forces will stay ad infinitum as a form of protection for the Baltic States. Some U.S. Government officials even apologize for continued Russian military presence, for example at the Skrunda ABM base in Latvia, to help the Russians feel secure against American military aggression.

Mr. President, other recent statements by officials of the Russian Government greatly alarm me and emphasize the importance of the amendment the Senator from Arizona and I are offering. These statements are reminiscent of imperialism, communism, and intolerance. They are intended to snare the Baltic States into the Russian sphere of influence under the guise of humanitarianism and protection of Russian minority rights.

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Foreign Minister Andrei Kozyrev responded on June 8 to statements that military units stationed in the Baltic States are occupiers. He labeled such statements as incorrect, "especially given deliberate provocations against Russian troops." Mr. President, I ask what deliberate provocations? He further stated, "Russia does not intend to stand idly by in the face of insulting treatment against Russian troops and will defend their interests in the most decisive manner."

Mr. Kozyrev, the foreign minister, stated on June 15, "the Baltic States must accept on their territories the creation of certain regions with a special status and very close links, privileged links with Russia." This is what the imperialists are demanding in Moldova and what Serbians use as a pretext for their aggression in the former Yugoslavia.

On June 11, an official of the Russian Foreign Ministry, Sergei Yastrzhembsky, referring to the situation in the Baltic States, "our previous Russian history of 70 years can only give us examples of military reaction and the use of forces to defend our interests." On June 12, Presidential Counsellor Sergei Stankevich called for economic sanctions against the Baltic States if they continue to engage in what he called "discrimination against the Russian population."

In addition, Mr. President, on June 15, Col. Gen. Ilya Kalininchenko, commander of the CIS border guards, told the Lithuanians that "the Polish-Lithuanian border is seen as our—Russian—border, and our soldiers are there to defend the interests of Russia." He went on to say, "Russian troops should remain in place and be paid for by the Baltic States in return for security."

Can you imagine that, a high-level Russian insisting that the Baltic States pay for the Russian troops to remain in Lithuania, Estonia, and Latvia? This body should not pass an aid bill with statements such as this coming forth. And his statement was made on June 15.

The Vice President of Russia, Aleksandr Rutskoi, and he would take up the cause of Russia's "historical conscience and seek in redrawing of borders that would reflect a glorious page" in the Nation's past.

Mr. President, I could go on and on with similar statements against the peaceful Baltic nations. I also could add similar threats made against Ukraine and Moldova. I would hardly call these sabre rattling arguments representative of good faith efforts.

I urge adoption of the DeConcini-Pressler amendment. I might add it makes a great deal of sense for the withdrawal to be internationally supervised. The international community has a responsibility to protect diplomatically the people of the Baltic States from this menace.

The task of departure of Russian troops could be greatly eased by the establishment of an international observer mission, composed of military representatives of the affected parties, the United States, and other observers mutually chosen. To the extent practicable, this could be modeled upon the Joint Military Monitoring Commission of Angola. This group could monitor the orderly and expeditious withdrawal of former Soviet troops. It also could help the Baltic governments verify whether additional troops are being brought in to the Baltic States and what sort of activities are taking place in military bases within the Baltic States that are contrary to their interests and possibly those of the United States.

Mr. President, one-third of the Senate is already on record as taking the troops in the Baltic States seriously.

We have a letter signed by one-third of the Senate in support of the concept in the DeConcini-Pressler amendment.

The presence of these troops is a litmus test for the future of democracy versus militarism in Russia. It also is a potential source of instability and conflict in Europe. We should not ignore this possibility. The events of last August prove that things can, indeed, change very quickly.

Mr. President, I was encouraged by President Yeltsin's stance well before conventional political wisdom in Washington gave up on President Gorbachev as the great hope for democracy in the former Soviet Union. I do not want to see the ideals Mr. Yeltsin so eloquently stated before Congress swept into the dustbin of history.

Indeed, I personally asked Mr. Yeltsin a question, when I was on the escort committee for his address to Congress about the troops in the Baltics. He said that we would hope that we would see some positive developments, very vaguely. His speech was devoid of discussion on this topic.

So, Mr. President, in conclusion, I would say that we have a situation where the Russian troops apparently intend to stay in the Baltic States. Not only do they intend to keep them there, but they are hopeful that the Baltic States will help pay to keep them there. The Baltic States are sort of over the barrel. They want to get rid of them. They want them out. They have said that. They have demanded that.

What logic there is to them being there. If we look at the statements of the Russian leaders, the top Russian leaders who I have quoted, they have some mythical 19th century view that they are entitled to keep troops on the European border, or that there is some threat, or something of that sort. They still have not gotten over the adventurism.

There is no logical reason for them being there. There is no threat to the Russian minorities. By attrition, they can reduce the troops. It will save the Russians money. But by voting an aid bill, we are paying the Russians to go a step further and we are paying them money that they will indirectly use to keep troops in the Baltic States.

Mr. President I move to table and ask for the yeas and nays.

Mr. D'AMATO. Mr. President, I ask my colleague to withhold his motion to table just so I may make some remarks.

Mr. PRESSLER. Fine.

The PRESIDING OFFICER. Will the Senator from South Dakota withhold his motion?

Mr. PRESSLER. I will withdraw my motion for the Senator from New York.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The motion is withdrawn.

The Senator from New York [Mr. D'AMATO] is recognized.

Mr. D'AMATO. Mr. President, my colleagues from Arizona and South Dakota are absolutely right. Somehow we have some fear of recognizing reality, and we have a group called the State Department that is in this never, never world.

I recall when "Gorbimania" swept the State Department more than anything else, and Yeltsin was painted as a big fool. I recalled not too long ago when those of us who spoke about freedom for the people of the republics that now are free, and particularly in the Baltics and Lithuania, were criticized for rocking the boat. Can you imagine that? Because we stood up for freedom.

I recall when the now heralded President of Lithuania was scorned and mocked, President Lansbergis, because he was some kind of wacky musicologist who helped to paint that picture of the Russian hardcore Communists. And we could not help but pick it up and carry it throughout the State Department ridiculing people who wanted freedom. And now they would have you believe, with the stationing of Russian troops there, somehow we should not say listen, you want our help, you want our aid, then you have to begin to comport with the standards of free nations and live that way.

No, it is too much; you are rocking the boat.

When are we going to learn that people have a right to be free and that we should be helping and moving in that direction?

When you send this kind of a message that you can wait for 1 year, keep troops there for a year, you are sending the wrong message. This Government is never going to wake up, along with this body, because we are responsible. We are responsible.

Let me go back a little bit because I tell you something, this Senator remembers coming down to this floor of the Senate in May, May 17, 1990. I said, what are we making loan guarantees to

Saddam Hussein for? My God, you would have thought I attacked Mother Teresa. Everybody came running down here, oh, no, no, do not cut that off. Oh, no, no, no. Imagine. We wait until about 2 days before the war started to do something. Incredible.

Let us wake up. It was well orchestrated by the State Department. No; he is a good man. I had colleagues come down here and say we talked to him; Saddam is misunderstood.

You may say, well, what is the analogy? It is a darned good analogy. We make believe that what we see is not true. We do not like the fact. Do not rock the boat.

What do you think now? You allowed Saddam Hussein to think he could go even further. We did not stop there.

We keep undertaking these kinds of things. This is another example, but now we want an inquiry to find out. We are all guilty of looking the other way, all of us, everyone will look the other way. Now we want to look the other way. Now we want to say once again that what the Soviets are doing there, what the Russians are doing should be tolerated because, after all, we do not understand; they have problems.

This amendment does not say get all 120,000 troops out today. It says start making progress. Do not keep reintroducing new troops.

I went there. I saw the people who died for freedom. We did not give them freedom, but we can sure as heck help.

Should we subsidize, subsidize the occupation of these three nations? Are we saying that they are free or not? Are we going to just go along with the State Department, which by the way has trouble handling more than one thing at a time. Remember that. Two or three problems, forget it. Forget it. It is a logic that is so blinded.

Let me give you another example of the way they operate in what used to be Yugoslavia. Do you know why we have a million people today who are refugees? Because more than a year ago when we said wake up and look what the Serbians and Milosevich are doing, we had a State Department that said no, we have to keep Yugoslavia together because they do not really believe in human rights. They do not believe that people in different lands have a right to their own culture and their religion because if they did, they would not have gone along and encouraged this madman by inaction—inaction.

Do you want to encourage the Russian generals? Then you accept this amendment. Because you will be saying that America really does not mean it. Look at this. We said for a year you can continue this policy. For 1 year you can do what you want and, by the way, at the end of the year who knows what will happen? Either we are going to stand up now and let people who have laid their lives on the line for freedom know that we are committed to freedom or we will be sending a terrible message, one that will not help Mr. Yeltsin, one that will not help the forces of democracy.

Let us understand that sometimes you have to look at those who would, yes, blackmail, coerce, threaten and say to them we will not be threatened and bullied. It is better to find out what they are about now than to allow them to continue their ways and to be paying them blackmail.

If we do not defeat this amendment, we are saying we are willing to play blackmail. We are afraid. We are afraid to confront what might take place. We are afraid now, and you think it is going to be any easier later?

What about the people who are being suppressed? What about the people who are being occupied?

And so when my colleague makes that motion to table, I will join with him because I join in saying that we are not going to compromise freedom and democracy. Indeed, the language of the amendment submitted by Senator DECONCINI, Senator PRESSLER and which I was privileged to cosponsor gives the administration ample opportunity. It does not say all the troops have to be pulled out.

But, indeed, if the President learns and is able to verify and certify that within a matter of days the troops otherwise would have been reintroduced or not, we begin to see some form of recognition as it relates to the conduct of their exercises and artillery exercises, there is ample latitude for people of good will to see to it that the aid goes through, but we are not subsidizing a military occupation of free nations.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Indiana [Mr. LUGAR] is recognized.

Mr. LUGAR. Mr. President, we have come to an important crossroads in this legislation with this amendment. I think all Senators ought to be alerted that this is the case. It is not a question of emotion or histrionics. It is just simply the fact that the administration cannot certify in the manner that the DeConcini-Pressler amendment calls for the administration to so do. It cannot do it. Both Senators know that. They have been in touch with the Secretary of State. He has indicated that will not be possible.

The intent and the effect of the amendment is, in essence, to nullify the Freedom Support Act. It is simply a point which those of us who are in favor of the Freedom Support Act know who we are and those who are not in favor of the Freedom Support Act presumably know who they are and we are going to have a vote. I wish it did not come on this particular amendment.

The Senator from Rhode Island, the distinguished chairman of the Foreign Relations Committee, and I have offered a second-degree amendment simply to try to save the bill. We are trying to do so in a very simple way by saying that we do not have disagreement with the intent, the idealism of the motion made by the Senators from Arizona and South Dakota.

Indeed, I cannot conceive of any Senator not being disturbed by the fact that there are Russian troops remaining in the Baltic countries. This is a situation that must come to an end, and the full energies of American diplomacy are to bring it to an end. To give any inference that the President of the United States and the Secretary of State and all who are involved in our administration are not visiting in a concerted way with President Yeltsin on this issue is to speak, I think, with ignorance about the issue. The fact is it is very important to us, to the Baltics, to the Russians to get the Russians out of the Baltics.

Now, Mr. President, the practical facts are that there are so many Russians in the Baltics and so many problems of logistics with regard to housing, with regard to the simple logistical movement of those troops that that has been a difficult thing for the Russians to effect. I make no apology for the Russians. They ought to get out. Our pressure has been for them to get out of former East Germany, Poland, Hungary, Czechoslovakia.

We have worked diplomatically for rigorous timetables. We have attempted to assist our friends in making certain that movement occurred. It is critically important that countries regain their sovereignty.

Mr. President, the explicit aspects of this amendment would say, and I quote the first paragraph of the DeConcini-Pressler amendment, is that no United States economic assistance other than humanitarian assistance may be provided by the Government of the United States to the Government of Russia until the President of the United States determines and so certifies that significant progress toward removal and so forth has occurred. That will occur given a timeframe in which you have point 1 and point 2 and point 3. But time is going to have to pass, logically, for that type of progress to be certified by anyone. As a matter of fact, Mr. President, the formulation of the amendment by Mr. DECONCINI and Mr. PRESSLER is impossible to certify.

I want to continue for just a moment with the very important fact that there is no disagreement on pressing the Russians to withdraw their troops. But there clearly is disagreement about how we ought to proceed in our relations with Russia. That is the gist of the debate we are now having on the Pell-Lugar second-degree amendment.

Those of us in favor of the Freedom Support Act believe it is important that the IMF be replenished, that we

move towards procedures that will make it possible for American exporters to export and to get into business in Russia and the other Republics and to do so promptly, not in years to come.

We believe that convertibility of the ruble is important—that that ensures importance for Russia in the world. That is why we are involved in this exercise today.

Mr. President, it would be ideal, I suppose, if we could solve several foreign relations problems that are complex, simultaneously, but the one we started to try to solve to date is important by itself: A political statement about our relations with Russia and with the Republic, a political statement made through replenishment of IMF, through authorization of a host of activities that will enrich the relationship, and through authorization of $620 million of humanitarian assistance and technical assistance. And the repeal of many, many barriers that have inhibited the relationship deliberately in the past but now are not useful in the future.

What I am asserting is that in the event that the amendment as initially enunciated by Mr. DECONCINI and Mr. PRESSLER is adopted, all of this activity that might come from the Freedom Support Act, with the exception of certain humanitarian aspects and certain continuation of the so-called Nunn-Lugar funds as they searched for the tactical nuclear weapons to collect and destroy them, everything other than those activities is going to be on hold.

The author of the amendment will say there is no need for it to be on hold; all that is required is that the administration put pressure and, having done so, certify that something has occurred.

Let me say, Mr. President, if life were that simple, the amendment would not be needed to begin with. It would be apparent that the administration is putting pressure, that this is the gist of our negotiation, that what the authors seek to happen is going to transpire.

Mr. President, we could have a different reaction. I do not wish to try to predict history, and each one of us can do this. But let me suggest one important scenario.

President Yeltsin came to us and he came as a very important person because he talked about openness. He talked about democracy. He talked about an end to a dark night of terror. We think that he is sincere in attempting to bring that about. Our observation is that his position is precarious, that there is hardly unanimity behind President Yelsin's point of view. The press in this country and the press around the world suggest almost every day how precarious that position is.

Mr. President, we might get our way by passing resolutions such as have been suggested today that demand that President Yeltsin do this and that, that the Russians adopt this foreign policy or that one. We could say simply that we are not going to help you until you do those things. And we might find, Mr. President, first of all, that President Yeltsin's powers to do these things are limited, and second, there are many people in Russia who do not agree with Mr. Yeltsin at all.

How ironic that in our zeal to rearrange the foreign policy of Russia, even as we try to fashion a new relationship with the country, we lead to a predicament in which Mr. Yeltsin is not able to prevail; worse still, may not even be in power.

I think, Mr. President, those that are on the threshold of offering one foreign policy choice after another today simply have to bear some responsibility for their activities, because if in fact we do not pass the Russian Support Act, and if in fact we pass it in such a form that nothing could occur, namely that the amendments are contradictory and thus no aid transpires, and if after a period of time the relationship that we had hoped to have with Russia and with Boris Yeltsin and democrats does not occur and, worse still, something else does occur, I presume those who are offering all of the alternative foreign policies will suggest it was all inevitable anyway, in our security interest far better to have Russia as a foe rather than as a friend.

I thought we started out today trying to fashion a new relationship in ways that we could be helpful in solidifying Russia for the prospects of democracy and openness. I am still on that course, and I hope a majority of my colleagues are on that course, too.

It is so simple, Mr. President, to fashion as amendments to the legislation today suggestions or demands that Russia do this, or that, or all is off, no new relationship. We really did not mean it. But we applauded Boris Yeltsin. But in fact we were not really prepared to lift a finger because we were so concerted in our attempts to fashion his foreign policy and to make sure he did it in our way, in our sequence, with our certifications, and that was more important than attempting to fashion a new relationship in a very modest bill as now constructed.

Mr. President, I have no idea how the Senate will choose to act on this legislation, but I would simply say to friends of the Freedom Support Act, please support the Pell-Lugar second-degree amendment because that is the bill. And in the event that we are not successful with our second-degree amendment, then, Mr. President, I suspect those who are successful are going to try to explain how the world works in ways that some of us do not understand.

In short, we may have gotten our point across, and lectured the Russians, and told them really where to get off. But to suggest, Mr. President, as has been suggested on the floor already, that somehow our President and our State Department do not understand the potential of Russia and likewise the dangers of Russia, do not understand the freedom aspirations of the Baltics, Mr. President, let me just make very clear. The comment has been made that we have not understood, in the administration and the State Department, the Baltics. I know the degree to which ties with the Baltics were attempted.

Aid to the Baltics was assisted. I know, because on several occasions, I was asked by the President of the United States to call Mr. Landsbergis on the telephone and to communicate with him, and I did so on instruction of the President and the Secretary of State. I know of the discourse personally. I am not prepared to listen today to anybody suggesting that this country did not have compassion and did not have skill in working for the freedom of the Baltics. We have done so, and we will continue to do so.

I conclude by saying just this: Our Secretary of State testified directly to the Foreign Relations Committee that his chances and our President's chances of influencing Russia to withdraw from the Baltics would increase if the Freedom Support Act occurred, and the ties that we have grow stronger, and the leverage we have from all the aspects of the act grow stronger.

It was his testimony—the Secretary of State—that he and our country would be more effective in the very purpose of the DeConcini-Pressler amendment if, in fact, that type of statement was not made; that, in fact, it would be counterproductive.

At some point, Mr. President, we have to choose. I would choose the testimony of the Secretary of State, that he knows what he is about. And he is better able to get the Russians out of the Baltics than an amendment offered that, in essence, renders much of the Freedom Support Act null and void.

That is the choice, Mr. President. I ask my colleagues to think carefully about the predicament, and to support the Pell-Lugar amendment.

Mr. CRANSTON. Mr. President, I want first to thank the Senator from South Dakota for the courtesy of not proceeding with the tabling motion until those who wish to speak have that opportunity, assuming they are not going to take a great deal of time. As far as I am concerned, I will speak briefly. Senator MURKOWSKI wants to speak briefly, and I believe Senator BIDEN wishes to speak.

I rise to support, wholeheartedly, the bipartisan leadership of the committee, the Senator from Rhode Island and the Senator from Indiana, in proposing an amendment to the underlying DeConcini-Pressler amendment.

A majority on both sides of the aisle, I am quite convinced, supports the freedom support effort. But it should be very clear that adoption or rejection of the Pell-Lugar approach to the DeConcini-Pressler amendment would seriously undermine—and quite possibly destroy—the Freedom Support Act.

The Freedom Support Act is in our national interest. It is in our national interest to have democracies, stable democracies, emerge in the former Soviet Union, in Russia and in the other new republics.

President Yeltsin is endeavoring to lead the largest of the former parts of the Soviet Union toward a very stable democracy that is moving toward a market economy. If he should fail, we might well have a Communist or a Fascist or a military dictatorship equipped with nuclear weapons again threatening our security and compelling us to invest more and more money in our own defense.

I believe that the survival of Yeltsin and his government would be seriously threatened if this amendment was adopted and he proceeded to comply with it. He would be accused by his foes of knuckling under to blackmail from other countries—or the pressures from other countries, to use perhaps a better word—and the military would be deeply offended in the Soviet Union.

They have terrible problems in housing their people, and that is one of the prime reasons they have swiftly brought back Russian troops in the territories of other republics.

I and every other Member of this body support full, independent freedom for the Baltic States. But I believe that, too, would be threatened if we adopted the underlying amendment and rejected the Pell-Lugar amendment.

I, therefore, urge our colleagues to think about this very carefully and support the amendment proposed by the leaders of the committee, the bipartisan leadership of the Foreign Relations Committee.

Mr. MURKOWSKI. Mr. President, I thank my colleague from the State of California relative to his statement on the pending action of this body.

I think what we have here is an effort by both sides to address the reality associated with the withdrawal of Russian troops from the Baltics. The question is, basically, how do we achieve that?

As a member of the Foreign Relations Committee, I have been very close to this issue and the reality of the arguments on both sides. I think it is apparent, though, that we all agree Boris Yeltsin is simply the best bet in town for a series of actions that have been initiated in Russia today, which would lead to the ultimate withdrawal of Russian troops from the Baltics.

And I think if we look at the alternative, Mr. President, of Boris Yeltsin not achieving the success and stability and the confidence with Russia, truly all bets are off.

In other words, the new leadership that would take over, assuming that Boris Yeltsin were not successful, would leave us with a dilemma where it would be very unlikely that we could expect an initiative relative to a withdrawal from the Baltics, but, on the other hand, very likely a buildup or a stalemate, or a status quo.

I do not think it is in the order of achieving our purpose to make this, as proposed by Senators DOMENICI and PRESSLER, a condition of our assistance.

Therefore, I urge my colleagues to recognize that, clearly, Yeltsin has demonstrated to not only this body, but our colleagues in the House, a real commitment to change. And the seeds of democracy, to some extent, have been, at least, planted. The contribution that we can make in assisting in their growth and nurturing that growth I think can best be achieved by supporting the Pell-Lugar position pending.

I urge my colleagues to consider this as a practical alternative to what both sides are attempting to achieve.

I thank the Chair.

Mr. BIDEN. Mr. President, I would like to join with the chairman of the full committee, Senator PELL, and with Senator LUGAR in their remarks. Let me just add a few points.

There was only one other person knocking on the door of the Baltics to talk about their freedom years ago, other than the Senator from New York—who, if I am not mistaken was not allowed entrance. There was one fellow who made the trip and suggested what my friend from New York was attempting to do: That the Baltics should be, in fact, free independent states, as we have always viewed them to be.

That fellow, Boris Yeltsin, entered the Baltic States from the opposite direction. My friend from New York went from West to East to make the trip, and was denied entrance.

Boris Yeltsin, in the midst of turmoil and at some considerable political risk to himself, made the trip from Moscow to the Baltics. He, as leader of what was at the time the Russian Republic, said "I believe that Gorbachev is wrong. I believe that the military is wrong. I believe that the unified command of the Soviet Union is wrong. And I believe the Baltics are right. And I believe they should be independent."

We stood here on this floor and we stood here in this country and we said, "You know, would it not be great if a guy like that ran the Soviet Union?" This guy went out and did what Gorbachev did not have the foresight, understanding, desire, instinct, or courage to do. This guy did something our own President did not do, the President of the United States of America did not do.

But how short our memories are. We now say, by this amendment, that we doubt, we do not believe Boris Yeltsin. We do not believe that the troops will be removed. We believe that Yeltsin is part of some greater plot to permanently maintain troops in and subjugate the Baltics.

Let me ask you a question, a rhetorical question: How is it that, at a time when Yeltsin faced great risk, he made the trip from Moscow to the Baltics when our own President could not make the trip from Washington to the Baltics and said, "Freedom. Russian troops should get out," and we now are doubting his will and his commitment? Is it maybe that we do not believe what some intelligence agencies are telling us, that there is no longer a threat that Yeltsin will be overthrown?

There is no new worry that he will be overthrown by the apparatchiks taking over again. But there is a threat, there is a legitimate concern that if we attempt to force the very guy who took on the military then, continues to take on the military on arms control, to execute at this moment a commitment he made 2 years ago, then just maybe, as an old expression goes, we will not have Boris Yeltsin to kick around anymore; we will have a fellow with one of those dull gray uniforms and red stars on his shoulder and World War II hats with that red brim to deal with.

Mr. President, I do not know anybody in this Chamber that is anxious to see Russian troops remain in the Baltics. You ask what the delay could possibly be, why can't Yeltsin pull those troops out now, today?

Let me just ask you to put on a politician's hat for a minute. Now, let us say we are building down the U.S. Military Establishment. We go to South Dakota, for example, and the Senators from New York, South Dakota, Delaware, and Arizona, say, "We want you to get military installations out of there right now. And, because we do not want the people in Delaware, Arizona, et cetera, to be bothered by those darn airplane exercises flying over Dover Air Force Base, or tanks rolling around in the beautiful desert environment, we say, get them out of there."

The problem is, we do not want to do it. Why do we not want you to do it? First of all, the military will be angry with us. A lot of Americans retire in Delaware and Arizona, and they vote. They stay and they vote. Then you have all the merchants that come around and say, "Hey, you take all those men and women back home and I got to close my deli." And the guy that sells used cars says, "you take those poor privates out of here, they are not going to buy those $485 clunkers I sell to take them home on a 1-day trip on a furlough, and you are going to put me out of business."

All of a sudden a funny thing happens around here. Senators from States like Delaware and South Dakota and Connecticut and New York and Illinois and Arizona come and say, "Hey we cannot do this. We admit we do not need these military installations. We admit they no longer have anything to do with our national defense. My Lord, let us keep spending that money, let us keep them there."

We have a little problem in this country. It is called defense conversion. We have to make sure that we do not increase the unemployment rate in this country to the point that it is going to damage the slight recovery we have. It goes on and on and on. And it is real.

Now, if we can understand that, why can we not understand that the President of Russia, whose popularity may be down around where our Presidential candidates' collective popularity is, must tell his people "By the way, you have got to pay 10 times as much for milk as you have been paying; you have got to pay 17 times as much for bread as you have been paying, and, by the way, we are no longer going to provide you housing, and, by the way, when we decommission those troops and send them home, we have no place for them to live, no barracks, no housing."

We want Yeltsin to immediately give us a precise guarantee that he is going to get those troops out of the Baltics now. We want him to stabilize the ruble. We want him to go out and let all the prices in the former Soviet Union, and Russia in particular, rise to the world market price. We want him to go in and take out all of those state industries and privatize them. We want him to eliminate collective farms. We want him, in a short term, to reduce the incredibly low standards of living of the people of Russia even more. And we want him to do it now, before we give him the aid.

And we say that is not asking much. We cannot even get an American President, Democrat or Republican, who is going to stand up and say, "Look, we do not need a $300 billion military budget. We are going to make it $100 billion and we are going to do it tomorrow. Bang. Let us do it."

I challenge anybody here on the floor, assuming they agree that kind of cut is required, to name any woman or man who thinks they could do that and get elected, even if they had the nerve to do it, in a country that has a 200-year history of democratic change, peaceful democratic change. It has been a millennium since there has been anything remotely approaching a thing called democracy in Russia.

Now, if you tell me that there is any evidence to sustain the notion that the present leadership of Russia, Boris Yeltsin, truly desires a long-term commitment of Russian troops in the Baltics, then I say to you, if the prize for nurturing democracy is the permanent subjugation of the people of the Baltics, then it is a price I am not prepared to pay.

But if you tell me what I think the facts are, that the military in Russia is divided, but nonetheless some of them want to maintain permanent placement of Russian troops in the Baltics, some of them want to maintain access to the sea through the Baltics, some of them want to maintain what geographic military advantage flows from the Baltics, assuming there is any, then I say to you, what do you expect? Of course, that is going to happen. We cannot even get some of our military men and women to agree to do away with weapons we acknowledge no longer have any utility. Of course, that is going to happen.

And so I would suggest that the Pell-Lugar approach basically says what I think we all believe. The old expression that in our hearts—as Barry Goldwater said, "In your heart, you know I'm right." In our hearts we all, I think, know the facts to be as follows:

The people of the Baltics still are bedeviled by the presence of a significant establishment of Russian forces in the Baltics. They have the further complication of a significant number of Russians who were transplanted to the Baltics, living in the Baltics. And there is a President of Russia who would like to figure a way to get them out of there. And we have an administration who would like them out of there.

And so what the Senator from Rhode Island has suggested, along with our friend from Indiana, is an amendment that basically says, as long as this Yeltsin is in power and speaking in good faith on this issue, what we should do is at least give it a fighting chance, a fighting chance, for it to happen and for him to survive, for democracy to survive.

Or, to put it another way: the only way it will happen is if he does survive. There is no other reasonable prospect. If Yeltsin is overthrown it certainly will not enhance the prospect of the movement of Russian troops from the Baltics. I have not heard anybody suggest that. Our best hope is Yeltsin.

And so all my friend from Rhode Island is suggesting is that we allow this Russian aid package kick in a bit. Let him be in a position, if he so chooses, to build housing for those troops so they have incentive to come home, the promise of a future that does not fundamentally change their standard of living. Half the reason these folks do not want to go is because where they are living now is better than where they would have to move. It does not have anything to do with domination, it has to do with comfort.

My friend from Rhode Island seems further to be saying in his amendment, once we do this, if in fact Yeltsin has not demonstrated his good faith, has not begun some movement, then we will say, OK, no more. We give them some time.

But to precondition our support, either by obtaining an agreement in writing, or by requiring a guarantee that they will be out within x number of months, is something that I do not think anyone at all leading Russia at this moment could possibly do.

So, Mr. President, I think Yeltsin has done pretty well.

I believe the single best hope for bringing the Baltics into a position of total independence in every respect is the survival of Boris Yeltsin. I further believe that the survival of Yeltsin is not totally dependent upon, but will be greatly impacted, by the passage or failure of this legislation. And I believe it is impossible for Yeltsin, absent the help this legislation provides, to be able to deliver on his stated intention that is more than 2 years old.

And so I would sincerely hope that my friends who feel differently about the approach to this, would consider the possibility of giving either a timeframe or possibly, were that to fail, adding language that I suggested which would read as follows: Taking the DeConcini amendment, subsection (a), it says, "No United States economic assistance, other than your humanitarian assistance, may be provided by the Government of the United States to the Government of Russia until the President of the United States determines and so certifies to Congress that"—and then it goes to subsection one.

I would insert the following words after "so certifies to Congress that—"Russia is committed to," and then leave everything else the same. Because what we really can do here, Mr. President, is either continue to give a little more breathing room to Yeltsin to get some things done—if the Bible is correct, if Genesis is correct, it took the Lord, even, 7 days to create the world—7 days. Let us give this guy a couple of days, figuratively speaking.

We have asked him to democratize his political institutions. We have asked him to bring his entire controlled economy into a free market system. We have asked him to privatize all state-owned industries. We have asked him to allow all prices in Russia to float to what their respective prices would be in dealing with other nations. We have asked him to get the Russian military to give up all its SS-18 missiles, the backbone of Soviet security from their perspective for the last 20 years.

We have asked him to see to it that he gets cooperation from Byelorussia, Kazakhstan, and Ukraine. We have asked him not to interfere with the internal affairs of the other new states in Eastern Europe. We have asked and asked and asked. All reasonable requests, if you take them one at a time.

But, let us give this guy an opportunity to help remake Russia and Central and Eastern Europe. Instead of saying, do it in 24 hours, let us give him 7 days, so to speak.

For no one in this Chamber believes, to the best of my knowledge, that there is any possibility, no matter who was the leader of Russia tomorrow, that they could issue an order and within a matter of weeks completely do what we want done, which is to drain the Baltics, if you will, of every Russian troop.

So let us give them a little breathing room. Not based on trust. Not based on love. Not based on affection. Not even based on respect. But based on two things. Based on his past track record on this issue and on our naked self-interest.

And I might add a third, actually, and my friend from Indiana and my friend from Rhode Island mentioned it—based upon what is in the interests of the people of the Baltics.

I again thank my friend from South Dakota for withholding his motion to table, allowing me an opportunity to speak. I sincerely hope that we will all resist what is a tempting and heartfelt inclination to demand immediate action on something we know cannot be done at the moment, and may take a bit longer.

I do not see anything that my friend from Rhode Island has suggested that puts the Baltics in a worse situation as this year's timeframe, which he suggests, progresses.

Again I thank my colleagues for listening and I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. SIMON. Mr. President, I shall be very brief. I have long had an interest in the Baltics. I may be the only Member of the U.S. Senate who tried to go to Lithuania and was turned down by the former Soviet Union. I was not granted permission to go to Vilnius, the capital of Lithuania. And they explained to me later that they thought my presence might cause some difficulties. I do not know what kind of difficulties I could cause but I have never been to Lithuania.

I did get to Latvia one time.

But I urge my colleague from South Dakota to consider either accepting the Pell-Lugar suggestion, or a sense of the Senate. What is going to happen if we go ahead is, No. 1, you are probably going to lose on the Senate floor. But if you win on the Senate floor, you will be dropped in conference. And the cause that the Senator from South Dakota and I are both interested in is getting Russian troops out of the Baltics. I think all of us are interested in getting troops out of the Baltics.

I will wait just for a moment, because I would like to have the attention of the Senator from South Dakota. If I could have the attention of Senator from South Dakota.

Losing his amendment, either here or in conference, does not do the cause that he is interested in, and I am interested in, and I think we are all interested in, any good. I do not know of a single U.S. Senator who thinks Russian troops in the Baltics is a healthy thing.

I think the question is, How can we get there and at the same time do everything we can to be of assistance to some stability in Russia at this point?

Mr. PRESSLER. I thank my colleague for his courtesy. I would respond by saying that we all seem to favor Russian troop withdrawal in our speeches. But in fact, Russia is not even engaging in any talks. They have refused to enter into negotiations with the free Baltic States.

Russia only wants to have status of forces talks, which means they want to keep troops there indefinitely.

This is a very serious matter. The statements I read earlier—I do not know if my colleague was on the floor—from the Russian leaders in the last 2 months about their desire to permanently keep troops in Lithuania, Estonia, and Latvia, are rather frightening. Russia does not intend to withdraw their troops.

So this Pell-Lugar second-degree merely gives them another year.

It has been said we need to support Yeltsin. Indeed we do. But we are just giving his military people another year to figure out a way to overthrow him or enter into some other sort of mischief.

So, clearly this second-degree amendment is quite meaningless. If it passes it would make the DeConcini-Pressler amendment meaningless.

The 12-month reprieve guts the DeConcini-Pressler amendment. It makes it meaningless. It means there will be another year that will pass before the Russians will start to talk.

We are just asking that the withdrawal of troops begin. If the Senate accepts this amendment it is totally gutting the DeConcini-Pressler amendment. It is making it worthless. It will do nothing to help the Baltic States and it will encourage the Russian troops to continue status of forces talks because they want to keep troops there permanently.

Mr. SIMON. If I can just respond very briefly to my friend from South Dakota? I wish he had been—I am not sure if it was yesterday afternoon or the day before—in a classified briefing by the head of the CIA on the situation in that part of the world.

I am not revealing anything that everyone does not know when I say the situation over there is not a healthy one. Details were provided. We have to do everything we can to stabilize the situation in Russia. And stabilizing the situation in Russia, I think, is key to seeing to it that those Russian troops get out of the Baltics.

What I would like to do is send a clear message—a message that is not going to be rejected by this body and is not going to be rejected by the conference committee—a message to the leaders of Russia: We think those troops ought to get out.

It seems to me, whether it is the Pell-Lugar amendment, or a sense-of-the-Senate resolution that my colleague and Senator DECONCINI and others might put together, and I would be happy to work with them——

Mr. PRESSLER. If I can say to my colleague, I, too, have engaged in classified briefings on this subject. Earlier on the floor this afternoon I suggested if by attrition these troops were moved back to the Soviet Union, perhaps some of them could work on building houses and getting involved in the system. At some point this is going to happen.

It is a very strange argument to me that Russia, in order to help their economy, has to maintain troops in foreign, independent countries permanently. That is a very, very strange argument.

There is the possibility of reductions just by attrition, not by bringing any troops home, just not by not replacing some of those who come back.

I might say these Baltic countries have asked that the troops leave. I have statements here—records here of the Lithuanians, the Estonians, and the Latvians, asking them to leave.

I find it just a very strange argument in this Chamber. We are standing here, arguing that Russia should not by attrition stop bringing troops into Lithuania, Latvia, and Estonia, while we are voting to give them American tax dollars that will in turn support keeping those troops there.

I find it very odd that they say we cannot find anything for these folks to do when they come home. If you paid them the same salary one place as another, indeed——

Mr. SIMON. If I may reclaim my time?

Mr. PRESSLER. We could go in circles at great length but this is one of the strangest lines of logic that I have heard.

Mr. SIMON. The Senator from South Dakota has not heard the Senator from Illinois use that particular line. What I think is the reality is that a leader of Russia today can only step on so many toes in the military. I think that is the reality that we have to face. And Yeltsin is in a position where he can offend the military too much. We have to be aware of that reality.

I want to send a message from this Senate to President Yeltsin, to the leaders of Russia, we would like to get those troops out of there.

Mr. PRESSLER. But if my colleague would yield——

Mr. SIMON. I do not want to send a message so strong that President Yeltsin does not survive as the leader of Russia.

Mr. PRESSLER. If my colleague would yield, all the Baltic governments have asked the Senate to place these conditions to S. 2532. The people of the Baltics have asked for this. I have in my hands a statement signed by the Presidents of the three Republics.

But I say to my colleague from Illinois, that Russia refuses to even enter into negotiations with these little countries about a future timetable. They have offered status of forces talks, which means that they want to permanently keep troops there.

Earlier today, when my colleague perhaps was not on the floor, I read about three pages of quotes from leading Russian generals, the Prime Minister and others talking of their desire to permanently keep troops in Lithuania, Estonia, and Latvia.

If we pass this bill with the Lugar-Pell second-degree amendment, we are essentially caving in on the issue of Russian troops. We are essentially saying we have a year that nothing has to happen. That is a very, very serious matter. I think the people of Lithuania, Estonia, and Latvia are entitled to know when the troops are going to start leaving, they are entitled to talks as to when those troops are going to get out. If this body goes forward and adopts this, we are giving aid to Russia while Russia makes threatening statements—and I might quote again some of their top leaders.

Their Foreign Minister Kozyrev said they need to keep the troops there "especially given deliberate provocations against Russian troops." "Russia does not intend to stand idly by in the face of insulting treatment against Russian troops and will defend their interests in the most decisive manner."

On June 15, he said, "The Baltic States must accept on their territories the creation of certain regions with a special status and very close links, privileged links, with Russia."

Mr. SIMON. Mr. President, may I reclaim my time?

The PRESIDING OFFICER. The Senator from Illinois controls the floor and yielded to the Senator.

Mr. PRESSLER. I was attempting to answer his question.

Mr. SIMON. Mr. President, if I may reclaim my time, I think the present amendment being pursued by the Senator from South Dakota is going to be ultimately rebuffed. That may be wrongly interpreted in Russia and elsewhere that we do not desire to get those troops out.

What I like about, frankly, the Pell-Lugar amendment is it still puts pressure but it is something that could be accepted and held on to in conference. I think the reality is that the amendment offered by my friend from South Dakota is not going to survive conference, and the message to those people who want to hold on to those troops in the Baltics is going to be the wrong one.

If some kind of a compromise is not worked out—and I would like to see it—then I think we are wise to accept the recommendations of Senator PELL and Senator LUGAR and in some other way get the message to the leaders of Russia on this.

I yield the floor, Mr. President.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. PRESSLER. Mr. President, I want to submit a statement about how the Baltic governments should not be forced to sign an agreement that would legitimize the status of former Soviet forces on their territory.

The Russians are asking for status of forces agreements that will permanently allow Russian troops to stay in the Baltic states, and even suggesting that the Baltic states should help pay for their presence there. The Russians have refused to initiate negotiations about a future withdrawal. They will not even discuss withdrawal with the three countries: Lithuania, Estonia, and Latvia.

So I look upon the second-degree amendment not as a compromise but as a sellout to three sovereign countries that are struggling.

Mr. President, I ask unanimous consent to place additional materials in the RECORD.

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

[Permanent Mission of the Republic of Lithuania to the United Nations]

STATEMENT OF THE HEADS OF STATE OF THE BALTIC STATES ON THE PRESENCE OF RUSSIAN ARMED FORCES IN ESTONIA, LATVIA, AND LITHUANIA

The three Baltic states, having restored their independence after fifty years of annexation, have been unable to achieve the withdrawal of former Soviet troops, presently under the jurisdiction of the Russian Federation, from the territories of their countries.

The three Baltic states—Estonia, Latvia and Lithuania—are convinced that the armed forces of a member-state of the Conference on Security and Cooperation in Europe (CSCE) may not be stationed on the territory of other CSCE member-states without the consent of the latter. If this were to be the case, this would be equivalent to the use of armed coercion and intervention, undermining the principles of the United Nations Charter as well as the Helsinki process.

Therefore, Estonia, Latvia and Lithuania state that:

The withdrawal of the armed forces and mutual good faith are of primary importance in their relations with the Russian Federation;

They regret that Russian negotiators refuse to discuss the most serious aspect of this matter, namely the process of withdrawal;

There perhaps is a correlation between a hindrance in the process of negotiations and the activities of Russian armed forces in the Baltic states. Provocational behavior demonstrated by the Russian military leadership, orders issued which pose a threat to civilians, as well as a disregard for the laws of Estonia, Latvia, and Lithuania forces the leaders of these three countries to issue the following demands;

All Russian armed forces must be withdrawn from the Baltic states within the shortest time period;

This withdrawal must commence without delay;

Western economic assistance to the Russian Federation should be tied to its political and military conduct in the three Baltic states;

We are convinced that this is not an exceptional demand, but is rather aimed at ensuring certain norms of conduct which must be maintained in international relations. Such conduct must guide and inspire, first and foremost, the member-states of the United Nations;

We express the hope that the problem of the withdrawal of Russian armed forces from the Baltic states, which has yet to begin, will be accorded proper attention by the Secretary-General and the Security Council of the United Nations, as well as by the G–7 countries.

ARNOLD RUUTEL,
President, Supreme Council, Republic of Estonia.
ANATOLIJS GORBUNOVS,
President, Supreme Council, Republic of Latvia.
VYTAUTAS LANDSBERGIS,
President, Supreme Council, Republic of Lithuania.

June 13, 1992.

(Signed in Rio de Janeiro at the United Nations Conference on Environment and Development.)

DOCUMENTED ILLEGAL ACTS OF RUSSIAN ARMY UNITS ON LITHUANIAN TERRITORY: 1/1/92 THRU 6/20/92

43,000+ Russian Army troops continue to be based illegally on Lithuania's territory 9 months after their government officially acknowledged Lithuania's independence. Russian government officials continue to posture rather than negotiate reasonable timetables for withdrawal of their military units from Lithuania.

In the last month, Russian military activity has increased markedly with troops and equipment being shuffled at a frenetic pace. There is also evidence that the Russians are violating an agreement made with United States officials to decrease the number of Russian troops in Lithuania through attrition. The Lithuanian government has documented that during April and May, 1992 the Russian Army has brought over 1,000 new draftees to their bases in Lithuania.

An analysis of data provided by the Lithuanian government shows that during the first five months of 1992, the Russian army moved heavy equipment including tanks, rocket launchers, armored personnel carriers, and ammunition on at least 70 days. Sizable units of troops were moved on at least 30 days. Movements of armed troops through civilian areas and assaults against civilians occurred on 47 days. Petrol trucks were observed moving on at least 8 days and extraordinary environmental damage was perpetrated on 4 days. On at least 19 days military planes and helicopters flew over civilian population centers. In an effort to discourage Lithuanian government officials from collecting further data, the Russian Army has begun a new tactic over the past few days against Lithuanian observation posts: tear gas attacks.

The need for withdrawal of Russian troops from Lithuania, Latvia and Estonia can not be overstated. First and foremost, their presence is a continuing violation of international law imposed 52 years ago. These troops are the remnants of the Soviet Army's forward-deployed units, now left without purpose or direction. But an increasing number of European leaders recognize the seriousness of the threat posed by these military units largely based within the city limits of major population centers in Lithuania

The United States government should no longer delay in joining the French, Danish, Finnish and German governments as well as NATO officials in broadening the campaign to remove Russian Army units from the Baltic States.

CHRONOLOGY OF ILLEGAL ACTIVITY OF MILITARY FORCES UNDER THE JURISDICTION OF THE RUSSIAN FEDERATION ON THE TERRITORY OF THE REPUBLIC OF LITHUANIA, MAY 26–JUNE 8, 1992

(Compiled by the Office of Public Affairs Information and Analysis Center, Supreme Council, Republic of Lithuania, June 9, 1992)

CHRONICLE OF VIOLATIONS OF THE MILITARY OF THE FORMER SOVIET UNION ON THE TERRITORY OF THE REPUBLIC OF LITHUANIA—1992

January 5

21.30 A military column of petrol transport vehicles are driven through the Salociai border post into Latvian territory.

January 8

15.30 An APC column leaves Alytus Air Force Garrison 97.

15.40 A column of 45 military vehicles arrives at Alytus Air Force Garrison 97.

18.30 A column of 25 empty military trucks with arrives in Marijampolc from the direction of Kalvarija.

19.00 14 trucks (GAZ–66, ZIL–131, URAL 345) troops and a column of five petrol transport vehicles are sighted in Vistyciai (in the Vilkaviskis Region).

19.43 A column of military vehicles passes through Pabrade (in the Vilnius Region) toward Vilnius.

20.26 Two trailers and a column of military trucks attempt to drive through the Kretinga Border Post into Lithuania.

21.58 Nine trailers with rockets, recently brought from Latvia, are stopped at the Panemune Border Post when they attempt to cross.

22.45 Six trailers with rockets and three ZIL–131 leave the Pagegiai Military Garrison.

24.00 Seven trailers with rockets and a ZIL–131 leave the Pagegiai Military Garrison.

January 9

At approximately 02.00, 13 trailers with rockets and about 60 autotransport vehicles return to the Pagegiai Military Garrison.

8.30 Two lights tanks, two GAZ–66 with soldiers and a communications vehicle (r/st R–142) leave Klaipeda Military Garrison no. 3 and move toward Palanga.

15.00 2 BTRs(APC) leave the North-Town Base in Vilnius.

January 10

10.00 Three T–76, 1 BMD (paratroop tank) and a GAZ–66 with soldiers leave Alytus Air Force Garrison 97 and move toward Simnas. At 14.35 the column returns to its unit.

January 11

10.20 34 SA (Soviet Army) Paratroopers arrive at the Ignalina Railway Station accompanied by four officers. The detachment which is armed with 34 sub-machine guns and three hand-granades leaves in a train headed to Druskininkai.

17.21 Six GAZ–66 leave Marijampole Air Force Garrison 97.

18.30 15 GAZ–66 and 1 ZIL–130 go through Vilkaviskis and move toward Kybartai.

January 14

23.00 A column of military vehicles (9 URAL and 1 GAZ–66) arrive at the Salociai border post.

January 15

12.45 Shooting with automatic weapons, trench morters and light guns take place at the Visakis artillery range of Kazlų Roda Training Center.

17.20 A column of 19 military vehicles arrive at the Panemuné Border Post from Kalingrad.

January 16

08.30 A column of 22 military trucks move toward Sim-nas from Alytus.

10.00 New recruits are brought to Kazlų Roda by plane.

12.00 25 military trucks arrive at the Kazlų Roda Training Centre's Višakis artillery-range. There is shooting with automatic weapons and guns.

January 18

17.40 Four BTRs drive through Eisiské and move toward Varéna.

January 21

8.50 Seven URALs (covered transport vehiclcs) (4 with soldiers and 3 loaded with machinery) leave Telšiai and move toward Šiauliai on the Palauga highway.

January 22

At approximately 12.00 3 ZIL–131 communications vehicles leave area of Skuodas and move toward Tirksliai (in the Mazcikiai Region).

January 23

14.36 Six BMDs are brought to the Alytus artillery-range.

January 29

20.05 Four ZIL–131 trucks with armed soldiers arrive at the artillery range unit in Kalvarija from the direction of Vislyciai.

January 30

53 military cars leave Kalvarija and move toward Lazdijai.

15.15 Twenty GAZ–66 from the Kalvarijai artillery range unit arrive at Alytus.

18.00 Eight self-propelled rocket systems with tactical rockets (ground to ground), 38 trucks with armed soldiers, 2 communications vehicles and a military ambulance move in the direction of Kazlų Roda from the village of Pazérai.

18.30 38 trucks and armed soldiers arrive at the Kazlų Roda artillery range Training Center.

19.00 a column of 53 military cars leave Kalvarija and move toward Lazdijai.

February 3

13.55 An echelon of military equipment arrives at the Vievis Railway Station from Kaunas.

February 5

12.15 Ten SA covered military vehicles are detained at the Medininkai Border Post. They have no permit allowing them to pass.

22.53 An echelon of tank parts and 2 wagons of soldiers pass through the Vievis Railway Station and move toward Vilnius.

February 6

07.35 Troops with six T–72 tanks pass through the Vievis Railway Station and move toward Vilnius.

17.55 Ten BMDs leave Alytus Air Force Garrison 97.

The military garrison in Nemerseta cuts down 6 pine trees (3,9 solid cubic metres) causing 17,224 roubles damage.

(No exact date given) Soldiers cut down 72.7 cubic meters of trees in Sateikiai of the Plungé Region equating to 268,616 rubles damage.

February 9

18.50 A column of 12 KARZ military cars are sighted in Zemieji Paneriai in Vilnius.

February 11

A military petrol transport vehicle is stopped in the Tauragé Region at the Pauemuné Border Post. A Soviet military commandant categorically demands that he be allowed through.

February 12

Soldiers illegally attempt to pull 2 cars across the Kalviai Border Post in the Joniskis Region.

10.40 1000 fully armed paratroopers arrive at the Kazlų Roda Training Centre from the direction of Kalingrad.

February 13

04.40 Columns of military trucks with soldiers leave the Kazlur Roda Training Centre and move in the direction of Kaunas and Marijampolé.

18.37 About 1000 paratroopers board a train at Kazlų Roda and leave for Kaunas.

23.15 A column of 40 URAL cars leave Utena and moves toward Kaunas.

February 14

05.50 An echelon of military vehicles passes through Utena toward Zarasai.

13.50 An echelon of 50 ZIL and URAL military trucks stands at the Mazeikiai Railway Station on its return from Germany.

21.45 A URAL column passes through Utena and moves toward Kaunas.

February 15

16.30 Ten tanks leave Druskininkai and move toward Alytus.

February 19

A military ZIL-130 automobile, which is transporting a new VAZ vehicle without the required documentation is stopped at the Saločiai Border Post in the Pasvalys Region.

The Border Patrols of the Jonava Region detain Private S. Šalyj and First Sergeant N. Bodior of Military Garrison no. 62541 and Lieutenant Colonel A. Aleksin, previously of Military Garrison no. 11807 on the suspicion of poaching. A 7.62. mm automatic carbine "Simonov", nocturnal vision equipment, "Makarov" pistols with 11 cartridges, 16 cartridges and other hunting materials are found in their possession.

19.00 Five BTRs, one GAZ-66 and a UAZ-469 arrive from Pabradé to the North-Town Base in Vilnius.

February 22

Soviet border guards refuse to leave the premises near the Mukranas ferry (in Klaipeda) even though the Border Patrol had taken over all Border Patrol duties. Three Lithuanian National defence officers and the director of the ferry, Vaicekauskas, refuse to leave the premises until the Soviet soldiers leave. The Soviets dispatch 20 armed soldiers. The three officers declare a hunger strike which is to continue until the Soviet border guards vacate the premises. The soldiers cut telephone communications. At 20.00 negotiations begin for transferring the bridge over to Lithuanian border patrol.

February 24

20.15 40 military vehicles with soldiers leave Rukla and move toward Vilnius.

February 26

At approximately 22.00, an armed SA soldier leaves the Lazdijai Border and travels on the road leading to Poland along with 4 other wearing civilian clothing. They hold up a Polish citizen's car, demand money and beat up the driver.

February 27

In Kaunas, on Savanorių Avenue, beside restaurant "Zalias Kalnas", M. Gorin and E. Gusev (born 1972), soldiers on active duty stationed at Military Garrison no. 89580, attempt to sell a nocturnal vision equipment, a smoke rocket and a training mine. The special instruments are seized by the soldiers from their garrison. The soldiers are detained and then handed over to the commandant's headquarters.

February 29

An officer is seized at the Palanga airport while attempting to bring documents for the previous commisariat of the Šilalė Region into Moscow.

10.40 Approximately 100 soldiers arrive at the train station from the Kazlų Ruda artillery range Training Center.

20.30 An echelon of military equipment (a BTR and petrol transport vehicles) arrive at Pagėgiai.

23.10 A column of military cars leaves Vilnius on the highway towards Minsk.

March 1

23.35 A column of four KAMAZs amd two URALs leave Kaunas and pass through Alytus.

March 2

10.45. A column of 30 URAL military cars leave Vievis and head in the direction of Vilnius.

13.35 Nine trucks arrive at the previous military base in Tauragė (in the Sakalinė forest) from the North-Town Base in Vilnius, attempting to take materials out without a permit.

March 3

00.10 At the Vilkaviškis Kybartai Border Post a cement wagon is detained IN which SA soldiers had attempted to take to Kaliningrad.

(No exact date is given) Large quantities of smoke mines are thrown into a swamp at the Pabradė Artillery Range.

March 5

In Pricnai, on Kauno street, an armoured car from Military Garrison 63921 hits and breaks an electrical power line.

J. Sliven (b. 1972), a soldier on active duty of former Soviet Military Garrison in the Kaliningrad Region is detained for burglary at a store on Basanavičius street in the city of Kybartai OF THE Vilkaviškio region on February 4.

March 8

In Kaunas on Kcstučio street, the following items are stolen from citizen A. Augustinavičius's automobile VAZ 2103: the spare tire, jack mirror and accident sign. The suspects, soldiers from Military Garrison 02291 V. Krivogord, V. Skarovskij (both born in 1972) and V. Nediklo (b. 1971) are detained.

March 9

I. Ordinskij (b. 1973), a soldier from former Soviet Military Garrison no. 72037 in the Kaliningrad Region is detained in the city of Neringa who is suspected of the theft of state and personal valuables in the Nida Settlement.

March 10

A former SA Military Column carrying 8 cannons, 6 BTRs, 4 communications vehicles, 2 "Grad" systems (a type of artillery) and 1 large caliber "gaubica-type" artillery piece drive through the Pagėgiai Railway Station from Tauragė toward Sovietskas.

March 11

16.20 A VAZ 2106 automobile being driven by a drunk Senior Lieutenant V. Bigaro from Military Garrison no. 18380 hits another automobile at the intersection of Elektros and Basavaničius Streets. There is minor damage to the vehicles.

March 13

10.15 A column of military vehicles (59 URAL and ZILs) drives from Pancvėžys toward Kaunas and a column of 17 military cars drives from Vievis towards Vilnius.

10.20 17 military autocars drive through Vievis toward the direction of Vilnius.

March 14

8.50 A column of military cars is stopped at Prienai while attempting to drive around the order post to get into Belarus.

17.20 A column of military vehicles and tanks drives from Vievis and Vilnius.

March 15

09.45 A column of 3 automobiles is detained at the Šalčininkai Border while attempting to leave Lithuania. The Senior of the column KGB Private V.G. Dunko from Military Garrison 2144 explains that they are going from Latvia to Lvov. The documents they are carrying are forged. The automobiles are detained.

22.48 A former SA officer and 4 soldiers who are armed with a sub-machine gun are detained in the territory of the Vilnius Railway Station. The soldiers refuse to provide documentation.

March 16

At approximately 03.00, N. Litovkin (b. 1972) a soldier of Military Garrison no. 36039, broke down the door, broke windows and tore up the clothing of the dormitory's commandant in the Vilnius Region's dormitory Bukiškės village.

21.05 2 columns of tanks and armoured cars move in the direction of Kaunas.

21.45 An announcement is received from the Kaunas former SA commisariat that the Kaunas tank and helicopters maintenance factory is being taken under military control (soldier posts are being set up) according to orders issued by Colonel-General Valerij Mironov. Up to that point security patrols was guarding the area. Orders are given to shoot, without warning at individuals who are found in the territory of these military objectives without proper documentation.

5 wagons of fully armed paratroopers arrive at the Jūros Railway Station (in the Kaunas Region) from the direction of Kalingrad.

According to its 16 September 1991 decree the Government of the Republic of Lithuania instructed the National Defence Ministry to take charge of the soldiers' quarters of the Kaunas former SA Garrison (this used to be the Lithuanian Army's Officers' Club). The Government decree is repeated in December obliging the National Defence Ministry to ensure the implementation of the 16 September 1991 decree. A protest meeting is held on 6 March 1992 beside the officers' club demanding that the SA soldiers return the building. Incidences of the seizure and taking away of valuables from buildings raise public concern. On the same day, a guard post is set up inside the building by the Kaunas Commandant of the National Defence Ministry. On 16 March 1992, information is received that the former SA soldiers are preparing to drive out the functionaries of the National Defence Department and to guard the building themselves. The head of the 7 paratrooper divisions, Major General Chackevic, however, assures the Minister of National Defence, Audrius Butkevičius, that there will be no use of force.

22.20 Ten small tanks drive through Kaunas toward Karmėlava and four tanks are sighted in the Pancmunės Region. The transport of this technical equipment was never authorized by the institutions of the Republic of Lithuania.

March 17

40 URAL, GAZ military auto-vehicles (5 of which are petrol transport vehicles) leave Kaunas, pass through Karmėlava in the direction of Jonava.

10.40 A battalion of paratroopers with trucks moves in the direction of Alytus.

16.30 Three ZIL–130 and a truck with soldiers leave Rukla and moves toward Kaunas.

March 18

The officers of the Vilnius Region's Police commisariat detain O. Salnik (B. 1971) and I Malskogov (b. 1972), soldiers of the former SA Military Garrison No. 36839 who are suspects in the theft of personal wealth from citizen A Kiurt.

12.52 Three ZILs and 30 armed soldiers are detained at the Kazlų Rūda Railway Station.

13.15 A column of military vehicles (23 URALs, 3 MAZs, 8 GAZ–66s and 1 ZII) passes through Kaunas and move toward Vilnius.

March 19

V. Zel (b. 1971), a soldier on duty of the former Soviet Military Garrison no. 33829 is detained for theft of personal belongings from the cellar of citizen A. Kuirtas in the Vilnius Region's Raudondvaris Village on 18 March.

9.15 A column of 36 trucks with soldiers is sighted on Kaunas-Klaipeda moving in the direction of Klaipėda.

March 20

12.20 A helicopter MI–4 is sighted flying very low over Kėdainiai with a soldier taking photographs of the city through the open doors.

12.30 An echelon of communications cars and self-propelled cannons leaves the Kėdainiai Railway Station and heads toward Jonava.

March 21

10.00 Portable bridges and 10 containers are loaded onto 2 echelons at the Vilnius Kirtimai Railway Branch Line.

March 22

12.15 An echelon with military equipment passes through the Lentvaris Railway Station and moves toward Vilnius.

17.31 Two URALs with soldiers is seen on Antakalnio street moving toward the Vilnius centre.

March 23

13.40 A column of MAZ–530 trailers drive through Ukmergė.

March 24

20.25 A column of 15 military vehicles leaves Klaipėda and moves toward Šiluté.

March 25

A "Volga" automobile with license plate no. 7158 driven by a former SA officer dressed in an Admiral's uniform arrives at the Kretinga border control post and refuses both to provide his documents and to identify himself. The vehicle is detained and the officer is identified as Scerba, commander of a former SA headquarters.

Former SA soldiers load a variety of technical equipment from Visoriai Military Gar-

rison no. 36839 onto 20 platforms at the Kirtimai Cargo Railway Station, they do not have any required documentation.

Four Azerbaijani soldiers armed with knives escape from the Telšiai Military Garrison.

March 26

10.30 Columns of military cars (3–4 cars each) are driven from the North-Town Base in Vilnius to the Kirtimai Cargo Railway Station. The cars are loaded with green boxes.

Three ZIL–157 military vehicles driven without documents are detained at the Kybartai Border Post. The detained vehicles had brought type "8" antiaircraft rockets in Lithuania. The automobiles belong to Military Garrison no. 48283.

Officials at the Klaipéda Border Post announce that, former SA soldiers are preparing to build a portable bridge at about 19.00 to the right of the Panemuné bridge.

2 soldiers from former SA Military Garrison no. 11929, deployed in Jonava, A. Kravcenko and M. Vitulev break into a dormitory in New Akmene on Kudirkos street, where they raise a raucous. Both are detained and taken to sobering station.

March 27

14.10 A military load (on a wagon) with armed former SA defence units stands at the Vaidotai customs post and the defence does not allow any documents to be checked by the customs officials.

24.00 14 transport planes land at the Šiauliai military airport. The airport is guarded; the movement of soldiers increases.

March 29

18.25 100 soldiers are sighted at Kaziu Ruda armed with sub-machine guns and machine-guns.

19.00 Neskin Jurij, an officer from former SA Military Garrison no. 314777 is detained at the Kaunas Railway Station for transporting a box of natural and woven furs (worth 40,000) at the mail car of the Kaliningrad-Moscow train. The load is detained.

March 31

8.25 Ten former SA covered KRAZ are sighted at Panavczys heading in the direction of Kaunas.

17.23 Five former SA Russian army soldiers led by Senior Lieutenant A. Stepanov are detained at the Siauliai Railway Station. Stepanov explains that these are students from the Kaliningrad Military School who have been dismissed because of their marks and are assigned to service at Siauliai Military Garrison no. 06935. At the Commendant's headquarters, it is explained to them that according to the decrees of the Government of the Republic of Lithuania, it is forbidden for the former Soviet army units on the territory of Lithuania to supplement its army with new recruits. Senior-Lieutenant A. Stepanov, motivated by the fact that he has no money, leaves the 4 soldiers of the Russian army at the army's Commandant headquarters and leaves for his garrison.

April 2

A military automobile "Kamaz" license no. 30–94, with 2 former SA officers and 1 soldier attempt to enter Lithuania by crossing the Sakiai border through the Ramoniskés post from the city of Nemanskas of the Kaliningrad Region. They state that they are taking fitting into Kaunas. The documents state that the route is through Smolensk and there is no permit to enter or to transport the fittings. The car is not allowed through.

18.00 Three former SA "ZIL–131" automobiles arrive at the Sakiai border at the Ramoniskés post from the direction of the Kaliningrad Region. They have no documents allowing them to leave and therefore they are stopped from doing so. At approximately 20.00 one of those automobiles which violated the border and crossed over into Lithuania is detained and taken to the border. The automobile is a "ZIL–131," license no. 90–42 and belongs to Military Garrison no. 59332 deployed in Gusove. The driver is Major Vladimir Korobko who states that he is driving to Taurage. The other 2 cars do not enter.

April 3

11.45 A trailer with a tank and 2 trucks (one of them with armed soldiers) leave the North-Town Base in Vilnius and move in the direction of Pabradé.

April 6

23.35 A former SA soldier is detained at the Vilkaviskis border at the Kybartai post from whom 9.6 kg of TNT, 160 Warning rockets and 30 AKM cartridges are seized.

April 8

15.20 A bus and 2 URALs leave the Klaipéda barracks. The bus leaves with 30 armed soldiers and returns with 5.

16.38 At the Klaipéda barracks tanks are formed in lines and soldiers stand on them armed with guns.

16.57 A regiment of the Telsiai ocean infantrymen line up a column comprising of 4 T–72 tanks, 4 BTRs, 4 covered URAL trucks and 1 petrol transport vehicle.

19.22 4 tanks leave the Klaipéda barracks and block the main road to Palanga.

19.41 The tanks return.

19.45 A ZIL–131 with a machine-gun on its side drives through Kedainiai. 7 IL–76 transport planes fly in.

April 10

Former SA soldiers on duty A. Kolenskik (b. 1972) and A. Riabov (b. 1972) sell ammunition to citizens in Kaunas on Daukanto street. Police officers detain the aforementioned soldiers.

April 11

An URAL 4720 is detained in Šiauliai as it comes from Riga's Military Garrison no. 62411 carrying 3 officers. They had no permit to drive through.

2 GAZ–66 with armed soldiers leave for the railway station in Kaunas from Valijampolé. The soldiers wear helmets and bullet-proof vests.

April 12

6 railway platforms with large calibre weapons are sighted leaving the Sakiai border post and moving toward Kaunas.

April 13

Lieutenant Smalkov Valentin Aleksandrovic (b. 1969), from Military Garrison no. 41610 is detained in Klaipéda on Manto street near Military Garrison no. 61415 carrying 3 metal boxes containing 3,240 5.45 calibre cartridges for AK–74 weaponry, and a "Parabelum" pistol. At the time of the arrest, he is wearing civilian clothing. During the search of his quarters on Kretingo street 13–34 7.62 calibre machine-gun tracer bullet cartridges are found. Smalkov had a pistol and ammunition with him to be sold at a previously arranged location to a citizen he knew by sight. Smalkov is put into the guardhouse.

April 22

09:00 Military officials announce a planned two weeks of training maneuvers in which approximately 230–250 soldiers from Marijampolé and Alytus, and 100 soldiers from Kaunas will participate.

5 light paratrooper tanks from Kaunas regiment No. 108 and 6 military trucks from the Marijampolé regiment leave for the Kazlu Ruda military base.

16.00 On the territory of state enterprise "Gelzbetonis" in Kaunas, watchmen detain soldier Bairanov from military unit No. 89452 who was trying to steal an electrical motor. The soldier managed to escape.

Lithuanian justice officials detain I. Volocaj, attached to a military unit in Alytus for a burglary at Kranto Street #19 in Alytus.

April 23

13 military transport vehicles, 2 BTR's, 2 support vehicles, and one staff vehicle are observed on the road from Vievis to Kaunas.

7 military vehicles transporting paratroopers are observed on the road from Alytus to Kaunas.

15:30 Lithuanian officials stop and check a vehicle carrying paratroopers from the Kazlu Ruda airbase to Kaunas.

18:50 Helicopter flights observed over Alytus and in the Kazlu Ruda region.

Defense Department officials stop a military transport vehicle (GAZ–66, number 22–79 MD) on the Kazlu Ruda road. The officer behind the vehicle threatened to use a weapon and allowed only one official near the vehicle.

22:30 Approximately 12 covered transport vehicles observed on the Vilnius-Kaunas highway.

2 GAZ–66 transport vehicles and one ZIL–131 truck traveling at high speeds observed on the Vilnius–Kaunas highway. The vehicles did not stop when ordered to by Lithuanian officials.

24:00 3 truckloads of soldiers refuse to halt on the way to Alytus from Kaunas.

April 24

17:35 A column of 5 armored vehicles belonging to unit 0291 are halted near Juragiai. Documents show that all the soldiers in the column belong to the recent 1991 draft class. Drivers are reminded that they need special permits from the Lithuanian Police.

April 25

14:40 A transport vehicle (URAL Nr. 93–50) carrying armed paratroopers is stopped near Kazlu Ruda. It is determined that they belong to the 1991 draft class.

16:00 A covered column of transport vehicles leaves Kazlu Ruda. 9 vehicles had permits, 2 did not. It was not determined what was being transported.

April 29

12:00–18:00 Intensive helicopter flights observed over Kaunas.

13:31 An AN–12 type aircraft, Nr.–847 leaves the Panevezys airbase for Velikijc Luki.

14:20 An IL–76 type aircraft, Nr.–847 leaves the Panevézys airbase for Saratov.

19:55 Approximately 80 paratroopers observed on the Lvov–St. Petersburg train at Turmanas. Customs officials were not admitted into the train car.

20:00 An AN–12 type aircraft, Nr.–868 arrives at the Panevézys airbase from Riga.

20:30 An IL–76 type aircraft departs Siauliai airbase for Pechiora.

Lithuanian officials attempt to halt a column of 7 light-tanks and one GAZ–66 transport vehicle in Kaunas. 5 tanks disregard officials and drive through the road check at the Garliava crossroads.

An IL–76 type aircraft, Nr. 76741 leaves Siauliai for Pskov.

23:05 Two transport aircraft enter Lithuanian territory from Kaliningrad.

April 30

18:30 Three soldiers being transferred from unit Nr. 06772, located in the region of Mos-

cow, to unit Nr. 06937 based at the Panevezys airbase are detained at the Kupiskis train station. The commander of the unit at Panevézys, Major General Piotr Kolenikov knowingly disregarded Lithuanian laws with this action. The General had been informed at least three times of various Government and Defense Ministry resolutions concerning the transport of new troops into Lithuania.

May 1

10:57 An IL–76 type aircraft arrives in Panevézys from Smolensk.

11:14 An IL–76 type aircraft, Nr. 860–32, enters Lithuanian territory near Rokiskis and lands at Panevézys airbase.

May 4

9.00 A military airplane AH 26 No. 26487 lands in the Vilnius airport after arriving from Riga.

11.00 A military airplane IL 76 No. 86043 leaves for Poland from Panevezys.

11.50 A military airplane AH 12 No. 008829 lands in the Panevézys Airport after arriving from Saint Petersburg.

19.50 3 helicopters fly over Nemenčiné at a low altitude and move toward Byelorussia.

May 5

11.00 A military MI-8 helicopter flies low over Kaunas military brigade battalion in Karmelava toward Rukla.

13.30 An IL–76 No. 86020 takes off and flys toward Germany from the Panevezys military airport.

15.10 The dismantling of a reinforced concrete bridge is begun at the Kazlu Ruda military airport. The concrete slabs are transported to the Kazlu Ruda Railway Station.

16.12 An airplane No. 55351 lands at the Siauliai military airport after arriving from Postava in Byclorussia.

16.52 A military airplane AH 24 No. 26482 crosses the boundary from Kaliningrad to Rusne. 17.30 the plane lands in Panevezys.

17.50 A military MI–8 helicopter takes off from Pauevezys and flies toward Jielgava.

May 6

12.30 A fire breaks out in the territory of Military Garrison 12003 distributed in Taurage. The firefighters are not permitted into the garrison based on the reason that exercises are taking place. V. Indrekson, the commander of the garrison, explains that the training which is taking place is to test military preparedness. A kerosene and grease mixture was set on fire in order to check the gas masks. At 13.00 2 Taurage city officials are allowed into the garrison who see 2,250 litre kegs of DICHLORETANO (MONOETAMILO). The smell of DICHLORETANAS is felt beyond the boundaries of the military garrison.

13.22 A GAZ 66 No. 76–95 OE automobile which has been converted into a small bus is detained at the Alcksotas post. About 10 soldiers who are armed and wearing bullet-proof vests are being transported. No documents are provided.

13.25 Several AH–22 military planes fly over Kazlu Ruda as paratroopers descend from them.

16.00 A URAL 432, No. 41–86 SP belonging to Military Garrsion no. 42688 is detained at the Garliava post. 7 soldiers without identification documents travel in them.

17.30 A KAMAZ 90–62 belonging to Military Garrison no. 15903 deployed in Sovetsk is detained at the Pagegiai Border Post. 1.5 thousand empty 20 litre cannisters are found in the car. They are being transported from Military Garrison no. 63–603 to be deployed in Pagegiai in which there are warehouses for fuel storage. Since the car has no permit, it is turned back. At 19.00 it returns with a permit from customs but without one from the National Defense Ministry. The Senior major in the car phones Sovietsk and sends for 2 colonels who upon their arrival disregarding prohibition of the commander of the border post illegally cross the Panemune border post.

At the same time 2 BTR 70s are prepared for military preparedness in Sovetsk.

18.30 Officials at the Kaunas military commandant headquarters announce that military helicopter flights are taking place in Aleksotas.

20.15 4 petrol transporters—URAL 375 license No. 56–38 TK, 56–82 TK, 56–92 TK and 56–81 TK are detained as they drive from Kazlu Ruda toward Marijampole. Those driving refuse to present documentation.

Automobile VAZ 496 license No. 3777 BA frequently drives through the Garliava post in Kaunas. The major driving the car refuses to identify himself and has a weapon he threatens to use.

May 7

10.00–11.00 4 IL–76 military planes No. 78854, 78809, 78763 and 78795 arrive and descend in the Pancezys airport having flown in from Troick.

12.32 and 12.37 2 military planes No. 09309 and 09343 arrive from Tver in Paneveys.

13.10 All IL–76 No. 86832 takes off from Panevezys and flys toward Velikije Luki.

14.24 An AH–12 No. 09344 arrives in Panevezys from Tver.

15.00 A military echelon in which 6 of 17 wagons are underclared is detained at the Vilnius Railway Station.

15.55 A M–12 No. 09309 takes off from Panevezys for Tver.

May 8

10.41 An AH–26 No. 47043 leaves Siauliai and flies toward Jakappils.

12.45 An IL–76 military plane No. 86832 arrives in Panevezys from Tartu.

13.20 An AH–12 military plane No. 12329 flies into Panevezys from Saint Petersburg.

1705 An AH–26 No. 26045 leaves Siauliai for Minsk.

20.20 An IL–76 No. 76856 leaves Kedainiai for Riga.

May 9

23.30 Military movements by railway transport are noticed at the Vaidotai customs post. A 12 wagon echelon with soldiers and officers from Military Garrison 75259 distributed in Cerniachovsk drives through toward Military Garrison 92959 distributed in Kotlubian (Russian Federation) without permission to cross the border. 9 of the echelon's wagons have "OSOBO OPASNYJ GRUZ" ("Extremely dangerous cargo") written on them.

May 10

6.20 22 new SA recruits are detained at the Vilnius Railway Station as it moves toward Pabrade from Kaliningrad.

May 12

Observed military plane flights in the region of Panevezys and Kaunas:

10.56 Military plane AH–12 No.–347 flew from Latvia to Panevezys.

11.30 and 12.05 Military planes AH–12 No. 12329 and 09937 flew from Pancvezys to Latvia.

12.25 7 helicopters flew from Kaunas to Kaliningrad via Kalupenai.

13.28 Military plane AH–12 No. 12329 flew from Latvia to Panevezys.

18.18 Military plane AH–24 No. 47129 flew from Panevezys to Lipeck.

May 13

9.50 Military plane IL–76 No. 86836 flew from Panevezys to Moscow,

10.02 Military plane IL–76 No. 86020 flew from Panevezys to Voronez via Rokiskis.

10.45 Helicopter No. 99445 from the Kaliningrad region crossed the Lithuania border at Silute and flew to Palanga.

12.45 4 military helicopters flew from Kaliningrad to Kaunas.

14.40 Military plane IL–76 No. 86846 flew from Kedainiai military base to Novgorod.

15.40 4 MI–8 helicopters flew from the region of Svencioniai to Belarus.

15.55 2 MI–8 helicopters flew from the Kaliningrad region to the region of Šiluté.

16.10 Military plane Il–76 No. 86836 flew from Moscow via Rokiskis to Pancvézys.

16.15 4 armed soldiers (Voroncov, Jefremov, Bugatov and Sokovnin) and first lieutenant Bugajev were detained at the Vilnius railway station. They were traveling from Cerniachovsk military garrison 49689 to Pabradé military garrison 20657. Documentation shows that the soldiers were escorting a military cargo. At 17.20 the detained individuals were returned to Kaliningrad.

May 14

1.00 An URAL No. 7615 BM was detained at the Kansas Garliavos post for not having permission to pass. The vehicle was driven by a drunk Lieutenant-Colonel S.P. Melnicenko and handed over to the commander.

Intensive shooting from large calibre weaponry takes place at the Kazlu Rûdos artillery range. Security at the range has been strengthened.

The Ruklos military airfield is surrounded by CIS soldiers. A sign stating "stop, we will shoot" is hung. It is believed that new CIS conscripts may be delivered on the 15–25th.

10.50 An eschelon of 28 wagons with military vehicles arrive in Tambrov from Kaliningrad military garrisson 11604.

15.15 Eleven petrol transport vehicles traveling from Kazlų Rûdos to Ruklos military garrisson 20192 are detained at the Ązuolų Bûdos border post for not having permission to pass.

16.20 At the Šakių border barrier, military helicopters flying towards Jurbaka are observed.

Intensive military plane IL–76 flights towards Germany, Latvia and Panevéżys from the Kédainiai military airfield are observed.

17.55 Five tanks arrive at Alytus military garrisson 10999 from the direction of Simno.

May 17

19.45 Four drunk paratroopers to be deployed into CIS command are detained in Siauliai on the Kaliningrad-Moscow train. Other paratroopers on this same train are sent to Moscow.

Lieutenant Colonel A. Degiov, commander of the CIS paratrooper unit stationed in Mariampolé, announces to Lithuanian defense officials that CIS military vehicles will not obey the requirements that they receive permission of the Lithuanian Ministry of Defense to travel on Lithuanian territory. Degiov warns that vehicles supplying units stationed in Lithuania will be traveling under armed guard and will fire in response to Lithuanian defense forces using force to stop and check documents.

May 18

10.00 Soldiers from military unit No. 10075 sets up a post next to the Lithuanian defense and police post. The military post is guarded by eight soldiers with automatic weapons.

May 19

7.30 A CIS post is set up next to the Lithuanian defense volunteer service post in Garliava. At approximately 11.00 a helicopter

with a machine gun seen through its open door flew over the post. CIS Colonel Orlovas, the Kaunas command headquarters leader and the volunteer service group leader met at the site of the post. At 12.50 the CIS post was removed. At the present time, the post is being occupied by one CIS soldier, one policeman and one defense volunteer worker.

9.00 A CIS post is set up near the Lithuanian defense post on Vaidoto Street in Kaunas.

9.15 A CIS post guarded by 6 armed soldiers is set up near the Ązuolų Būdos post in Mariampolė. A post of the same type is set up near the internal army post on the Kaunas Highway and on the road towards Seirijus in the Region of Alytus.

11.15 A bus (PAZ) loaded with soldiers leaves Pabradė towards Molėtai. The Joniskis observation post attempts to stop the vehicle, but to avail.

14.50 The Alytus mayor meets with the Alytus commander, the highway police leader, the police commisariat and paratrooper regiment leader I.V. Solomin. Solomin announces that a CIS post will be set up next to each Lithuanian National Defense post. He requests that all posts be removed and one be set up near the military garrisson. Apparently it is difficult for the CIS soldiers to cover all four posts.

The police informs the Lithuanian National Defense Ministry that the above mentioned regiment is to receive 500 additional soldiers.

19.00–20.00 Intensive military plane flights are observed in the Region of Skuodo, from Latvia to the Vainodų military airfield.

20.30 A military train carrying seven platforms of tankettes traveling from Belarus to the Kaunas tank repair factory is detained by the Vaidotų customs for not having permission.

May 20

1.15 The Visorius control post is attacked by tear gas. An inquiry is under way.

May 26

12.50 75 recruits, traveling from Bologojc to Cerniachovsk observed on the St. Petersburg-Lvov train.

13.00 Motorloader MAZ, belonging to unit number 42688, detained at defense volunteer service post in Kaunas for not having permission to pass. The officer in the vehicle warns he will call re-enforcements. At 18.00, 9 armed soldiers arrive and threaten to use their automatic weapons. They commandeer the vehicle.

18.00–23.00 MI helicopter flights observed in the Aleksotas region in Kaunas. The helicopter unit's commander, Sediukovich admits he is informed of the Lithuanian Government's ban on flights, but says he follows the instructions of North-West Army Group Commander.

19.00 52 CIS soldiers and 35 sailors observed on the Moscow-Kaliningrad train.

23.00 78 CIS recruits leave the Vilnius railway station for Kaliningrad.

(No exact data given) Intensive helicopter flights observed over Kazlu Ruda airbase.

May 29

10.00 AN–12 type aircraft No. 13327 lands at Siauliai airbase.

10.00 Military helicopter No. 35906 takes off from Kaunas airbase and flies to Riga.

10.00 Military helicopter No. 02077 arrives at Kaunas airbase from Latvia.

10.20 AN–12 type aircraft No. 12328 departs from Panevėzys to Vitebsk.

11.30 IL–76 type aircraft No. 78816 arrives at Siauliai airbase from St. Petersburg.

13.00 AN–12 type aircraft No. 43327 leaves the Siauliai airbase from St. Petersburg.

AN–12 type aircraft No.–301 departs from Panevėzys airbase for Tver.

15.00 AN–12 type aircraft No. 52549 arrives at Panevėzys airbase from Latvia.

17.25 IL–76 type aircraft No. 78816 takes off from Panevėzys and flies to Smolensk.

23.00 CIS soldiers explode an explosive device at the Kaunas railway station.

May 30

9.30 IL–76 type aircraft No. 86045 leaves the Kėdainia airbase for Jerevan.

10.05 AN–12 type aircraft No. 08838 departs the Kėdainiai airbase for Briansk.

11.07 IL–76 type aircraft No. 86857 leaves the Kėdainiai airbase for Moscow.

11.20 Helicopter MI–8 No. 38423 flies from Kaunas to Pabradė.

12.02 IL–76 type aircraft No. 86731 lands Panevėzys airbase from St. Petersburg.

12.30 2 military trucks with 15 CIS soldiers arrive at former Officer's Club in Panevėzys, cut telephone communications, load various materials onto the truck and depart. Later one of the trucks is stopped on the Pajuostės highway. The former Commander of the Club explained he was following General Mironov's instructions.

19.20 An explosion in the ammunition depot of Klaipėda Military Garrison No. 02480 damages the building and wounds 3 officers (S. Bystrov, S. Prudcenko and I. Pietriv). The aforementioned officers were dismantling artillery shells to remove brass.

21.30 A KAMAZ type truck arrives at the Kairiai aircraft fuel base. The soldiers in the truck fire their weapons in the air.

June 2

7.40 TU–134 type aircraft No. 65846 leaves Siauliai airbase for Moscow.

10.00 IL–76 type aircraft 86833 arrives at Panevėzys airbase from Pskov.

12.00 IL–76 type aircraft No. 76888 arrives at Siauliai airbase from Moscow.

June 3

12.25 AN–12 type aircraft No. 12329 departs from Panevėzys to Tallinn.

14.02 IL–76 type aircraft No. 86836 arrives at Panevėzys airbase from St. Petersburg.

14.30 MI–8 type military helicopter flies from Kaunas to Riga.

June 4

AN–2 type aircraft, as well as MI–8 helicopter flights toward Jurbarkas observed over the Ramoniskiai National Defense post.

June 5

O. Sadikas (b. 1972) and A. Raschiotij (b. 1971) stationed at CIS unit num. 1099 in Alytus, assault and batter a civilian (S. Sabaliauskas) in the Alytus town square.

13.00 6 vehicles with extremely hazardous cargo being transported from unit number 67049 in Kaliningrad to unit number 64531 in St. Petersburg are halted at the Vaidotai control point. Documents showed a different type of cargo than that which was being transported.

17.45 A military column consisting of 53 train cars and belonging to unit number 03738 leaves the Kaunas train station.

18.30 2 CIS soldiers from a group escorting 2 train cars of missiles are detained at the Vilnius train station for not having permission to travel to Lithuania.

Helicopter flights are observed from Kaunas to Riga and Kaliningrad.

June 6

9.10 A column of soldiers in 20 URAL type trucks and 1 GAZ transport observed in Kedainiai.

13.30 A column of 18 artillery pieces and two transport vehicles with troops observed in Palemonas.

19.10 A column of 12 vehicles with troops observed traveling from Gaiziunai toward Palemonas.

(No specified time) A column of 16 platforms with military equipment is observed traveling through Kaisadoris in the direction of Vilnius.

June 7

7.00 Military train with equipment stops at the Kėdainiai train station.

14.00 6 soldiers and one NCO traveling from Baltijsk in Kaliningrad to the military tank yards in Kaunas are detained at the Kaunas train station. They had no travel documents.

IL–76 and IL–86 type aircraft observed flying from Moscow to Panevėzys and Kėdainiai. The same type of aircraft observed flying from Siauliai in the direction of Pskov.

MI–8 helicopter flights observed from Vilnius to Riga and from Klaipėda to Kaliningrad.

June 8

22.00 Two military aircraft from Belarus land at Salcininkai

22.25 A military column of URAL type vehicles and other troop transport is observed traveling from Klaipėda in the direction of Radviliskis.

Based on information supplied by the Lithuanian Ministry of National Defense and the Lithuanian Internal Affairs Ministry.

ECOCIDE COMMITTED BY THE OCCUPATIONAL ARMY OF THE SOVIET UNION UNDER RUSSIAN JURISDICTION IN LITHUANIA

In carrying out the colonization of Lithuania and striving to maintain its occupational regime, the Soviet Union deployed a military group which is disproportionally large for Lithuania's territory. The military units stationed in Lithuania occupy a territory of 2.049 ha, military training grounds occupy an area of 15.259 ha, and forests under Russian army jurisdiction total 56.300 ha. Over 1 per cent of Lithuanian territory is occupied by military units. Stunning facts are emerging today on the devastation of the environment in the territories of military units of the former Soviet Union in Germany, Hungary, Czechoslovakia and Poland. The contingents stationed in these countries had to, at least in theory, take into consideration the sovereignty of these countries. In an effort to conceal facts concerning the barbaric destruction of the environment the activities of military units were under strict control by the Soviet military leadership.

In Lithuania, the Soviet Union behaved in a manner its government was accustomed to: no environmental laws were adhered to, the use of nature by the military units was not controlled by either civil authorities or the public. The status of the occupational regime was applied to this Baltic state.

The activities and objectives of the army of the former Soviet Union in Lithuania have not changed even though, it fell under the jurisdiction of the Russian political leadership as a result of a March 18, 1992 decree by Russian President Boris Yeltsin. The army's change in status did not help accelerate negotiations on the withdrawal of this army. To this day, the government of Lithuania cannot ascertain the exact number of troops in the army or reach an agreement on the date of withdrawal. In practice, the Russian army in Lithuania continues the traditions of the army of the Soviet Union and completely ignores the institutions and officials of the Lithuanian government. It does not allow the inspection of military territory in order to assess the ecological situation and implement measures for its stabilization.

Following are several recent facts on the willful behavior of the Russian army: In March 1992, in the Plungé region (in western Lithuania) Russian soldiers cut down timber amounting to 270,000 rubles of damage; in April 1992, in the Kaunas military forest (in central Lithuania) the value of the forest cut down amounted to 760,000 rubles. It was established that forests were cut in the territories of the Siauliai military airport and in the military unit deployed in the Radviliskis region (both in central Lithuania). Russian officers did not permit environmental inspection officials to appraise the damage. On May 5, 1992, on the territory of the military unit deployed in the Taurage region (in western Lithuania), chemical materials were burned. Oil products were burned at the Alytus artillery range (in southern Lithuania) on May 22. These facts increase the size of the amount which the Lithuanian government is determined to hand in to the Russian government for payment for the ecological damage inflicted by the occupational army. Even though Lithuanian officials have, up to now, been unable to provide a comprehensive evaluation of the damage done by the occupational army to the natural environment, preliminary calculations have already been made by Lithuanian scientists.

1. Losses inflicted by the occupational army to forests amount to 21 min. rubles.
2. Losses to recreational resources—7.5 min. rbl.
3. Agricultural losses—15 min. rbl.
4. Damage inflicted on the underground water tables and surface bodies of water—45 min. rbl.
5. In order to restore the landscape, 252 min. rbl. will be required; to clean soil polluted by oil—1 mird rbl. will be required.

This data makes up only a small portion of the crimes committed by the Soviets against the Lithuanian nation. Other crimes include: the deportation and annihilation of people, the destruction of the economic structure, imposed demographic changes, and an ecologically damaging economic policy. The irreversible and irreparable changes carried out during the period of occupation by the Soviet Union are impossible to assess by any calculable means.

VILNIUS, *June 1992.*

LITHUANIAN EMBASSY,
Washington, DC, June 11, 1992.

POLICY STATEMENT ISSUED BY THE EMBASSY OF THE REPUBLIC OF LITHUANIA

FOREIGN TROOP WITHDRAWAL

There is no domestic or foreign policy issue more important to Lithuania than the complete and unconditional withdrawal of all former Soviet troops from its territory. The Lithuanian leadership has made it clear that these troops, which number in the tens of thousands and are now under the command of the Russian Federation, must be withdrawn this year.

Pledges by Russian government officials to negotiate in good faith with Lithuania on this issue thus far have proven to be hollow. The removal of approximately 100 soldiers from Lithuania March 3, ballyhooed by the Western press as the beginning of a general troop withdrawal, was soon negated by the introduction of fresh foreign troops.

Lithuanian sovereignty continues to be violated on a weekly, and sometimes even a daily, basis by unilateral Russian troop movements within its territory and across its borders. As a result the Lithuanian government cannot determine with any precision the numbers of foreign troops that are on its soil at any given moment.

Of late the Russian side has informed Lithuania that withdrawal can begin only after former Soviet troops have been completely removed from German soil, and also that, like the Germans, the Lithuanians will be required to finance housing for the departing troops.

These conditions are completely unacceptable, and Lithuania finds comparisons to Germany in this regard odious. Former Soviet troops are presently on German soil because of Nazi Germany's armed aggression against the USSR IN 1941; military units of the same army are on Lithuanian territory as a direct result of armed aggression perpetrated by the USSR against the Lithuanian nation beginning in 1940 and ending only in 1991.

It would be difficult to imagine any country in Western Europe having been required, much less willingly agreeing, to accept financial responsibility for the removal of vanquished Nazi forces to German territory following the end of World War II. Thus demands that the Lithuanian people consent to having their state treasury underwrite the relocation of a foreign army which has forcibly occupied their country for the better part of five decades are both repugnant and absurd.

The Russian Federation has stated that it is the legal successor to the USSR, and is being treated as such by the world community. But assumption of obligations incurred by the USSR cannot be selective. If the Russian Federation is the legal successor to the USSR, then it is obliged to rectify the injustices perpetrated by the latter. Far from demanding Lithuanian subsidies for the removal of its military forces, it should be pondering how it is going to compensate Lithuania for the damages caused by the army of occupation in Lithuania. Recently, Lithuania presented Russia with a provisional claim of $150 billion for damages caused to its country and its citizens by Soviet forces since 1940.

Arguments by the Russian side that housing is lacking for troops posted in Lithuania would be met with greater understanding if the Russian armed forces were making good-faith efforts to pare down force levels in Lithuania through attrition, i.e. young draftees who had completed their tour of duty returned home to live with their parents. The introduction of new troops to Lithuania gives rise to the worst Lithuanian fears about resurgent imperial ambitions in the Russian military and political elite.

When Lithuania declared the restoration of its independence in March 1990, one of the mainstays of its foreign policy was to urge reform in the USSR by aligning itself squarely with those Soviet leaders who were actively engaged in democratic reforms and by rejecting those who sided with or were themselves reactionaries. This continues to be a central tenet of Lithuanian policy. There will not be—there cannot be—genuine stability in the Baltic region so long as foreign troops remain.

To the extent that the leaders in Congress and the White House make the removal of foreign troops from Lithuanian soil and the demilitarization of the Baltic region an acid test in the United States' relationship with the leaders of the new Russia, they will be promoting stability in the lands formerly ruled by the USSR. What was often said in 1990 and 1991 about the fundamental dilemma faced by President Mikhail Gorbachev—the need to choose between democracy and empire—is no less true today for President Boris Yeltsin and the other leaders in Russia. The presence of Russian troops on Lithuanian soil retards the democratic process in Russia and, if allowed to continue, eventually could undermine it.

AID TO RUSSIA

Lithuania supports the democratic reform process in Russia because it believes the Russian people have the same right to life, liberty and the pursuit of happiness now being enjoyed by the Lithuanian people. Lithuania also recognizes that an undemocratic and unstable Russia will always pose a potential threat to its neighbors. Thus Lithuania favors the granting of such Western aid to Russia which strengthens and accelerates the democratic process in that country.

One way to promote democracy and stability in Russia is to earmark a portion of American aid to Russia for the construction of housing units for former Soviet military officers now stationed in Lithuania. Such aid would strengthen President Yeltsin's hand against those who, wishing to advance an imperial policy for Russia, hide their true intentions behind the argument that Moscow lacks the means to bring its troops home.

For humanitarian and pragmatic reasons, Lithuania supports conditional Western aid to Russia. It also believes such assistance should be proportional. There is a danger that Western policymakers will repeat the mistake which led them to adopt and long adhere to erroneous conclusions about the very nature of the Soviet Union. The mistake was to see the USSR only through the prism of Moscow. Today we are witnessing a tendency to focus a disproportionate share of Western attention and aid on Russia, to the detriment of other nations that formerly were part of the Soviet empire.

All nations subjugated by the USSR experienced great suffering. For Lithuania it was an unmitigated disaster which not only ushered in a period of genocide, but also robbed the Baltic state of its national independence, ruined its economy and dragged down its standard of living. No other nations in the former soviet empire, with the exception of Latvia and Estonia, had advanced as far as Lithuania, and thus none experienced a fall as dizzying and as devastating. Simple justice requires that this fact be borne in mind by those who contemplate extension of aid to nations of the former Soviet empire.

LAW ON CITIZENSHIP

On November 3, 1989, Lithuania adopted a law granting the right of citizenship to everyone permanently residing in the Republic on the date of the law's passage. The law granted the right of free choice of citizenship for permanent residents who neither themselves nor whose parents or grandparents had ever been citizens of the Republic of Lithuania. The only requirement made of these residents was that they exercise their choice within a two-year period. The law was a very liberal and generous one, given the fact that, over several decades, tens of thousands of illegal immigrants had been introduced into Lithuania by the USSR in violation of the former's sovereignty.

Following the expiration of the two-year grace period, the Lithuania legislature adopted a new citizenship law. The December 10, 1991, law enables non-citizens to obtain citizenship if they fulfill the following requirements: reside in Lithuania for 10 years, have a permanent place of employment or constant legal source of support there, pass examinations demonstrating knowledge of the Lithuanian language and Constitution, and take an oath to the Republic.

TREATMENT OF NATIONAL MINORITIES

Approximately 20% of Lithuania's population is comprised of ethnic minorities. The

five largest minorities are the Russians (9.4%), Poles (7.0%), Belorussians (1.7%), Ukrainians (1.2%), and Jews (0.3%). Lithuania is home to 31 other ethnic minorities each having at least 100 members.

Protection of the rights of ethnic minorities is enshrined in the law on ethnic minorities, adopted November 23, 1989. The law states that Lithuania "shall guarantee to all its citizens regardless of ethnicity, equal political, economic, and social rights and freedoms, shall recognize its citizens' ethnic identity, the continuity of their culture, and shall promote ethnic consciousness and the expression thereof."

Any discrimination on the grounds of race, ethnicity, nationality or language is proscribed.

The law guarantees state aid to cultural organizations of ethnic minorities that seve their educational and cultural needs. It also ensures schooling in the native language for ethnic minorities from preschool to institutions of higher learning.

Today, the Lithuanian government funds more than 300 schools in which Russian or Polish is the basic language of instruction. In 1988, when Lithuania began its campaign to break free of Kremlin rule, there were no Polish-language day care centers in the Baltic Republic; today there are 141.

Magazines and newspapers are published in Russian, Polish, Belorussian, Ukrairian, Jewish and German. Lithuanian radio and television carry broadcasts in all these languages, except German.

Given the decimation of the country's large Jewish community during World War II, Lithuania is especially sensitive about promoting the preservation of Jewish culture and ensuring that the rights of its Jewish citizens are fully protected. The Lithuanian government is committed to restoring monuments of Jewish culture and providing political and financial support for contemporary Jewish institutions.

Though Lithuanian is the official state language, the law provides for the usage of the language of the national minority as an official means of communication in areas containing substantial numbers of that minority.

Mr. PRESSLER. I yield the floor.

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. DECONCINI. Mr. President, I think it is important to focus on what the difference is between the original Pressler-DECONCINI amendment and now the modified amendment by Chairman PELL and Senator LUGAR, the ranking member.

I appreciate their position on this, but there is a grave difference in these two amendments. The underlying amendment says that no aid will go forward until the President certifies that these particular things have happened, significant improvements; that, in fact, progress toward removal of the Russian or commonwealth independent state armed forces has occurred. That is a little different than what I understand is the modification that has been presented. It says go ahead, take all the aid you want that is in this bill. It is yours. And 12 months later, Mr. President, you certify that these things have occurred. That is a big difference.

Our distinguished colleague, one of the foremost eloquent speakers who I know, from Delaware talked about equating this to South Dakota or Arizona or New York.

Wait a minute, there is a little bit of difference there. Latvia, Estonia, and Lithuania are independent sovereign states. So moving troops out of Arizona would be American troops. Imagine if Russian troops were sitting in Arizona against my will, do you think I would want them there? I daresay nobody would want them there, and there would not be anybody here who would argue that they had a right to have foreign troops in their State. And nobody can make a good argument that the Russian Republic has a right to have these troops in these independent sovereign states with nothing to determine that they are going to move out, not even expressed intentions, even a shotgun cloud of smoke out here that you could at least grab on to. Not one little pellet and say, OK, I am going to do it in a couple of years.

The Senator from Delaware left the impression that the underlying amendment says they have to get out today. That is not true. All the Pressler-DeConcini amendment would do is say you do not get aid until the President will certify that significant steps are being taken by the Russian Government.

Is that asking too much for three sovereign nations, little nations, yes. Is that asking too much?

Sure, Mr. Yeltsin is a politician, and, sure, he has problems and the military is hounding him. The military hounds us. They hound everybody, and that is their job. A democracy cannot work on intimidation, and anybody who thinks it can is guaranteeing failure.

What do we do next year or maybe 2 months from now after we pass this and Mr. Yeltsin is in trouble again?

We have to hand over some more money, we have to do something to keep them in power because, by gosh, this is a democratic, big nation, and we cannot afford it. We are opening ourselves to all kinds of abuse, and I do not think that we are asking too much.

So I hope that the amendment that has been modified will not be approved. I just think that it is an open door: Give them all the money, let them have all of this the way they want it, and then, Mr. President, you certify that some significant changes have been made.

We are not asking for any hammer to the head. We are not embarrassing anybody. We are not saying get them out today. We are not saying we do not care about you. We are not saying, Mr. Yeltsin, you are bad, or the Russian Government is an evil empire. No, we are putting all kinds of praise on Mr. Yeltsin because he is a patriot and he has done wonderful things for the people in trying to reform that country.

But, by gosh, any country has an obligation not to continue occupying militarily. Then we hear about, what do you do with these troops? You cannot move them back home, there is no place for them. It just so happens that Norway has volunteered, has offered to build housing in Russia for Russian officers from the Baltics. Maybe we should volunteer to give some low-cost housing, modular housing. It so happens they build some of those in Arizona. It is not going to cost $12 billion. But that would be something to do, and it would take a year, maybe 2 years to build some buildings for housing. This amendment does not say that you have to do it this year, you have to physically move them out.

But it does say, Russian Government, Mr. Yeltsin, get something going. What are you going to do? Maybe the United States will put up some effort for housing. I do not know if we have been asked. We know that Norway is prepared to do it. That is significant, if the Russian Government said we have Norway, we accept Norway, please come in and build these houses. United States, France, other countries, will you offer up a little assistance to build some houses? That is significant. That would, in my judgment, justify a certification. But to sit there and do nothing and let them have the money is ridiculous.

(Mr. SHELBY assumed the chair.)

Mr. D'AMATO. Will the Senator yield for a question?

Mr. DECONCINI. I will be glad to yield to my colleague from New York.

Mr. D'AMATO. Just for a question. Is the Senator concerned that if we were to accept the amendment as proposed literally we are saying it is OK for the next year to continue occupation of the Baltic nations and that you can continue your military exercises and suppression of people?

Mr. DECONCINI. I think the Senator is absolutely correct that is what I am saying, and what this modification would do, this second-degree amendment would do.

Mr. D'AMATO. I share the Senator's concern and I believe that we send to the occupying forces—and they watch it here and see what is going on—exactly the wrong message. I do not think that is our intent.

Under the Senator's amendment, would a phased withdrawal constitute—in other words, not sending in new troops to replace the troops that are coming out, would that be compliance moving forward?

Mr. DECONCINI. I do not think there is any question that, come December of this year, 40 percent of the 120,000 troops that are there have to leave anyway. They are drafted. They are draftees. Their term is up. They are going to be civilians. Imagine, if the Government just said we are not going to replace those troops with new draft-

ees. Talk about significant. A 40-percent reduction between now and January 1 of 1993. To me that is significant. Is that asking too much, not to rotate the troops?

If the Senator will let me proceed with another example, what if the Russian Government said we are not going to do military exercises on the sovereign territory of Latvia, Estonia, or Lithuania? At least we are going to discuss it with you. We are going to ask your permission because you are a sovereign nation and maybe you will say yes, you can do it on these certain days or in these certain places. Maybe they will say they cannot. Is that significant, if the Russian Republic said we are not going to do these things without your prior approval? In my opinion it would be, yes. The President could easily certify. That is not asking too much of a government that has 120,000 troops in other people's countries.

Mr. D'AMATO. Is the Senator from Arizona concerned, without there being some specific condition which calls out very forcefully that this kind of conduct, that conduct being the 120,000-plus troops stationed in foreign countries that are undertaking military exercises—unless we make it clear we will not countenance it, that action will continue?

Mr. DECONCINI. If the Senator will yield, I do not think there is any question. We are asking for significant progress. Significant progress. Is that asking too much of a republic, a nation toward its neighbors? Is that asking too much, I submit to the Senator from New York? I know the answer is no.

Mr. D'AMATO. I do not believe it is. There are some who would suggest that this may be placing too great a burden on Mr. Yeltsin's leadership. How would the Senator from Arizona respond? I believe maybe we are deluding ourselves not to ask that there be a recognition of the sovereignty of three nations and that some progress must be made to taking troops out in the conduct of military exercises. If we cannot ask that, then are we deluding ourselves.

Mr. DECONCINI. I do not think there is any question we are deluding ourselves.

Are we not being almost dishonest?

The Senator has been there. He knows. Those troops, all their supplies, they come rolling through those countries. They do not stop for customs inspection. They do not say, "Here are my papers. I can bring these consumer items in for use on the base." They ignore the sovereignty of these three countries.

Mr. D'AMATO. Is it a fact that there are those of us—and I know the Senator is—who are concerned, if we were to take this action, let us say, that for the next year you can continue as is, we are literally then subsidizing the occupation of Lithuania, Estonia, and Latvia? Is that not what the people of these countries will be thinking?

Mr. DECONCINI. If my friend will yield, I could not put it any better. That is exactly what we are doing. We are handing over billions of dollars for perhaps a good purpose and we are not asking, or demanding, if you want to call it that—I would like to say it is ask—them to make significant progress toward the removal of those troops.

Mr. D'AMATO. Should we be subsidizing the occupation or making available resources that will directly or indirectly be subsidizing the occupation of these countries?

Mr. DECONCINI. I think the answer is clear we should not.

Mr. D'AMATO. Mr. President, it just seems to this Senator, although we may not like to face reality, that is exactly what this foreign aid package does, if not restricted and not calling for some kind of action—not just rhetoric. It is not good enough. I heard probably the greatest speech in my life given by Lech Welesa when he addressed the joint session of the Congress. How quickly we forget. He said when we stood up in Poland in the movement for solidarity, we were mocked. There were those in the United States and in Western Europe and other areas of the world who said, "What are those crazy Poles doing? Why are they rocking the boat? What is the matter with them? Why do they not keep quiet." He said, "We could not understand, but then we did; you said, well, as long as you have your freedom, you do not care. You were telling us to keep quiet."

Now we are doing worse than that. We are pretending that all is well; we are going along and doing business as usual; we do not have the courage to stand up and say look, we want to help you and we want to help the people of the former Soviet Union and the Republics there, but you cannot utilize these funds or draw down on them if you are going to continue a practice of suppressing people and their human rights and station troops, troops, on foreign soil and be an occupier, in essence. And that is what is happening. If we do not want to recognize that, if we want to say it is something else—by the way, I was criticized when I attempted to get into Lithuania. "What are you doing, Senator D'Amato?" Notwithstanding the President of Lithuania invited me.

I will tell you the first people we are reaching out to, and I am going to make contact with them, would say, I know—and I have not been able to say it yet—the Lithuanian Government would say, the Estonian Government would say, and the Latvian Government would say do not give the aid until those troops are out of there. Do not give them a penny to help suppress us, suppress liberty, and freedom.

Now, that is what you are doing and you better understand it, with all the niceties, when you say oh, we do not want to rock the boat.

You are not rocking the boat. You are sending a message out to the hard core dictators, to those who would like to take over, to the imperials, to the generals, we are afraid of you; we are afraid to stand up. That is the way they interpret it.

Look, the lessons keep repeating themselves. You have no greater freedom fighter—a person who stood on the line and risked his life; who was beaten; who was imprisoned—than Lech Walesa, who said: You have to stand up for freedom.

They are not asking us to send troops there. But, by gosh, I do not think they would be saying to us, the people of those nations: Congratulations because you are sending money in; and you are not even saying that we won't send the money in unless there is progress made as it related to the withdrawal.

I think that the amendment put forth by Senator DECONCINI and by Senator PRESSLER is extremely fair. They want certification that you are making progress as it relates to the occupation of a land.

That goes further than—I tell you that—than any of these freedom fighters. And I am talking about the people like Walesa and others who have stood up to the tanks. And maybe we should even consult—I do not know if we have—with someone who we used to make fun of, the State Department itself. And we did make fun of them. This administration used to denigrate Yeltsin—incredible—and helped put out these stories about him. It was not that long ago.

I know everyone knows Yeltsin was the man who stands for freedom. We were mocked; we were scorned. Now we hear them saying: You do not push too hard for freedom. We are not coming after Yeltsin; we are helping him. Because he will be in the position to say to someone, the hard core, if we need help: Get housing built for relocation of those troops, and the other kinds of things to help your economy.

We are saying—the West and the United States in particular are saying—you cannot continue an occupation, a military occupation of three sovereign nations. We are not going to make believe. If we want to make believe that is not the case, that is fine. But I will tell you something: We are not dealing in reality. And you have to go over and see those people. They are willing to put their lives on the line.

All we are saying is here is some reasonable compromise. The aid comes, and you have to show us that you will begin the withdrawal.

It is not a challenge to Yeltsin. It is a challenge to the forces of dictatorship, the forces of occupation, the dark forces. That is why I hope that this

amendment, the second-degree amendment, will not be accepted.

Mr. BIDEN. Mr. President, will the Senator yield for a question?

Mr. D'AMATO. Yes.

Mr. BIDEN. Does my friend from New York believe that if his amendment is agreed to, President Yeltsin will be able to do what he wants, assuming for a moment he wants to do what the Senator from New York is suggesting?

Mr. D'AMATO. Is the Senator referring to the underlying amendment?

Mr. BIDEN. Yes.

Mr. D'AMATO. Yes. I think it would more sharply focus Yeltsin, Mr. President. As you know, he gets a hundred calls a year.

I have to agree with my colleague. It is not easy for him, but I think he would be in the position to say that there is something we have to deal with, and call in his military people and begin to make the kinds of changes. Not a withdrawal of all of the troops; he cannot do that.

But I think, if he does not have that power, and if he is so limited as a result of others having even greater authority, then that is the question: That we are deluding ourselves.

At some point in time we have to stand. I think he does have the power. I think he has the will and the commitment.

Mr. BIDEN. Mr. President, I thank my friend. I think he just made the most compelling argument for his position. We are not going to let others have anything if you do not let us do that.

However, I disagree with the impact that would have on Yeltsin's ability to continue to rule as President. But I do acknowledge that that is, in my respect, at least, a rational argument.

I do not, on the other hand, believe that the arguments of us supporting, reinforcing, being a party to, or subsidizing tyranny, in fact—arguments that are worn—have merit.

But I do acknowledge—as the Senator from New York acknowledges—that Yeltsin does have his hands full. I do acknowledge that the Senator from New York has a logical position, on with which I disagree. We are talking tactics.

Mr. D'AMATO. Yes.

Mr. BIDEN. I still insist, Mr. President, that the Pell amendment does not diminish the ability of Mr. Yeltsin, who both the Senator from New York and I—at the moment, at least—believe has the right intention. It gives him an opportunity, through some changes, to solidify additional pieces of his constituency and reinforce his legitimacy as leader of Russia in the face of any onslaught that might come from the military.

The military would only succeed, Mr. President, not because they have the tanks, not because they have the guns, but because the bulk of the Russian people would conclude that they should yield to an authoritarian hand rather than democracy.

In the polling data that we had before the Senate Foreign Relations Committee, a very distinguished group of Americans showed that, given a choice, it was very close as to whether or not the Russian people would rather choose an authoritarian hardline, a dictator that would put bread on their tables, or continue this experiment with democracy that, in fact, might mean less bread and less meat on the table for a long time.

So that my friend from New York does not misunderstand what I am saying, let me make it clear: I believe it is in a way similar to democracy. That is, when there are a number of very difficult decisions to be made that are going to make significant numbers in your constituency angry, usually a President or a Senator or a Governor—a more appropriate analogy would be a Governor or a President—does not go out and attempt to do them all at once. He tries to do one thing at a time; regain that constituency as a firm supporter; and then move to take the next step.

Anyway, I do not want to belabor the point. I think that is the position that Yeltsin is in. To ask him to do all of this at once will result in the exact opposite—exact opposite—result than my friend from New York wants.

I realize this is a matter of judgment, not motivation. And I think that we will find, Mr. President, that the proposal by our friend from Rhode Island does not in any fundamental way undercut what the Senator from New York is seeking, and what he acknowledges. But we may all be in trouble. If the aid program falls apart, we may begin to lose legitimacy in the Western World.

So it seems to me what is being proposed by my friend from Rhode Island accomplishes what my friends from New York and Arizona wish to see done, acknowledging as they do, as we all do, that there are some limitations on a freely elected leader of a democracy that is undergoing such travail at the moment.

And I have not a doubt in my mind that my friend from New York is correct that, if asked, the people of Latvia, Estonia, and Lithuania would say: Get them out, conditionless. I do not have any doubt about that.

The last point I will make——

Mr. D'AMATO. If I might, that is an interesting observation that my friend and colleague makes. They are the people who are paying a terrible price, and that is exactly my point, that here they are occupied, and they hear about freedom, and freedom has not really come to them. The world community recognizes them, but while it recognizes their independence—it even sends ambassadors and people over to represent them—there is a 120,000-plus army, which is a huge army given the limited size and area geographically of these countries, a huge occupying force, and they still have vicious encounters with the citizenry of these countries, and it is not unusual for them to use force with a total disdain for the populations of these countries. That is exactly why I say we should not do business as usual.

Mr. PRESSLER. Will my friend yield?

Mr. D'AMATO. Yes.

Mr. PRESSLER. I have a question about what this amendment will do. Our amendment does not say the troops are brought home tomorrow. It says that there must be agreement in principle to bring it about and some progress. The amendment's requirements might be met if Russia begins, by attrition, to——

Mr. BIDEN. If the Senator will yield, would he be willing to modify his amendment on line 9, page 1, to say "some" progress instead of "significant" progress?

Mr. PRESSLER. It would have to be significant progress in an agreement or a goal of a period of years. It depends. They could agree to have them all out in 4 or 5 years; that would be a significant progress, for example. Right now, Russia will not agree in principle to take their troops out. They will not say: We are going to take them out. That is what we are trying to get. In the second-degree amendment, says Russia has another year before they even have to agree to start taking the troops out.

Mr. BIDEN. Well, Mr. President——

The PRESIDING OFFICER. The Senator from New York has the floor.

Mr. D'AMATO. If I might, let me simply say this: I think that if—I have not been the prime sponsor, I am a cosponsor of this legislation, but I think the Senator from Delaware asked a very compelling question. I think that we all have basically the same goal, and that goal is to say that we have not forgotten, in our moments of euphoria, the people who are still being held prisoner, because that is what has happened. We are euphoric about all of the nice, wonderful, and good things that have taken place in most of what used to be the Soviet Union, and we are euphoric, and we should be pleased that Yeltsin comes and says, "I am taking down the SS-18's, and we no longer will point them at America." That does not diminish our feeling for his standing in front of the tanks. But I think the Senator from Delaware, when he asked about a possible modification—I do not talk for my two colleagues, but we should be able to fashion a compromise or legislative language that clearly sets forth goals that must be obtained before we go forward and say we are going to do business as usual. And to say for 12 months you can continue the

same policies is not good enough. That is exactly what the second-degree amendment does. This second-degree amendment says, for 12 months, you can continue the occupation and you can continue the marauding, because that is what you are doing, marauding, when you are flying planes over, testing, and you your artillery and military maneuvers in a sovereign nation. And somehow we just dismiss this. Without their consent, you are marauders.

So I believe that we, at the very least, must insist on legislation that will begin to implement a program of action, an action program to stop this kind of occupation.

Mr. President, I know the Senator wants to speak. I yield the floor.

Mr. PRESSLER. Mr. President, I would like to just say that the Pressler-DeConcini amendment says there must be significant progress toward removal of the Russian troops. That means they have to sit down and negotiate an agreement. Maybe it would be 2, 5, or 10 years, but there has to be significant progress toward their removal. It does not say they have to be removed. I cannot understand why it is that we cannot ask the Russians to agree in principle, and to lay out a plan that they are going to draft so many less people, maybe 10 percent less people, over a period of 5 years. They can do it in probably a period of 4 years. Any reasonable time.

Also, let me say that we called the Lithuanian Ambassador and he is prepared to talk to any Senator. Lithuania strongly support the DeConcini-Pressler language, not the Pell-Lugar language. That, I think, points up to what this whole debate is all about.

So, in conclusion, I emphasize that our amendment does not require the immediate removal of the troops from Lithuania, Estonia, and Latvia. It requires significant progress to be made, and the first step in that progress would be an agreement by the Russians that they are going to take them out. They will not admit to that. They will not say they are going to take them out, and they have intentions to permanently leave them there. We are merely giving them another year's time under the Pell-Lugar second-degree amendment.

Mr. MCCONNELL. Mr. President, I am unaware of anyone in the Russian Government with any position of responsibility who has advocated leaving the troops in the Baltics. Nobody is in favor of the Russian troops staying in the Baltics. I am certain people in the Baltics are not. I am certain the people of the United States are not. As nearly as I can tell, no one in the Russian Government is advocating that the Russian troops remain in the Baltics.

It seems to this Senator at least, and I understand the motivation of the Senator from Arizona and the Senator from South Dakota and others, thinking they would like to help facilitate the exit of Russian troops in the Baltics. I understand that, but is it not our job to dictate to the Russians their foreign policy, particularly when we know that the principal reason the soldiers are still in the Baltics is because the Russians do not have any place to put them. That is why they are there. We know Boris Yeltsin does not have any desire to retake the Baltics. He went there when he was the mayor of Moscow and said, "You ought to be free."

There is absolutely no indication whatsoever that the Government in power in Russia wants to continue to occupy the Baltics. There is every reason to believe that, at the earliest possible opportunity, President Yeltsin would like to get these troops out.

So what are we doing here? I argue, understanding full well the motivation of the authors of the amendment, that it seems to me ill-advised. In section b of the amendment, on page 2, it even has the United States participating in a monitoring of the troop withdrawal. To read from the amendment, it says on page 2 of the amendment of the Senator from Arizona:

> During and after the negotiating process on a timetable for withdrawal of troops, a joint military monitoring committee shall be formed consisting of representatives of the military of all affected states, the United States, and representatives of other countries as mutually agreed upon.

So the amendment, in addition, has our country helping to monitor the withdrawal of these troops. It seems to me, from even the most casual reading of what has gone on in Russia and the Baltics, that there is no desire on the part of the duly elected Government of the people of Russia to continue the presence of these Russian troops in the Baltics one moment beyond the time they feel they can get them out and have something to do with them.

They have a severe problem. That is what this bill is about. The Freedom Support Act is about our efforts to help Russia go through the most difficult transition any country has ever gone through, unshackling themselves from communism, moving in the direction of capitalism. But it seems to me to dictate to them their foreign policy is a mistake, particularly when there is absolutely no indication whatsoever, that I am aware of, that President Yeltsin has any desire the keep those troops in the Baltics.

So I would hope that we would vote for the second-degree amendment offered by the chairman and the ranking member. It seems to me it is much less intrusive, and I think the desired result is going to be achieved by the Russians in short order, in the near future in withdrawing those Russian troops, which we would all like the see done as soon as possible.

Mr. President, I yield the floor.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question occurs on the Pell amendment.

Mr. PELL. 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. D'AMATO. 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. D'AMATO. Mr. President, I just spoke to Ambassador Lozoraitis, the Lithuanian Ambassador. I attempted to get President Landsbergis of Lithuania. We could not get to him.

I tell you he confirmed that which I thought. He said, first of all as to the issue of whether or not this might present a problem to President Yeltsin, he said, "If anything, Senator, we believe very strongly that it strengthens his hands against the hard core, against the military and there is that group."

And if we proceed along the lines of what has been suggested, and I told him of what the amendment was, that it was his feeling that we would be sending exactly the wrong signal. We would be telling the hard core in both Moscow and in the military that we were so concerned about them that we would actually help to undercut President Yeltsin and the forces of democracy.

As it relates to the Lithuanian people, he says they are having difficult understanding how it is while we are celebrating democracy and freedom, that they have not obtained that freedom and that, indeed, in Lithuania they have between 40,000 and 50,000 troops stationed there, and that recently the military has become more emboldened in their action and in their language. More emboldened in that the statements made before by my colleague and friend from South Dakota, Senator PRESSLER, by a high ranking general that, indeed, at this time there would be no constraints placed upon the Soviet military and that they would be given license to react to any so-called provocations from the Lithuanians and the Lithuanian people.

He said, Senator, there have been absolutely no provocations of any kind, and that is what is troubling to them, now in their hour of need. And I say we create an hour of need when we go along as if there is no problem there, that all is well, and that somehow when we are going to be providing

funds that will free up billions of dollars to Russia and to the republics, that we should look aside as if all is well when it is not.

I asked him about negotiations with the Russians as it relates to the withdrawal of troops, and he says, Senator, we have had two negotiations, the last one about a month ago. And they are not negotiations, they just simply go back to the point that we have no housing for them. And then their arguments begin to get even shabbier, shabbier in that he then talks about the lack of rail transportation in transporting the occupying forces from Lithuania to Russia.

They have been met with basically an argument that is nonexistent, that does not hold merit, that is not meritorious. What they are really facing is a situation that we are here, and we are here to stay. They are just absolutely concerned that if we pass this bill—and I am for the bill—but without the recognition of the plight of the people in the Baltics, their occupation, that we will be doing their hopes for freedom, because they do not have freedom, a terrible injustice.

So, Mr. President, I am more committed than ever to saying—and it may not have to be the Pressler-DeConcini language per se—we have to do more than just give lip service. We have to do more than just say we will allow the situation of the occupation of these three countries to continue as if nothing is wrong for the next year and then we will talk bout some kind of troop withdrawal.

We have to put in real language, legislative, a process by which we put pressure on the hard core. And he says, without that, the hard core will be more emboldened, not less likely to take action, but more likely to take precipitous action against Yeltsin and the forces of democracy.

So it is just the opposite than what has been suggested here. If we act in the manner appropriate with what is right, what is morally right, I tell you, you do not go wrong. You can never be faulted when you stand for what is right. We can always be faulted—and I just say to this body it was not long ago when I raised the question of why we were giving loan guarantees to Saddam Hussein. With the exception of very few—and I must say the chairman of the committee, Senator PELL, was a strong advocate on my side at that time and Senator PRESSLER—that position was lambasted and it was lambasted on the basis of political expedience, not because this man was using poison gas to kill women and children, and we looked the other way. We had Senators come down and say: We met with him. We talked to him. He is a nice guy. We do not understand him. Check the records. People would be embarrassed to see what they said.

Now, this is the same kind of situation, are we going to say that because Yeltsin stands for freedom that we should look the other way while the generals of Russia continue an occupation in these three countries.

Mr. PRESSLER. Mr. President, will my friend yield for a question?

Mr. D'AMATO. I yield.

Mr. PRESSLER. Mr. President, I, too, spoke to the Ambassador from Lithuania, and he repeated everything that my friend from New York said, plus he said that the Russians have been unwilling to negotiate or discuss leaving and they will refuse to agree to leave.

Are the troops home? They are not. I quoted four people, the Foreign Minister of Russia, their top general, their foreign ministry spokesman, who all said it is their long-term plan to stay on the Polish-Lithuanian border. The border is seen as a Russian border and the soldiers are there to defend the interest of Russia. They have no intention of leaving. They have a long-term interest in staying there.

And that is what the Ambassador just told me, plus the fact that the Russians have never said that they want to withdraw their troops, even in 10 years. Under the Pressler-DeConcini amendment Russia can have a very tiny attrition over 5 or 10 years. All parties will have to agree. I would not want to go 5 or 10 years. They have to negotiate and agree to it. They have not.

The Lithuanian Ambassador urged me to make that point, that the Russians have every intention of keeping their troops there indefinitely, and this gives them another year to maneuver.

Mr. D'AMATO. I will suggest one other thing, Mr. President, and that is the use of power. We have power now. The Russians want something. Make no mistake about it. And not just the forces of democracy. Even those who may not be. They need economic help. They need some help. They want our help. It is not unreasonable when people are asking for what would be billions of dollars, billions of dollars, for us to say there is a certain standard of conduct that we are insisting for you: You cannot kill people; you cannot hold people hostage; you cannot have 120,000 troops on foreign soil; you cannot continue to suppress people.

If that is tying things, if that is saying well we are not going to do something unless you agree, that is correct. We have a right, we have a moral obligation to say that we are not going to continue to give you aid for those policies which fly in the face of what this great country is about, and suppressing people, that is exactly what it does; having troops on foreign soil, that is exactly what it does. I have to tell you, I hope that we would not fall victim to this business, because you know we tend to oversimplify this thing.

If you take a look at the history of our State Department, they have been wrong on every major issue. They were wrong when it came to not giving the Baltics recognition when they wanted it. They were wrong when they delayed in not giving recognition to the Ukrainian people when they sought it. They were late in reacting to the current tragedy that is taking place in what used to be Yugoslavia. They were wrong in their dealings with Saddam Hussein. And they are wrong now by not having the courage to stand up for democracy.

For God's sake, stand up for what is right and stop the political expedience. Every time you deal with these devils, you get burned; every time.

Oh, we were afraid how they may react. Stop being afraid of how they may be reacting and stand up for what is right.

It is not right to give billions of dollars to oppressors if they are going to continue to oppress. And if they do not have the power to lead us out—and I hope Yeltsin does, and I pray that he does. And as the Ambassador says he believed that this will strengthen Yeltsin, and it will say to the generals who may want to come back to full power that, I am sorry, the West will not do it, the United States will not do it, and you will not get aid if you are going to continue to suppress people.

And we cannot even ask for an orderly withdrawal, a timetable? Shame on us. Then what is the real hope for these people? Why delude ourselves.

Is it good politics to do it? This is ridiculous. We are asked to be in the world of make believe here. And do you know what? The American people, they begin to see. That is why they are so dissatisfied. They are suggesting, where are you guys? Are you in the real world or not?

Go down and ask the 10 million. Do we just wipe off 10 million people? We do not give a darn because somehow our strategists, who happen to have been wrong on almost every occasion, have figured out that this may be asking too much. Nobody has briefed me and told me Yeltsin said: Do not put this in there. Did anybody ask him? I do not know. I do not know.

And by the way, would it be tougher for him? Maybe it will be. Maybe it will be. Maybe, indeed, he will have to spend some more time to say to some of those forces that you cannot continue as usual, and you will have to begin some kind of policy or program to withdraw these troops.

I yield the floor.

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, I rise to support the DeConcini amendment and associate myself with the remarks that he has made, and the remarks the Senator from New York has made, and the remarks that the Senator from South Dakota has made. And I will make

some references to some initiatives that preceded this, as all of us have been involved in this together.

There really is no excuse for the ex-Soviet forces to remain in the Baltic States. There is no justification for it. You cannot put any veneer of legitimacy on it here, I do not care how tactfully and tastefully the words are chosen. You cannot defend that operation, and no Senator should try to do so, in my view.

The Baltic citizens have struggled now all these decades to try to achieve their freedom. This Senate has gone on record a number of times on Baltic freedom resolutions that I have written and others have cosponsored so that they might finally achieve freedom. And here that has come to pass—at least in part—but the former Soviet forces remain, and we are really not doing anything about it.

President Yeltsin comes into town—and he is an interesting man, and he is a charming man. Our President just seems to wilt whenever there is a requirement to confront some foreign leader on a tough issue—someone that we are trying to have some kind of a positive relationship with. When they get down to the hard discussion, the other guy always wins.

Mr. D'AMATO. Will the Senate yield?

Mr. RIEGLE. Yes, without losing my right to the floor.

Mr. D'AMATO. I thank the Senator. I really do, because he has been so patient.

I have to tell you, it is more than the President, and the administration and the State Department. It is this body. We cannot just blame them if we continue to do business as usual. So there is a shared responsibility and shared failure. If we allow the State Department and the administration and/or the President to do something, we better understand.

I just wanted to make that point that the Senator touched on.

Mr. RIEGLE. Let me just say to the Senator from New York, I think the record will show that the Congress and this Senate have led on this issue for many years. I have been involved in that effort, the Senator from New York has been involved, the Senator from South Dakota, and others, to press in every possible way to secure freedom for the Baltic States. And that is now in part come about.

But we still have this military occupation going on. And, quite frankly, apart from this vote here, we do not have the same ability now to speak as one for our country as the President himself does.

Now we just had Yeltsin here, and that was a perfect opportunity for our Government, through the President, to speak very directly on this issue. I have no reason to believe that this issue was discussed. I have nothing that leads me to believe that, and I do not see any change taking place. I see Yeltsin asking for help, asking for money, asking for assistance. I do not see a response with respect to getting this occupying force out of the Baltic States.

Let me give you an analogous situation to help underscore the point. The Japanese Prime Minister is in town today. The Japanese cheat us on trade every single day.

The steel industry in this country has just filed a major international series of trade suits, filings, because of the trade cheating against a number of countries. One of the worst offenders is Japan. The steel industry in this country lost $2.2 billion last year. Ten years ago we had 500,000 American workers in the steel industry. Now, that 500,000 has shriveled down to 150,000. That industry is in terribly serious trouble, much of it because of trade cheating by dumping below cost by various countries around the world, including Japan, and also subsidies that violate the trade laws that get built into the steel production of their foreign steel that is coming in here.

The President is meeting right now with the Prime Minister of Japan. I do not see anything that convinces me that we are going to see a tough position taken on the trade cheating in that area that is going on.

I mention steel, and that is just one industry. We have a major problem in the automobile industry; it is well documented, most recently in the area of minivans, and multipurpose vehicles. Keiretsu arrangements, these interlocking Japanese company business arrangements which are anticompetitive, are designed to destroy American auto supply companies, and are doing so. We have had the Honda case with respect to cheating on the domestic content calculations of Japanese cars coming from Canada into the United States.

But the relevance is this: this year, our trade deficit with Japan through the first 4 months is higher than it was last year. Last year, over the full year, it was $43 billion that Japan took out of the United States—$43 billion in scarce capital, $43 billion worth of jobs. That is one of the reasons our economy is struggling in such damaged condition right now. It is one of the reasons there is a political rebellion going on in the country because of economic problems here in America.

So far this year, the trade deficit with Japan is running at a higher rate than last year. Now what happened between last year and this year? Well, the President took a trip to Japan and he went over to talk to the Japanese about presumably this trade issue. So what has happened since that trip and since that conversation? The problem has gotten worse.

So I am asking in my own mind, looking back to the Yeltsin discussions on things like the military occupation in the Baltic States, are we suddenly going to see a tough position taken by the President, specifying for this country, action on the trade problems that we have today with Japan that are damaging America and wrecking the lives of American workers? I do not think so. I do not think so. Because I do not see the stomach for it. I do not see this administration having the stomach to confront these other countries when they are doing things that are wrong.

I understand that we had the episode in the Persian Gulf with respect to the war with Iraq. But that was a long time in coming. And before that, as has been pointed out by many others, we were actually helping Iraq, we were actually helping Iraq in a lot of ways with badly flawed policies.

Finally, there was a change in thinking in the executive branch. But I would argue that that case is the exception that proves the rule.

Let me give another case: Communist China. The administration was in here the other day asking for most-favored-nation trading status. For who? For Communist China, I think arguably one of the most ruthless regimes on the globe today.

Anybody who has forgotten what went on in Tiananmen Square ought to go back and look at the footage and read the articles and look at the political prisoners still imprisoned there who tried to lead the move toward democracy and toward freedom.

This year, in the United States, Communist China will have a trade surplus with our country of some $15 billion. You wonder why people are out of work in this country? You wonder why people are desperate? You wonder why our industries are in trouble all across the 50 States? It is a failure to address these problems internationally and particularly in the case of Communist China, the cheating that they do in the trade area.

Let me give two illustrations that our own Government has discovered and talked about. One is currency manipulation, where they manipulate the currency in order to pump up this big trade deficit and take these jobs out of our society and over to theirs. And second, the use of slave labor in the production of some of these goods that are being shipped into the United States.

You would think the President of the United States would have the backbone and the toughness to confront the Chinese directly and say we are not going to have any more of this. Do not even think about most-favored-nation trading status with these kinds of things going on. You do not see that. We take a dive for the Communists in China. We take a flat-out dive, our Government does, through the weakness of the policies of this administration.

So it is not just one example. Everywhere you look you see this, and I

think a lot of it has to do with buying votes in the United Nations with respect to issues that come up over there.

Just with respect to Communist China, I have not forgotten the fact that when we, our Government, was seeking a resolution from the United Nations to authorize the action against Iraq and we needed the votes in the Security Council, and China was there on the Security Council, China was holding out on us. They were holding out on us and indicating they might not vote to support it.

In the end, do you know what China did? They did not vote to support it. They decided to abstain. They decided to abstain, and by abstaining that allowed that action to go forward.

What did they get in return? They get most-favored-nation trading status in return. It sure looks that way. They get a $15 billion trade surplus from the United States this year that is putting Americans out of work in Michigan and every other one of the 49 States? Yes, they did get that. That is the way it appears to me. I think it is wrong.

There ought not to be any more ex-Soviet troops in the Baltic States. The fact that right now there are some 120,000 to 130,000 troops there—why? Why are those troops there? These are now sovereign, independent countries. They do not want the ex-Soviet troops there. And they ought to be taken out. But, if we are going to be namby-pamby in the discussions with Yeltsin as we are now with the Japanese Prime Minister and as we obviously have been with the people that are running the Chinese Government, it is not surprising that they give us the brush-off and continue to do exactly what they want.

I want these troops out of the Baltic States and so do the people who live in those countries. It is time they go.

Frankly, we should not give the Russians a dime until they are out of there. I mean, look how hypocritical we look. We talk about freedom, we talk about democracy. Most of the Members here were signing, year after year after year, our Baltic freedom resolutions and declarations. I circulated those. We got the names, 70, 80 Members of the Senate, time after time after time.

The Baltic States had the guts and the courage to stand up for themselves against all of the threat and the power and the intimidation of the Soviet system. They had the courage to take it, even though there were threats and deaths and initimidation and other things of that kind. They hung in there. They have now asserted their independence and where are we to be found? Where is our Government? Are we standing with them or are we ducking and looking the other way and basically caving in on this issue?

Mr. DECONCINI. Will the Senator yield?

Mr. RIEGLE. I am sick and tired of that kind of spinelessness. You cannot have one episode where you go over and tear into Saddam Hussein and end up bowing and scraping for every other country and leader around the world when they are doing things that are wrong or even hurting this country.

Mr. DECONCINI. Will the Senator yield for just a comment or question?

Mr. RIEGLE. Yes, I yield, without losing my right to the floor, of course.

Mr. DECONCINI. I heard the Senator say he thinks the troops should be removed now; is that correct?

Mr. RIEGLE. Yes.

Mr. DECONCINI. I am sure the Senator is aware the underlying amendment here, by the Senator from Michigan as cosponsor, the Senator from South Dakota, myself and others, does not remove the troops immediately. It requires the President to certify—the President can do it today or tomorrow—all he has to do is certify that significant progress is being made.

If there has been any impression here that that can be extended for a long period of time, it is up to the President.

But we did not want to say you have to remove them today. The President must certify now and then every 6 months he must certify.

So it does not go as far as, quite frankly—I agree with the Senator from Michigan—it should. And the reason is, we did not want to be in a position of the sledgehammer approach. We wanted to be sensitive to Mr. Yeltsin, in that Government. We only ask our President to certify every 6 months that significant progress is made.

I thank the Senator for yielding. I wanted to clarify that point.

Mr. RIEGLE. It is an important point the Senator makes. I think he has been very reasonable in the construction of his amendment. He has been more reasonable than I think we ought to be, quite frankly.

I do not think there is a justification for keeping these troops in there one more day. What is the justification? I think it is a provocation. If this were our country we were talking about, if we were one of the Baltic States, we would want these troops out of there. And they want them out of there. And they have a right to have them out of there, and in fact other troops are being rotated in. And in the process they are violating the customs procedures in the Baltic States.

The Soviet Forces do not give prior notification of the military exercises they are conducting in the Baltic states.

Mr D'AMATO. Will the Senator yield for a question?

Mr. RIEGLE. Yes.

Mr. D'AMATO. If we enact this legislation with the proviso that we have to wait for a year before we say anything, would that not appear with this aid package we are helping to subsidize the foreign troops in the occupation of these lands? Would not the Lithuanians, Latvians, Estonians have a right to believe that?

Mr. RIEGLE. I think they would have a right to believe that. It conveys that appearance, I think, and in fact that is part of the impact of this.

I mean, if we are going to provide help to the Russians, we ought to get something in return.

Mr. D'AMATO. Do we not have——

Mr. RIEGLE. What we ought to get in return is this issue.

Mr. D'AMATO. Do we not have a right to say we expect that you comport yourselves as a civilized nation and not be having troops of occupation in foreign lands?

Mr. RIEGLE. That makes perfect sense to me.

But there is something missing here. There is something missing in our foreign policy, and it is not just in this issue. It is very apparent here because on the one hand we are saying send in all this assistance. On the other hand, we are not going to hold them to any kind of standard of international conduct, even with respect to their maintaining occupation-type forces in newly freed countries who want them out. That is a contradiction that I do not think can be accepted or explained.

Mr. D'AMATO. I agree with my colleague.

Mr. RIEGLE. This is not the only place I see it. I see it in Communist China. It is outrageous that Communist China is going to take $15 billion out of the United States this year and put millions of Americans out of work in the process.

I realize that is the Bush administration plan. It is wrong. It is wrong. And the same thing with respect to Japan. To let Japan drain $44 billion more out of the United States this year, with the kind of trade cheating that goes on, is wrong. That is one of the reasons we have so much damage, economic damage, piling up in our own country.

So, we are going to offer help, we are going to ask it of the American people right now, with all the economic problems they are struggling with, with all the people who are going without so many different things in their lives. This is true of families all across the country. What this underlying legislation is saying is, look, we want you to reach into your pocket even though right now you are very pinched and very pressed and you do not have money for things you need for your own family. We want you to take out some additional money and send it on over to help the Russians, in this case, go through the adjustments in their society.

If we are going to do that, at a minimum there ought to be some civilized standards of conduct.

Has anybody here offered an explanation as to why the Russians are jus-

tified in keeping 120,000 or 130,000 armed forces in the Baltic States?

Has anybody gotten up and explained why that is proper and necessary and that we ought to allow it and de facto affirm it by ducking the issue here?

Mr. PRESSLER. Will my friend yield for a question?

Mr. RIEGLE. Yes, I yield.

Mr. PRESSLER. Mr. President, I compliment my friend from Michigan on his fine statement and ask whether it is not true that on June 15, the commander of the Russian Army said that the Polish-Lithuanian border is seen as our Russian border and our soldiers are there to defend the interests of Russia?

I agree with my friend from Michigan. I would go much further than this amendment goes. This amendment would not require the removal of a single troop. It just would require there be an agreement to remove the troops.

There have been all sorts of statements—I quote four of them—the Russians have long-term interests in keeping the troops in the Baltic States; they have long-term plans. They will not say we are going to remove them.

So the underlying amendment is very mild, and by delaying it for a year, it is just completely gutting it.

Mr. RIEGLE. I appreciate what the Senator has said. He is exactly right. He and I sent a letter to the President, along with 29 other colleagues, earlier this month on this very issue.

Does the majority leader wish me to yield?

Mr. MITCHELL. Will the Senator yield to me for a moment?

Mr. RIEGLE. By all means, without losing my right to the floor.

Mr. MITCHELL. Mr. President, the status of Russian troops in the Baltic States is certainly an important subject and worthy of Senate debate. It has now been the subject of debate for about 3 hours. I wonder whether it is not agreeable to those on all sides of the issue, having had an opportunity to express their views over that time, whether we can bring this matter to a vote and let us set it aside and proceed to vote on what other amendments may be offered.

Mr. RIEGLE. Did the majority leader have in mind tomorrow?

Mr. MITCHELL. No, I had in mind shortly. The debate has been going now for 3 hours. I do not wish to minimize the importance of the subject. I acknowledge that. But it seems to me that there has been a very full and informative debate, and I wonder if the two sides would agree to permit a vote on this by 7:15.

Mr. SPECTER. If the distinguished majority leader will yield, I have not had a chance to speak, but I would be glad to limit my remarks to 5 minutes.

Mr. MITCHELL. I do not even know which side the Senator is going to speak on. But would there be agreement, I pose the question to Senators, in the interest of moving forward, could we have 20 minutes more of debate equally divided between the two sides to be able to get to the vote? I do not want to cut any Senator off.

Mr. RIEGLE. Let me respond, because I have the floor and I have only spoken once and I yielded to some questions as I got into this debate late. I would like to be in a position to speak for another 5 or 7 minutes and that would satisfy my requirement.

Mr. MITCHELL. Does the Senator from Kansas wish to make a comment?

Mr. DOLE. I just want to encourage whatever the majority leader is doing to hasten this along. It has been a very enlightening debate, but it seems to me someone needs to move to table something, move to table PRESSLER or whatever. In any event, I certainly would want to support the majority leader. I think I have talked to Senator LUGAR, the manager on this side. He is prepared to vote. There are still 40 or 50 amendments to deal with. If we spend 4 hours on each, it will take a while.

Mr. DECONCINI. Will the majority leader yield?

Mr. MITCHELL. Yes, I yield.

Mr. DECONCINI. Mr. President, from the side of the underlying amendment, I would like to go to a vote. If the Senator from Michigan will agree to 5 minutes and the Senator from Pennsylvania is going to speak in opposition to the Pell amendment but in favor of the underlying amendment for 5 minutes, and I ask for 1 minute, so that will be 11 minutes on our side.

Mr. PRESSLER. I would like to speak for 2 minutes in closing.

Mr. DECONCINI. So that is 14 minutes on our side.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that a vote occur on or in relation to the amendment by Senator PELL at 7:30 and that the 25 minutes between now and then be divided, 14 minutes to the Senator from Arizona and 11 minutes to the Senator from Rhode Island.

Mr. SPECTER. Reserving the right to object, Mr. President, I would ask that the unanimous-consent request carry a specification that this Senator will have 5 minutes.

Mr. MITCHELL. The Senator from Arizona just said he is going to give you 5 minutes.

Mr. DECONCINI. I assure the Senator I will yield 5 minutes to the Senator from Pennsylvania.

Mr. SPECTER. I had not heard that specific statement. Of course, that is satisfactory. I thank the Senator from Arizona.

The PRESIDING OFFICER (Mr. BRYAN). A unanimous-consent request has been propounded. Is there objection? Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I thank my colleagues, and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DECONCINI. Mr. President, time having been allocated under the unanimous-consent agreement, the Senator from Michigan has 5 minutes and the Senator from Pennsylvania has 5 minutes.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, let me pose what I think is the essential question here, and that is if we are not going to stand up for the Baltic people at this time and stand with them, who is going to? Where else do they have to turn? They are in a situation where they are being intimidated by having, in effect, an occupation force in their countries. Let me tell you what the size of it is. When I cited the figure of 120,000 to 130,000 ex-Soviet troops there, that means there is one Russian soldier in the Baltic States for every 61 citizens of the Baltic States. I mean that is a very substantial proportion of forces in the country. And it is not justified and it is not right.

The thing that I guess bothers me more than anything else is that we have these elastic standards that we keep applying around here. We do not help our own people in problem area after problem area, but we are prepared to help people in another country. But then even when we get out to help people in another country, we usually go to the people who are in power, at least for the present time. Gorbachev was the big person getting the support of the administration for a long time. Now it is Yeltsin. Maybe it will be somebody else before too long. Who knows?

But where is there something more basic and more fundamental than that that has to do with supporting the aspirations of people of these separate countries who have been struggling now for virtually half a century to try to be free? Are we not doing this in the name of freedom, democracy, decency, equity? If we are not doing it for that reason, why are we doing it? To buy some more support in the United Nations? To cozy up to somebody who happens to be in power in a new regime at the present time?

What about the nameless people who are just everyday citizens in Estonia and Latvia and Lithuania who want their freedom, who put their lives on the line, put their whole country on the line in order to be able to have their freedom? They cannot have their freedom if they have Russian troops all over the place. If for every 65 or 61 citizens in the Baltic States there is an armed Russian soldier, then they are not truly free countries. And I am distressed, frankly, when I see the pandering that goes on here by our State Department, by our President, and by the foreign policy establishment, that we round off the corners, we round off the

corners and we look the other way. Yes; we want Baltic freedom, but not badly enough to tell the Russian soldiers to pack up and go home. They should have packed up and gone home a long time ago.

I hope this Senate is going to go on record for the DeConcini amendment. Otherwise just shoveling money at this problem, I think, is a sham, especially when we are turning our back in case after case on the human needs of our own people here in America.

If we are going to extend aid, then, yes, there should be some conditions of decency with respect to the conduct of those receiving the aid and getting these armed troops out of the Baltic States is something that at a minimum needs to be done. There is no excuse for them to be there. And there is no excuse for this Senate to go on record countenancing that, or in otherwise knuckling under and saying, well, we really cannot address that issue, or that is beyond the scope of what we can do and so forth and so on.

That is nonsense. It is our money. If we are going to send the money over there, it ought to go with some conditions. It ought to go with conditions. Why should it not go on that basis? Why should it go on a blank-check basis? Of course, there ought to be conditions.

Mr. BIDEN. Will the Senator yield 3 seconds for a question?

Mr. RIEGLE. Yes. Could I get a 3-second answer?

Mr. BIDEN. It can be yes or no.

The PRESIDING OFFICER. I will inform the Senator from Arizona, who controls time, that the 5 minutes allocated to the Senator from Michigan has expired.

Mr. BIDEN. Will the Senator yield me 3 seconds?

Mr. DECONCINI. Yes.

Mr. BIDEN. Will the Senator from Michigan support this bill, if in fact, he prevails and the condition is attached relating to the Baltics?

Mr. RIEGLE. I am much more inclined to, I am going to tell the Senator directly. I have a couple amendments coming down the track later. If they are adopted, yes, I will.

Mr. BIDEN. I thank my friend.

Mr. RIEGLE. I do have some other amendments that are separate from this that I want to offer.

The PRESIDING OFFICER. Who yields time?

Mr. DECONCINI. Mr. President, under the agreement, I yield the Senator from Pennsylvania 5 minutes.

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

Mr. SPECTER. Mr. President, I support the DeConcini amendment, which provides that no United States economic assistance, other than humanitarian, may be provided to the Government of Russia until the President certifies that significant progress has been made toward removal of the Russian Armed Forces from Estonia, Latvia, and Lithuania.

Frankly, I believe this is a minimal requirement. It might be said that there ought to be a tougher requirement, which this Senator would support, to insist upon actual removal of Russian forces from the Baltic States. The whole question of supplying financial aid to the Russian Government is a very difficult one, given the budget deficit of the United States and given the severe needs of the American people here at home.

If aid is to be given, it seems to me fundamental that we should not be in a position of supplying the Russians with their butter while they are using their resources to provide for their guns.

So there ought to be a very basic requirement that the Russians not use some money of theirs for military purposes, like maintaining troops in the Baltic States, or enhancing their missile forces while we are providing economic assistance.

There may be more conditions that have to be attached if this Congress and this Government, in good conscience, provides economic assistance to the Russians, such as a greater proportion from other countries like Japan, Germany, Italy, and other European countries or, it would be productive for the Russians or provide collateral, such as oil reserves to see to it that the funds advanced are repaid to the United States.

The basic purpose of the Freedom Support Act is to smooth the transition to modern democratic societies. If we are going to be aiding the Russians at a time when they continue to maintain military forces in Estonia, Latvia, and Lithuania, which is a violation of the sovereignty of those countries, which is a violation of the freedom, dignity and peace of Estonia, Latvia, and Lithuania, then it seems to this Senator we are certainly not promoting a transition to modern democratic societies.

What is happening to the people and the democratic societies of the Baltic States? It seems to me, where we have legislation designed to promote a transition to democratic societies, we ought to be looking out for Estonia, Latvia, and Lithuania.

So as far as I am concerned, considering the problems I have in Pennsylvania with unemployed steelworkers and unemployed coal miners, the problems of the big cities, the problems of the farmers, and the problems of the elderly—not to mention the problem of the deficit—the amendment proposes a very minimal requirement that progress ought to be made in removing the Russian forces from these countries.

I would suggest going further. I would insist that more be done by way of recognizing the democracies and the sovereignty and the freedom and the dignity of Estonia, Latvia, and Lithuania as a very basic requirement for even a preliminary threshold consideration of financial aid to the Russians.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DECONCINI. Mr. President, how much time does the Senator from Arizona have?

The PRESIDING OFFICER. The Senator has 4 minutes and 11 seconds.

Mr. DECONCINI. Mr. President, I yield 2 minutes to the Senator from South Dakota.

Mr. PRESSLER. Mr. President, I again repeat that the Pressler-DeConcini amendment merely requires the Russians to make progress toward a plan, to get their troops out of Latvia, Estonia, and Lithuania. This amendment is supported by the leaders of those countries. If I were doing this myself, I would make it much more severe. I would set a timetable of 2 or 3 years. But some of the opponents of the DeConcini-Pressler amendment have been saying that this will disrupt the Soviet economy.

They could do all this by attrition.

Also, Mr. President, I would like to point out that several of the Russian leaders, ranging from the foreign minister to some of their generals and others, have clearly stated that it is their intention, long-range intention, to keep the troops in the Baltic States.

So I feel very strongly that the second-degree amendment should be defeated.

The PRESIDING OFFICER. Who yields time?

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. PELL. How much time do I have?

The PRESIDING OFFICER. The senator controls 11 minutes.

Mr. PELL. I yield 2 minutes to the Senator from Kansas, the minority leader.

The PRESIDING OFFICER. The Republican leader is recognized for 2 minutes.

Mr. DOLE. Mr. President, I certainly sympathize and generally agree with my colleagues, Senator DECONCINI from Arizona, and Senator PRESSLER from South Dakota. But I must say that I am not certain how long President Yeltsin is going to be around. He said, very frankly, when he was in Washington a couple weeks ago, if he did not get some assistance, it would not be long. He said the same thing in the State of Kansas the next day, at Wichita State University.

I think we have to make a judgment. I understand the importance of the

Baltic States, and I support their efforts. The best friend they have is President Boris Yeltsin. They probably would not have independence today if he had not gone to the Baltic States and said, in effect, to Gorbachev: Let these people go.

We have a bigger question. We talk about what is in it for us? Peace. Absence of conflict. Not spending billions of dollars in an arms race with the Russian Republic or any other former Soviet Union republic. That is what is in it for us: Jobs, markets.

Do not be misled. We have already extended about $4 billion in credits to the Soviet Union. They bought a lot of grain from the Midwest and other places. It has been a big factor in the Russian Republic.

So, Mr. President, I hope that there are plans being made. I think we can work that out. I think there will be plans to remove the troops if Boris Yeltsin stays in power. If he does not, then all bets are off. If some hard line Communist, or some other hard liner takes over, if Yeltsin is deposed or whatever, then we will see the troops in the Baltics and probably everywhere else in the former Soviet Union.

Mr. President, I suggest this is a very important vote. I hope the amendment by Senator LUGAR will prevail.

The PRESIDING OFFICER. Who yields time?

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

The PRESIDING OFFICER. The Senator has 8 minutes, 53 seconds.

Mr. PELL. I yield 4 minutes to the Senator from Indiana and 4 minutes to the Senator from Delaware.

Mr. LUGAR. Mr. President, the issue before the Senate is clear. The Secretary of State has affirmed, in direct response to our questions, that he cannot certify in the manner that the Pressler-DeConcini amendment requires the United States to certify, namely, that progress has been made in the withdrawal of the troops.

This is not an issue of whether the troops should be withdrawn. It is an issue that gets to two points: Under what circumstances is it likely they would be withdrawn, and what is our relationship going to be with Russia and with Boris Yeltsin in the meanwhile?

Mr. President, I hope Senators will follow the logic of what I have to say. In the event that the DeConcini-Pressler amendment passes and our Government cannot make the certification required, then there will be no assistance to Russia aside from humanitarian assistance and the remnants of the so-called Nunn-Lugar amendment.

That is not a good way to start the relationship. The Senator from Kansas just spoke to that relationship and suggested that we have a great deal at stake, namely, peace. Boris Yeltsin is committed to the dismantlement of the Soviet nuclear potential. That is of great meaning to us. He is trying to build democracy and trying to move toward openness.

We are trying to fashion a new relationship. This is what the Freedom Support Act is all about.

If the members do not want that relationship, and they do not want the Freedom Support Act, one good way of terminating the process is to make certification required for things that the Secretary says cannot be certified.

This is why Senator PELL and I have offered an alternative amendment, a second-degree amendment, which says simply that over the course of the next year the Secretary may have an opportunity to certify, and during the next year, Boris Yeltsin and the Russians may have an opportunity to remove troops from the Baltics.

The Senator from Kansas is absolutely correct that without Boris Yeltsin there will be troops in the Baltics and troops everywhere.

The question, I think, for Senators to ponder very seriously is, should we substitute our judgment for that of Secretary Baker and for President Yeltsin, or, to the contrary, should we try to foster relations between our two countries that at least, in this Senator's judgment, is much more likely to lead to release of the Soviet troops from the Baltics.

For these reasons, I ask for support for the Pell-Lugar amendment.

Mr. BIDEN. Mr. President, it is disappointing, that we are here debating in this way at this moment. It is as if there has been no change in the Baltics. We talk about it as if the man who now, in a very tenuous manner, hangs onto leadership in Russia; not support the idea of removing Russian troops, when, as I mentioned earlier and the minority leader mentioned again, he was the first person to make the trip to the Baltics in support of their freedom.

I also must tell you I am a little disappointed in the administration. If this were prayer in school or if this were abortion or if this were any other issue, the Attorney General would be out in the Vice President's office, the Secretary of the Treasury would be here about bailing out the banks, the Secretary of Commerce would be here, and the Secretary of Agriculture would be here if this were about an agriculture bill.

Here, in this defining moment in history, the best we get is some phone calls instead of the Secretary of State and the Vice President of the United States being out there right now trying to convince our friend from South Dakota and others of the wisdom of the administration's position. But that is the way it is.

I wonder where we would have been in 1948 and 1949 and 1950 when the world was in transition, when the American public, by overwhelming margins, said we should not be giving aid, when the American public in overwhelming numbers said we should not be entering into new alliances, when the American public in overwhelming numbers suggested that we should not be generating these new international financial institutions—wonder where we would have been had the same Senate existed at the time. Would we have had NATO? Would we have gone back home and said, you know, this is in the interest of the United States? Would we have gone to our constituents and said, "We are going to give money to Germany, which just killed your son, to rebuild Germany and rebuild Europe"? I am not sure we would have. I am not sure we would have had the courage to do that.

Thank God we had a President that had as much steel in his backbone as he had brains.

I might point out that I could be mistaken, but I bet that the majority of people who are in support of this amendment, will ultimately vote against the bill. That is what my instinct tells me, I will make you a bet right now, that when we look at the rollcall vote cast, that at least 85 percent of the Senators who vote for the DeConcini-Pressler amendment vote against the bill no matter what is in it. I hope I am wrong. I would offer to buy everyone dinner in the Senate dining room, but we have closed that—again, political courage. So I will just make a plain old gentleman's bet.

I hope that we can understand that this is a major amendment of great significance. If Yeltsin goes down, the troops stay. If, in fact, this bill does not pass, and, as the Senator from Indiana pointed out, it will not be able to take effect because the Secretary has already publicly said he cannot certify. If he cannot certify, the aid cannot go forward. If the aid does not go forward, whatever chance Yeltsin has in surviving as a democratic leader is somewhat diminished.

The PRESIDING OFFICER. The Chair informs the Senator that the 4 minutes allocated to him has expired.

Who yields time?

Mr. DECONCINI. How much time do I have?

The PRESIDING OFFICER. Two minutes, 48 seconds.

Mr. DECONCINI. How much on the other side?

The PRESIDING OFFICER. The Senator from Rhode Island has 58 seconds.

Mr. DECONCINI. I first ask unanimous consent that the Senator from New Jersey [Mr. LAUTENBERG] be added as a cosponsor.

Mr. President, it is important to understand that, in order to get to merely significant progress, not move them out this year, not close down all aid, certification of significant progress, we had to defeat the Pell-Lugar amend-

ment. In a minute, I believe the Senator from South Dakota—and I will join him—is going to move to table the amendment.

I hope the colleagues will give a moment of reflection here that this is not going to destroy Mr. Yeltsin or the Russians. It is only going to ask and require that the President certify to the Congress of the United States and the people of the United States that significant progress is being made in removing the troops. That significant progress can be a number of things. One, all they would have to say significant progress is that they are not going to reassign 40 percent of those troops that have to get out of the Russian military because their draft date has come to be removed in the military. That is all. Then every 6 months the President must certify that significant progress is being made. That is all.

To make this argument that the Secretary of State cannot certify I do not believe is valid. And to make this argument that this is a killer and sinks the bill I do not think is valid. It does not. It only is a fairness of saying that we in this Congress, in this Senate, understand the significance of the Baltic States and what they have been through, and we are only requesting that the President of the United States certify that the intention of the Russian Government is to make significant progress to get out. They do not have to get out. There may be tougher amendments coming saying they have to get out. This amendment is not that.

I hope my colleagues will support the motion to table.

I yield to the Senator from South Dakota.

Mr. PRESSLER. I move to table the amendment.

The PRESIDING OFFICER. The Senator needs to be aware that there is time still remaining under the previous time agreement. Who yields time?

Mr. PELL. I yield myself the remaining time. I thank the President.

Mr. President, I ask my colleagues to think for themselves which is more likely to get the Russian troops out of the Baltic countries. We all want them out. Will they be more likely gotten out by a weakened Yeltsin, a weakened Russian infrastructure, or more likely to be gotten out by a stronger Yeltsin, a stronger Russian infrastructure?

I submit that the answer is self-evident, that they are more likely to get out if Yeltsin and his regime, democratic regime, enjoy good health, strength, and support.

For that reason, I urge my colleagues to support the amendment.

Mr. DURENBERGER. Mr. President, I understand very well and share the intense desire among my colleagues to promote the most expeditious removal of Russian troops from the Baltic States. This is an issue of extreme importance, and I fully support efforts to achieve this objective.

I would urge my colleagues, however, to keep separate the matters of Russian troops in the Baltics and United States aid to Russia. The administration and supporters of the second-degree amendment by the chairman and acting ranking member of the Foreign Relations Committee argue that there is only so far and so fast that Yeltsin can be pushed in his reform efforts.

My distinguished colleague from Delaware, Senator BIDEN, has eloquently stated the case of what we in this country are asking President Yeltsin and the Russian people to do. End central control of the economy. Raise prices. Cut subsidies. Cut the military. Open the political system. Free the markets. And more. This is no easy task.

Let me reiterate, Mr. President, that I strongly believe that Russian troops must be removed from the Baltic States as soon as absolutely possible. And I very strongly support United States assistance to the emerging democracies of the former Soviet Union. But I believe we must keep our eye on the ball with this legislation, with the Freedom Support Act.

If we fail to act now, it may make no difference in 12 months time. There might be a whole other set of problems that we'll have to confront if we let pass this opportunity to consolidate democracy and free markets in Russia.

Mr. President, notwithstanding my very strong support for the objectives of my friends Senators DECONCINI and PRESSLER, I urge my colleagues to support the Pell-Lugar substitute.

Mr. LAUTENBERG. Mr. President, I rise as a cosponsor of the amendment offered by Senators DECONCINI and PRESSLER. I urge my colleagues to approve this amendment.

The amendment would encourage the speedy withdrawal of all Russian troops from the Baltics. It would require the administration to certify every 6 months that significant progress is being made toward the goal of removing troops.

I signed a letter to President Bush recently, urging him to raise the issue of removing troops from the Baltics with President Yeltsin. I will ask unanimous consent that a copy of the letter be included in the RECORD.

Mr. President, since 1939, the people of Estonia, Latvia, and Lithuania have fought for independence against the Soviets' illegal incorporation. They have overcome hardships and survived oppressive crackdowns, and have bravely and resolutely fought for self-determination. I've long supported the aspirations of the Baltic people for freedom.

Estonia, Latvia, and Lithuania are now sovereign, independent nations. The Baltic people have the right to live their lives free from intimidation and foreign intervention. By remaining where they are unwelcome, the former Soviet Union's troops undermine the authority of the newly established Baltic governments.

Mr. President, I regret that I did not have an opportunity to vote for the amendment proposed by Senators DECONCINI and PRESSLER.

Mr. LEVIN. Mr. President, Russian and CIS military forces should be withdrawn from Estonia, Latvia, and Lithuania. It is inappropriate that foreign military forces are present in these three independent nations when they are unwanted. Specifically, these three sovereign and independent countries have the right to demand that the unwanted remnants from the former Soviet Union be withdrawn. I hope each of us in this Chamber supports the Baltic nations in this.

The disagreement is how to best assure this result. It is in the national security interest of the United States, as well as the security interests of the Baltic nations, that the reformers in Russia prevail. It is in our interest and the Baltics' interest that Yeltsin and the free-market democrats are strengthened against the forces that oppose them. A move on our part that could lead to destabilization in Russia is counterproductive. I want the foreign troops out of the Baltics. I would like them out yesterday. I will continue to support policies and programs that I think will lead to their getting out. But, as a matter of tactics, it is short-sighted to do something that may endanger the enlightened forces in Moscow that are the Baltics' best bet to see these unwelcomed troops leave.

Because I want to see the reformers in Moscow prevail, I will cast my vote against tabling the Pell amendment. The Pell amendment will prohibit U.S. economic assistance to Russia unless the President certifies to Congress within 12-months of passage that significant progress has been achieved toward the removal of Russian or Commonwealth of Independent States Armed Forces from Estonia, Latvia, and Lithuania. This 12-month period is appropriate to enable President Yeltsin some time to see that these troops are withdrawn in an orderly and peaceful way that does not jeopardize the stability of the new and struggling Russian Government. Such instability would threaten the Baltics, and undermine the cause of removal of the Russian and CIS troops from the Baltics.

Mr. President, the troops should be removed. President Yeltsin has pledged that that is his goal, too. The Pell amendment indicates our support of this goal while giving the democratically elected government of Russia the flexibility of receiving the assistance it so desperately needs to survive. This assistance will help Russia achieve the goal that we all share—the removal of the troops from the Baltics.

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

UNITED STATES SENATE,
Washington DC, June 16. 1992.

Hon. GEORGE BUSH,
The White House, Washington, DC.

DEAR MR. PRESIDENT. We respectfully urge you to raise the issue of timely withdrawal of Russian forces from the Baltic States during your discussions with President Yeltsin. Before taking office, President Yeltsin courageously supported independence for the Baltic States. But Latvia, Lithuania and Estonia cannot be fully free or independent with thousands of foreign troops stationed on their territory against the will of the people and governments of those states.

Russian armed forces are there illegally, contrary to the express wishes of the legitimate independent governments of Estonia, Lithuania, and Latvia. The Russian government has not demonstrated good faith by undertaking serious negotiations with Baltic governments for a rapid withdrawal timetable. We consider the presence of these troops destabilizing and believe they represent an obstacle to normal diplomatic relations between the United States and Russia.

We ask you to convey the gravity we attach to the unwillingness or inability of the Russian government and its military commanders to agree to a reasonable withdrawal timetable. While we understand there may be difficulties in removing over 100,000 troops and closing bases, we believe the effort to conclude a mutually agreeable timetable for withdrawal is vital. Mr. President, we urge you to raise the issue of good faith signals with President Yeltsin. For example, we cannot understand why conscripts continue to be deployed in the Baltic States. In addition, units that pose the greatest threat to Baltic sovereignty, such as the 107th divisions in Lithuania, are not being removed.

Beligerent and threatening rehetoric by the Russian military, under the guise of protecting the Russian minorities in the Baltic States, is not helpful to concluding a reasonable pullout schedule. We note a recent statement by General Grachev, the Russian Minister of Defense, that "all possible means" will be used to protect the honor and interests of the Armed Forces of Russia.

We have great respect for President Yeltsin's actions in assisting the Baltic States to achieve their independence in 1991. We have no desire to handicap his efforts to promote representative government and free markets. However, we believe that he alone is responsible for the actions of the Russian military and that he must assure that a mutually acceptable agreement is speedily concluded with the Baltic States on a timetable for withdrawal. Additionally, he should assure Russian adherence to this timetable and respect the sovereignty of these countries.

We consider a Russian demonstration of good will troop withdrawal to be vital to the success of democracy and freedom in the Baltic States and Russia and a precondition to U.S. assistance to Russia.

Sincerely,

Larry Pressler, Donald W. Riegle, Jr., Arlen Specter, Paul Simon, Barbara A. Mikulski, Brock Adams, Alfonse M. D'Amato, Alan J. Dixon, Malcolm Wallop, Harris Wofford, Dennis DeConcini, Daniel Patrick Moynihan.

Robert W. Kasten, Jr., Daniel K. Inouye, Bob Smith, Joseph I. Lieberman, Robert C. Byrd, Dan Coats, Jesse Helms, John Glenn, Hank Brown, John Seymour, Al Gore, Ernest F. Hollings, Wendell H. Ford, Christropher J. Dodd, Bill Bradley, Paul S. Sarbanes, Frank R. Lautenberg, Steve D. Symms, Edward M. Kennedy.

Mr. DECONCINI. Mr. President, to conclude, let me just suggest that all that would have to be done to satisfy this amendment is for President Yeltsin to call President Bush and say: We are not going to replace all of these troops in December.

That would be significant, or: We are now going to stop at the border and show our papers as we move troops in and out of this country, and follow their customs.

Is that asking too much? I submit it is not. I hope the motion to table is agreed to. I yield the remainder of my time.

The PRESIDING OFFICER. The Senator from Rhode Island has 15 seconds remaining.

Does the Senator yield the remaining time?

Mr. PELL. Mr. President, I yield the remaining 15 seconds.

Mr. PRESSLER. I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The legislative clerk called the role.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY], the Senator from Ohio [Mr. METZENBAUM], and the Senator from North Carolina [Mr. SANFORD] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. ROTH] are absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 35, nays 60, as follows:

[Rollcall Vote No. 139 Leg.]

YEAS—35

Adams	Gore	Pryor
Breaux	Graham	Reid
Bumpers	Gramm	Riegle
Byrd	Heflin	Sarbanes
Craig	Hollings	Seymour
D'Amato	Kasten	Shelby
DeConcini	Kohl	Smith
Dixon	Lautenberg	Specter
Dodd	Lieberman	Symms
Ford	Mikulski	Wallop
Fowler	Nickles	Wofford
Glenn	Pressler	

NAYS—60

Akaka	Bryan	Cranston
Baucus	Burdick	Danforth
Bentsen	Burns	Daschle
Biden	Chafee	Dole
Bingaman	Coats	Domenici
Bond	Cochran	Durenberger
Boren	Cohen	Exon
Brown	Conrad	Garn
Gorton	Leahy	Pell
Grassley	Levin	Robb
Harkin	Lott	Rockefeller
Hatch	Lugar	Rudman
Hatfield	Mack	Sasser
Inouye	McCain	Simon
Jeffords	McConnell	Simpson
Johnston	Mitchell	Stevens
Kassebaum	Moynihan	Thurmond
Kennedy	Murkowski	Warner
Kerrey	Nunn	Wellstone
Kerry	Packwood	Wirth

NOT VOTING—5

Bradley	Metzenbaum	Sanford
Helms	Roth	

So the motion to table the amendment (No. 2665) was rejected.

Mr. PELL. Mr. President, I move to reconsider the vote by which the motion was rejected.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now occurs on the second-degree amendment.

The yeas and nays have been ordered.

Mr. PELL. Mr. President, I ask unanimous consent to vitiate the order for the yeas and nays.

The PRESIDING OFFICER. Is there objection?

The Chair hearing none, without objection, the yeas and nays have been vitiated.

The question now occurs on agreeing to the second-degree amendment.

The amendment (No. 2665) was agreed to.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now occurs on the first-degree amendment.

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

The PRESIDING OFFICER. The yeas and nays are requested. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

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

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

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. 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 question now occurs on agreeing to the amendment.

The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY],

the Senator from Ohio [Mr. METZENBAUM], the Senator from Arkansas [Mr. PRYOR], and the Senator from North Carolina [Mr. SANFORD] are necessarily absent.

I further announce that, if present and voting, the Senator from Arkansas [Mr. PRYOR], would vote "yea."

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS], and the Senator from Delaware [Mr. ROTH] are absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "yea."

The PRESIDING OFFICER. (Mr. WOFFORD). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 92, nays 2, as follows:

[Rollcall Vote No. 140 Leg.]

YEAS—92

Adams	Ford	Mikulski
Akaka	Fowler	Mitchell
Baucus	Garn	Moynihan
Bentsen	Glenn	Murkowski
Biden	Gore	Nickles
Bingaman	Gorton	Nunn
Bond	Graham	Packwood
Boren	Gramm	Pell
Breaux	Grassley	Pressler
Brown	Harkin	Reid
Bryan	Hatch	Riegle
Bumpers	Hatfield	Robb
Burdick	Heflin	Rockefeller
Burns	Hollings	Rudman
Byrd	Inouye	Sarbanes
Chafee	Jeffords	Sasser
Coats	Kassebaum	Seymour
Cochran	Kasten	Shelby
Cohen	Kennedy	Simon
Conrad	Kerrey	Simpson
Craig	Kerry	Smith
D'Amato	Kohl	Specter
Danforth	Lautenberg	Stevens
Daschle	Leahy	Symms
DeConcini	Levin	Thurmond
Dixon	Lieberman	Wallop
Dodd	Lott	Warner
Dole	Lugar	Wellstone
Domenici	Mack	Wirth
Durenberger	McCain	Wofford
Exon	McConnell	

NAYS—2

Cranston	Johnston

NOT VOTING—6

Bradley	Metzenbaum	Roth
Helms	Pryor	Sanford

So the amendment (No. 2664), as amended, was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment as amended, was agreed to.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New Hampshire.

VOTE CHANGE

Mr. SMITH. Mr. President, I ask unanimous consent that I be allowed to change my vote on rollcall vote No. 139 from "nay" to "yea." This has been cleared by both leaders and will not change the outcome of the vote.

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

(The foregoing tally has been corrected to reflect the above change.)

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

AMENDMENT NO. 2667

(Purpose: To authorize the use of a portion of international military education and training (IMET) assistance for training in economic security and development)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN] proposes an amendment numbered 2667.

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

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

The amendment is as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . TRAINING IN ECONOMIC SECURITY AND DEVELOPMENT SKILLS.

Chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 546. TRAINING IN ECONOMIC SECURITY AND DEVELOPMENT SKILLS.—(a) The President is authorized to allocate a portion of the funds made available each fiscal year to carry out this chapter for use in providing education and training of foreign military personnel described in subsection (b) in economic security and development skills, including skills in the development of agriculture, rural enterprise, and rural health and sanitation.

"(b) The foreign military personnel referred to in subsection (a) are members of the armed forces of a foreign country who are being separated, within one year, from active duty with such armed forces.".

Mr. COCHRAN. Mr. President, this amendment relates to the International Military Education and Training Program. This program currently supports training only for active foreign military personnel and high-ranking officials in certain ministries, such as defense, foreign affairs, and Treasury.

The amendment would authorize the President to use international military education and training funds for the education of persons within 1 year of their separation from active military duty.

Mr. President, I have discussed the amendment with the distinguished managers of the bill, and I am encouraged to think that it might be acceptable.

Mr. President, the emerging democracies in Eastern Europe and elsewhere need help in stabilizing their economies and their societies. My amendment would further this aim by amending the Foreign Assistance Act of 1961 to provide for the education and training of active and soon-to-be-discharged foreign military personnel in such economic security and development skills as agricultural development, rural enterprise, and rural health and sanitation.

Thousands of military personnel in the emerging democracies are now confused and disheartened as they face demobilization. Many are poor, unprepared for civilian jobs, and ill-equipped to function in a democratic society.

If these people receive proper education and training through U.S. educational institutions, I believe they can become skilled and productive citizens. Soldiers, sailors, and airmen can become paramedics, agricultural specialists, and business operators. Hands-on education and training can help reduce conflict and create a secure economic and social climate beneficial to the emerging democracies as well as our own.

I urge adoption of this amendment.

Mr. LUGAR. Mr. President, indeed, we highly approve of the distinguished Senator's amendment, and support it on this side.

Mr. PELL. Mr. President, on this side, we have examined the amendment, think it is an excellent one, and recommended it be adopted.

The PRESIDING OFFICER. If there is no further debate the question is on agreeing to the amendment.

The amendment (No. 2667) was agreed to.

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

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

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

AMENDMENT NOS. 2668 AND 2669, EN BLOC

Mr. GRAMM. Mr. President, I send two amendments to the desk and ask unanimous consent that they be dealt with en bloc.

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

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Texas [Mr. GRAMM], for himself, Mr. DOLE, Mr. SYMMS, Mr. MACK, Mr. HELMS, and Mr. SIMPSON proposes amendments numbered 2668 and 2669, en bloc.

Mr. GRAMM. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2668

(Purpose: To establish stable currencies and promote free enterprise in the CIS countries)

On page 44, line 20, insert before the period the following:

", and may use his voice and vote in the Fund to promote the use of the resources of the Fund for the establishment and/or support of currency boards in those cases where a currency board would be more likely to achieve success in promoting a stable currency and sustained economic growth".

AMENDMENT NO. 2669

(Purpose: To establish stable currencies and promote free enterprise in the CIS countries)

On page 41, strike lines 7 through 22 and insert in lieu thereof the following:

"SEC. 12. SUPPORT FOR MACROECONOMIC STABILIZATION.

"(a) IN GENERAL.—In order to promote macroeconomic stabilization, the integration of the independent states of the former Soviet Union into the international financial system, enhance the opportunities for trade, improve the climate for foreign investment, and strengthen the process of transformation of the former socialist economies into free enterprise systems and thereby progressively enhance the wellbeing of the citizens of these states, the United States should in appropriate circumstances take a leading role in organizing and supporting multilateral efforts at macroeconomic stabilization and debt rescheduling, conditioned on the appropriate development and implementation of comprehensive economic reform programs.

"(b) CURRENCY STABILIZATION.—In furtherance of the purposes and consistent with the conditions described in subsection (a), the Congress expresses its support for United States participation, in sums of up to $3,000,000,000, in a currency stabilization fund or funds for the independent states of the former Soviet Union. Such amounts may also be used for the establishment and/or support of currency boards in those cases where the President determines that a currency board would be more likely to achieve success in promoting a stable, convertible currency and sustained economic growth.".

Mr. GRAMM. Mr. President, I ask unanimous consent that a letter from David Mulford, the Under Secretary of the Treasury, endorsing these amendments, be printed in the RECORD.

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

DEPARTMENT OF THE TREASURY,
Washington, July 1, 1992.

Hon. RICHARD LUGAR,
Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR SENATOR LUGAR: I am writing to urge your support for Senator Gramm's amendment to Section 12 of S. 2532. This amendment would express Congressional support for U.S. participation in an amount of up to $3 billion for the establishment of stabilization funds or currency boards for the new states of the former Soviet Union.

One of the most important issues confronting the new states is how to achieve a currency that is stable and that promotes confidence in order to foster sustained market-led growth. For these purposes, both stabilization funds and currency boards can be useful, depending on the circumstances in the individual country.

I believe, therefore, that Senator Gramm's amendment is consistent with the intent of the Freedom Support Act and is supportive of U.S. goals in the new states.

Sincerely,

DAVID C. MULFORD.

Mr. GRAMM. Mr. President, these two amendments are very simple. They really are the same amendment. One deals with the IMF section of the bill. The other deals with the exchange stabilization fund.

The amendments simply allow the Treasury and the IMF to use a currency board rather than the traditional IMF stabilization process if they find that it would be more advantageous. I am very concerned about our ability to stabilize the ruble. I think there are very strong reasons to believe that the conventional approach will not be successful.

This would give the IMF and the Treasury another alternative to use in some of the Russian Republics; potentially, to use overall.

This is supported by the Treasury and, as I understand, is acceptable to both sides.

I yield the floor.

Mr. DOLE. Mr. President, I am pleased to join as an original cosponsor of this amendment. This amendment reaffirms United States support for effective programs of currency stabilization in the former Soviet Union, and specifically encourages consideration of the option of achieving stabilization through the use of currency boards.

The Republics of the former Soviet Union are, for the most part, starting from scratch in building viable economic institutions and programs.

Most of these economies right now are nearly belly up. Before they even have the potential to grow, they will have to establish certain basics—and most basic of all, they will have to achieve stable, non-inflated currencies. If these new governments continue to run inflationary monetary policies—and there will be tremendous pressure on them to do exactly that, in part to subsidize inefficient state enterprises which still predominate in their economies—currency stabilization will be impossible.

Just this week the Russian Government approved the second stage of its ambitious reform program. It calls for greatly accelerated privatization, and a hard line on inflation. As President Yeltsin made clear to us during his recent visit, his government understands that these steps are critical to successful reforms. But in the short run those reforms will also generate more hardships, and spark widespread and intense pressure for easier credit.

The advantage of using a currency board as opposed to traditional currency stabilization funds is that the independent board replaces a central banking system, taking discretionary action out of the government's hands. The board only issues currency in an amount equal to its foreign currency reserves. It cannot pursue an inflationary monetary policy, period.

All of us want the $6 billion stabilization fund to be used efficiently. A currency board is the best hope and most cost effective way of achieving a long-term, stable currency—and one that won't be subject to short-term political fluctuations.

The amendment does not tie the president's hands. It leaves open all options for achieving currency stabilization. But it does authorize the use of currency boards, where that option seems to make the most sense.

I happen to believe it does make the most sense for Russia and most, if not all, of the former Soviet Republics. At a minimum, I believe all of those States, and the IMF, ought to be encouraged to seriously consider the currency board option.

So I urge all Senators to join with us in supporting this amendment, to give us a valuable, creative new tool to help these fledgling democracies help themselves.

Mr. LUGAR. Mr. President, we are prepared to accept both amendments.

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

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

Mr. CRANSTON. Mr. President, I ask unanimous consent that the pending amendment be set aside while and only while I bring up an amendment that, as I understand it, is acceptable.

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

AMENDMENT NO. 2670

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

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from California [Mr. CRANSTON] proposes an amendment numbered 2670.

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

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

The amendment is as follows:

At the appropriate place in the bill insert the following section:

SEC. . The Secretary of State, in consultation with the Secretary of Defense and the Secretary of Energy, shall, within a period not to exceed 180 days, present to the chairmen of the Senate Foreign Relations Committee and the House Committee on Foreign Affairs, a report on the possible alternatives for the ultimate disposition of ex-Soviet special nuclear materials [SNM].

The report shall include a cost-benefit analysis comparing (1) the relative merits of the indefinite storage and safeguarding of such materials in the Republics of the former Soviet Union and (2) its acquisition

by purchase, barter or other means by the United States.

Such a report shall include relevant issues such as the protection of United States uranium producers from dumping, the relative vulnerability of these SNM stocks to illegal proliferation, and the potential electrical and other savings associated with their being made available in the fuel cycle in the United States.

The report shall also include a discussion of how high enriched uranium stocks could be diluted for reactor fuel. Further, it shall include an analysis of the potential costs to the United States of a default on commodity credit loans by the recipient Republics of the former Soviet Union, and how this could be ameliorated by authorities allowing for the bartering for food.

Mr. CRANSTON. Mr. President, this amendment requires the Secretary of State, in consultation with the Secretary of Defense and the Secretary of Energy, to issue a report on the possible alternatives for the ultimate disposition of ex-Soviet special nuclear materials [SNM].

The potential uncontrolled release of some 500 tons of high-enriched uranium and 100 tons of plutonium currently held by the Russian Republic is a clear proliferation risk for the future.

Although existing Nunn-Lugar legislation provides for the indefinite storage of SNM in Russia, at a cost estimated by some of as much as $200 million, the United States and the Russian Government have not been able to agree on the final disposition of these materials.

The fuel value of the high-enriched uranium for reactors, contained in some 20,000 warheads is estimated to be between $5 to $10 billion. This is enough HEU to last at least 1,000 reactor years.

Mr. President, I believe this fuel may be an important asset, particularly as there is a growing debate about the creditworthiness of the Russian Republic as it seeks to obtain essential foods from our commodity credit programs.

There is an obvious financial savings to the United States by obtaining some valuable fuels in trade for foods that may not, eventually, be paid for out of hard currency. Such a barter would also result in a savings of some $200 million in Nunn-Lugar funds for the storage facility.

Obviously, this issue is of great importance, not only as a nonproliferation concern, but also as an economic and trade issue as well. It deserves close and careful study.

I urge adoption of this amendment.

I understand this amendment has been cleared on both sides.

Mr. PELL. The Senator is correct. It has been cleared on this side.

Mr. LUGAR. Mr. President, we are prepared to accept the amendment on our side.

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

The amendment (No. 2670) was agreed to.

Mr. CRANSTON. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. CRANSTON. I thank the Senators from Rhode Island and from Indiana for their understanding of the importance of this amendment, for accepting it, and I thank the Senator from Texas for permitting me to go ahead of him for a moment.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, when I offered the amendment a moment ago I was unaware that the bill had been altered by a previous amendment, and so the amendment read, "page 44, line 20," when, in fact, it should now, as a result of the earlier amendment, read, "page 44, line 19." So I just simply ask unanimous consent to amend amendment 2668 to conform to the bill as amended.

The PRESIDING OFFICER. Without objection, the amendment will be so modified.

The amendment, as modified, is as follows:

On page 44, line 19, insert after the comma the following: ", and may use his voice and vote in the Fund to promote the use of the resources of the Fund for the establishment and/or support of currency boards in those cases where a currency board would be more likely to achieve success in promoting a stable currency and sustained economic growth".

Mr. PELL. 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. LUGAR. 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. LUGAR. Mr. President, I ask that the amendment of the distinguished Senator from Texas be temporarily laid aside for the sole purpose of submitting an amendment.

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

AMENDMENT NO. 2671

(Purpose: To provide technical assistance to promote the development of certain specified agricultural sections)

Mr. LUGAR. Mr. President, I send to the desk an amendment and ask for its immediate consideration in behalf of Senator HATCH, of Utah.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR] for Mr. HATCH, proposes an amendment numbered 2671.

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

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

The amendment is as follows:

On page 32, line 5, insert "and in processing facilities necessary to convert raw agricultural products into food," after "systems,".

Mr. HATCH. Mr. President, I rise today to introduce an amendment to S. 2532, the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act.

This amendment will broaden the definition of technical assistance for the purposes of privatization and increased efficiency in the agricultural sector in the former Soviet Union as stipulated in section 7 of the bill.

This amendment will ensure that technical assistance can be provided to the entire agricultural sector, including the harvesting of crops and converting crops into consumable food end-products. In essence, the amendment authorizes technical assistance to the entire agricultural sector so that the Commonwealth of Independent States [CIS] countries can realize their full economic potential. In addition, by expanding the definition of technical assistance in this area, we will be providing more economic opportunities for U.S. businesses that have expertise in several agricultural subsectors.

Mr. President, the agricultural potential in the CIS is immense. I would like to offer my colleagues a specific example of this potential. The Ukraine sugar industry is one of the largest producers of sugar in the world. Ukraine produces approximately 5.5 million tons of sugar annually, more than 50 percent of the entire CIS sugar production, which is approximately 8 million tons of sugar. In comparison, the U.S. industry, both beet and cane, produces about 7 million tons of sugar. The problem with commodities like sugar is that they require extensive processing in order to be used as food or in food products. However, without the technical expertise to increase the efficiency of agricultural processing techniques, which many U.S. businesses possess, the magnitude of the economic benefits that derive from commodity production capacity is greatly reduced.

Therefore, Mr. President, I encourage my colleagues to support this amendment.

Mr. LUGAR. Mr. President, on our side, we are prepared to accept the amendment.

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

Mr. PELL. Mr. President, this seems like an excellent amendment. I believe we should pass it.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Utah?

The amendment (No. 2671) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. SYMMS. Might I ask of the managers of the bill; would it be an appropriate time for me to speak on the Gramm amendment that is before the Senate, if there is no other Senator seeking recognition?

Mr. LUGAR. Somebody will respond. The floor is awaiting ruling on Senator GRAMM's amendment. I ask that amendment be temporarily laid aside for the purposes that I had. The Senator might want to request the amendment be laid aside for his statement so that Senator GRAMM's position will be restored.

Mr. SYMMS. Mr. President, it is my understanding that the Gramm amendment is temporarily laid aside, and I want to be sure that the RECORD shows that the Senator from Idaho is a cosponsor of that amendment.

The PRESIDING OFFICER. Is there a unanimous-consent request that the Gramm amendment be set aside?

Mr. SYMMS. I am speaking on the Gramm amendment, so it is not necessary to lay it aside.

The PRESIDING OFFICER. The Gramm amendment is the pending business.

Mr. SYMMS. I thank the Presiding Officer.

I would just say I am hopeful that the managers of the bill will accept this amendment, and I am pleased to be a cosponsor of the amendment that is offered by Senator GRAMM.

I believe that this is the single most important amendment to be offered to the Freedom Support Act. I say that because it can ensure the transition of the newly independent Republics of the former Soviet Union into viable free market democracies, which will then have an opportunity for economic growth. I believe something should be done to assist the former Soviet Union, the CIS, as we call it.

However, questions remain on what kind of assistance we should provide. But I think this is fundamentally important about the Senator from Texas' amendment.

Two changes are essential before any assistance can work in the long run. First and foremost, a sound convertible currency must be instituted. It has to be instituted. Without instituting a method to have a sound convertible currency I will predict here on this Senate floor that within a year the CIS will be overrun with hyperinflation, and they will be devastated by a similar kind of situation that happened in post World War I Germany. It will disrupt the entire opportunities for people to seek freedom, opportunity, ownership, and privatization.

Second, along with that convertible currency, the market has to be freed from the central planning by privatizing property and business, and it is a big task. I think that Senators in this body should not be deluded, or under some illusion, Mr. President, that it is going to happen overnight.

I recently, with Senator MURKOWSKI, had the opportunity to visit Vladivostok. That city is opened up now for the first time in 70-plus years. If someone went to Vladivostok with a million dollars in greenbacks, you could probably buy a good share of the town because everything is for sale. But the interesting thing is, they have no system in place where you can get a title for that property. Therefore, you do not know how long the property will be yours.

The people of the CIS all know one thing. They know the rubles are becoming more worthless by the day. So they do about anything they can to get greenbacks or get some kind of convertible currency.

So, I think we in this Senate have an obligation to help ensure a stable currency is instituted. That is why I think it is so important that this amendment be accepted. Even though it will not accomplish my first goal, it sets the stage for a convertible currency system by establishing the option of a currency board to be set up.

It seems obvious to me that the real aid to the former Soviet Union ought to encourage the competitive development of their domestic industries. We can best do this through technical assistance, encouraging private investment and increased trade.

Financial assistance alone will not help the former Soviet Union. Giving dollars to bureaucrats in Moscow does not provide an incentive for government to reform, nor does it do anything to the average Russian citizen. It is by encouraging businesses that transition from socialism to capitalism can actually succeed. It is going to be a difficult transition, but first they have to have a fundamentally sound convertible currency.

President Boris Yeltsin recognizes this and he has begun to move in this direction. Prices have been freed, state trading monopolies have been abolished and the ruble is now convertible. These are important first steps.

It is because of Yeltsin's efforts that the Russian people are now starting their own businesses and foreign companies are beginning to make investments. We must continue to encourage this kind of activity and we must encourage development of free markets by directly supporting the goals of the entrepreneurs. After all, it is not government that creates economic growth; it is the people.

Despite Yeltsin's reforms, the path to capitalism is in jeopardy. Hyperinflation is scaring off foreign and domestic businesses and is threatening to undo Yeltsin's reforms. Without a sound, solid ruble, democracy, and free markets are destined to fail.

The plan under the Freedom Support Act is to back the ruble with western currency. That part is fine. The problem rests with who controls monetary policy. Provisions in this bill suggest that the former Soviet Central Bank, now the Russian Central Bank, is expected to determine the exchange rate, the interest rate, and the money supply.

Mr. President, in this Senator's opinion it is a grievous mistake, if they turn this over to the political leaders who are in power. As this brings a grinding slow down of these massive former State-owned monopolistic businesses that are inefficient. They have had no pricing system, no system of economic measures. They do not know what is efficient and what is not. As they grind to a halt, there will be a shortage of money, and the politicians will print more rubles.

That is why this Senator stands on the floor to argue that without the establishment of a currency board and a fixed rigid exchange rate for convertibility so there is a measure of discipline built into the system, they will have hyperinflation. They will have to hire out the printing presses in other countries to print enough paper rubles, and they will run the printing presses until the rubles will not purchase what it costs to print them. That is exactly what will happen. It has happened over and over throughout the history of mankind, and it will happen there

What we need to do is establish a currency board system. Unlike a central bank, a currency board simply issues notes and coins, convertibles into a foreign reserve currency at a fixed rate on demand. That is fundamentally important, a fixed rate on demand. It has no discretionary monetary policy because its 100 percent foreign reserve requirement makes it merely a warehouse for reserves. Instead, market forces alone will determine the money supply.

There are many advantages to a currency board, Mr. President. It has unlimited convertibility. There is no risk of loss of money. The government cannot fund decrepit state industries because the currency board cannot issue unbacked money. And, the interest rate and inflation tend to be the same as in the reserve country.

More than 70 countries throughout history have used the currency board system, and in each case it has been a success. Currency boards still exist in Singapore and in Hong Kong. As a result from 1965 to 1989, annual growth in real GNP was approximately 6.8 percent, with an average annual inflation rate of 5.5 percent.

A currency board system would not be new to the former Soviet Union. In

north Russia, in 1918, during the Russian Civil War, Dr. Steven Hanke, professor of applied resource economics at Johns Hopkins University, discovered John Maynard Keynes established a British-ruble, backed by British pounds sterling, and convertible at a fixed rate. The British ruble proved to be a successful, reliable store of value. It ended in 1920 when the Communist Red army took over north Russia.

Mr. President, despite the successes of currency boards, there is still hesitation over implementing a currency board. Even though they have been successful. They have a record of success throughout history, in modern history, especially.

The major concern against currency boards is that it is a strict discipline. Political leaders resist this with all their passion, and heart, and soul because strict discipline sometimes means it is power that has to be given up by the political leaders. The major concern, of course, then is that it can become very difficult at times when people face reality and then they have to look at the real world and establish a pricing system, and they have to allow people to be rewarded for their work, and it is a difficult transition for people that are not used to that.

There is, however, I think, a compromise solution. Have two currencies running parallel to each other for a period of 5 years. One is run by the currency board, the other determined by the Central Bank. During this time, the Central Bank currency could gradually be phased out.

Having two simultaneous currencies is not new to the people of the former Soviet Union. In 1922, Secretary General Vladimir Lenin instituted this exact program. A few years later, the currency board ruble replaced the General Bank ruble.

But for some reason, the notion of a central bank still has appeal. Mr. President, I think it is very interesting what the former Chairman of the U.S. Federal Reserve System, Paul Volcker, thinks about this. He has come out against the Central Bank for the former Soviet Union. He has stressed that markets need to be developed long before the Central Banks. He even suggested the Russian Central Bank was the one institution that might actually retard the Russian transition.

I suspect he bases his arguments on the lackluster performance of Central Banks in the developing countries. For 99 countries described as low- and middle-income, the average annual inflation rate from 1980 to 1988 was 54 percent, with an average GNP growth of less than 1 percent. In other words, about one-half of all of the developing countries became poorer. Compare that with Singapore and Hong Kong's record of 5.5-percent annual inflation and 6.8-percent growth.

The culprit responsible for this skyrocketing inflation and minimal economic growth was the Central Bank. Instead of being used as a monetary instrument, the Central Bank was used as a political instrument. Governments in developing countries found it easier to pump more money into the economy, rather than make the necessary economic reforms.

So far, the evidence suggests that the Russian Central Bank will be no better than the others. The managers of the Russian Central Bank were appointed—and I think this is very significant—before Boris Yeltsin became President. They may or may not share Yeltsin's reformist ideas. The people to whom we intend to entrust the stabilization fund have already pumped inflation out of sight, rendering the ruble nearly worthless.

Mr. President, I cannot state enough how important this is, and I hope that Senators will look into this issue and familiarize themselves with this issue. If hyperinflation occurs in the former Soviet Union due to a central bank system, no matter what we do, they will end up in financial chaos, and they will have difficulties, and they will set the stage for dictators to rise again in the Russian Republic and in the other republics. This can be avoided if a currency board was instituted to provide needed discipline.

Russian citizens have long recognized the worthlessness of the Russian ruble, and they already hold an estimated $10 billion in foreign currencies. This amendment for the option of establishing a currency board merely recognizes what the Russian people know—a new ruble is needed. And they need a stable, convertible ruble, so they have money that is a storehouse of value.

Mr. President, I will soon ask unanimous consent to have printed in the RECORD a "Letter From Washington" from the International Economy, written by Dr. Hanke. This article makes reference to putting our money where our mouths are and talks about the great Nobel Laureate, Friedrich von Hayek, who passed away this year, and his classic book, "The Road To Serfdom," which he wrote in 1944.

Hayek made the point, and Dr. Hanke makes the point in this article, that in order to have a successful private system and to make the conversion from a status command and control economy to a private-owned economy, you must first establish a sound convertible currency that can be a storehouse of value, and give liquidity and confidence to the people that will use the currency.

I ask unanimous consent that the article 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 International Economy, May-June 1992]

LETTER FROM WASHINGTON: PUTTING OUR MARKETS WHERE OUR MOUTHS ARE

WASHINGTON.—In late March, the world lost one of the greatest economists of the twentieth century, and we lost a friend. Nobelist Friedrich von Hayek, at the age of 92, received his final calling in Freiburg, Germany. As a tribute to Hayek, we focus on his thoughts about currency convertibility. Although it is contained in a footnote that appeared in his 1944 classic. *The Road to Serfdom*, Hayek's insight is particularly relevant today, as the former communist nations debate convertibility.

Hayek, always a student of liberty, stated: "The extent of the control over all life that economic control confers is nowhere better illustrated than in the field of foreign exchanges. Nothing would at first seem to affect private life less than a state control of the dealings in foreign exchange, and most people will regard its introduction with complete indifference. Yet the experience of most continental countries has taught thoughtful people to regard this step as the decisive advance on the path to totalitarianism and the suppression of individual liberty. It is in fact the complete delivery of the individual to the tyranny of the state, the final suppression of all means of escape—not merely for the rich, but for everybody." We elaborate on Hayek's insight.

Currency convertibility is, in principle, a simple concept. It applies to the ability of residents and non-residents to exchange domestic currency for foreign currency. There are, however, many degrees of convertibility, with each denoting the extent to which governments impose limitations on the use of currency. For example, the International Monetary Fund's (IMF) concept of convertibility, as defined in its Articles of Agreement (Article VIII), is a limited one, related pragmatically to the so-called economic circumstances of members. In consequence, Fund members are required to maintain convertibility on current account transactions, but not those on the capital account. However, deviations from the Fund's convertibility requirements are permitted, although members are expected to correct deviant behavior (exchange restrictions) as soon as circumstances permit. In general, full convertibility on capital as well as current accounts is viewed as being a luxury that many countries, particularly the former communist nations, cannot afford because of the risk of capital flight. The same position is clearly articulated by Mr. John Williamson in his entry. "International capital flows," which appears in the prestigious New Palgrave: A Dictionary of Economics. Mr. Williamson's concluding sentence—"The net benefits of unrestricted capital mobility are indeed debatable"—captures the essence of his analysis.

Hayek's message has regrettably been overlooked by orthodox analysts. Hayek saw that capital controls serve as a ring fence within which governments can expropriate their subjects—a practice carried to extremes in the former communist regimes of Eastern Europe and the Soviet Union. Open capital markets, through the threat of capital flight, provide a protection for the individual from government exactions.

Limitations on convertibility are not a new phenomenon. However, their introduction in modern times was interestingly made by Tsar Nicholas II. In 1905-06, the State Bank of Russia introduced a limited form of exchange control to discourage speculative

purchases of foreign exchange by refusing to sell it, except where it could be shown that the foreign exchange was required for imports. Otherwise, foreign exchange was limited to 50,000 German Marks per person.

The Tsar's rationale for limiting convertibility to current account transactions was much the same as that employed by the IMF and orthodox analysts: Foreign reserves must be conserved so that the exchange rate can be maintained and until the monetary and fiscal discipline required to accomplish that objective can be established. Even though the Tsarist government had an extensive surveillance, regulatory and police apparatus, it only imposed restrictions on capital account transactions because they were easier to implement than restrictions on current account transactions. Today, this is still the case. Perhaps that explains why the IMF, for all practical purpose, turns a blind eye to restrictions on convertibility for capital account transactions.

To understand our opposition to anything less than full convertibility, we return to Hayek's insight. The value of an assert (property) is a function of expected income discounted to present value at an appropriate risk-adjusted discount rate. When convertibility on the capital account is restricted, for example, the risk-adjusted discount rate employed to value assets is higher than it would be with full convertibility because property is held hostage and subject to a potential ransom through expropriation. Hence. owners of assets are willing to pay less for each dollar of prospective income and the value of property is less than it would be with full convertibility. This, incidentally, is the case, even when convertibility is allowed for profit remittances. With less than full convertibility, therefore, there is a taking of property without compensation.

Faced with the prospect of inconvertibility, money becomes "hot" and capital flight occurs. Asset owners liquidate their property and get out while the getting is good. Contrary to popular folk wisdom, restrictions on convertibility do not retard capital flight; they promote it. This type of capital flight (and dollarization) is already occurring on a grand scale in the capital-starved former communist nations. For example, in 1990 and 1991, there was a net outflow of financial resources from Eastern Europe. In Poland alone, capital flight is estimated to be over $10 million a month, and in 1991 it was between $14-40 billion in the former Soviet Union.

Restrictions on convertibility promote other noxious activities. For example, if capital account convertibility is restricted or limited and convertibility on the current account is allowed, a two-tier currency market will be either formally or informally established. In that case, the "investment currency" will trade at a premium over the price of the relevant foreign currency on the official market for current account transactions. With two prices for the same currency, there are profits to be derived from having capital account transactions "reclassified" as current account transactions. That ad hoc reclassification can usually be bought for a price. We have little doubt that, in the kleptocracy known as the Commonwealth of Independent States (CIS), the graft and bribes connected with foreign exchange transactions are already rife. Indeed, without full convertibility, what else could be expected in a land in which the noted Russian sociologist, M.I. Zemtsov, has observed that: "if a man steals, he is said to be smart; if he is cunning and dishonest, he is said to be a businessman." Inconvertibility simply fuels these undesirable proclivities.

Modern economists, by failing to heed Hayek's message on convertibility, have the world upside down. They claim that property rights, the rule of law, free markets and monetary and fiscal discipline are preconditions that must be satisfied before full convertibility can be introduced. We take exception to that assertion. Full convertibility must be established precisely so that governments pursue sound policies that don't threaten to bankrupt private enterprises. Indeed, full convertibility amounts to a guarantee that protects people's right to what belongs to them.

Mr. SYMMS. Mr. President, I ask unanimous consent that an article by Judy Shelton, Wall Street Journal, Monday, June 22, "Russia—Growth First, Balanced Budgets Later," 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 Wall Street Journal Mon. June 22, 1992]

RUSSIA—GROWTH FIRST, BALANCED BUDGETS LATER

(By Judy Shelton)

As Russia slides deeper into the abyss with every passing day, it must be disheartening for president Yeltsin to realize that he has pinned his hopes for economic salvation on a group of bureaucrats at the International Monetary Fund. The Bush Administration is just now recognizing that IMF prescriptions are not the right medicine for Russia at this crucial time. They should have seen it coming; bureaucratic institutions breed rigid, unimaginative policies.

While members of the IMF delegation met over the Russian government's inability to meet arbitrary money-supply targets and balanced-budget constraints, it appears they have lost sight of Mr. Yeltsin's fundamental objective in moving to a market economy: To preserve and strengthen Russia and her people. If lack of discernible economic progress under current reforms causes Russia to succumb to disillusionment and opt to reinstate dictatorial measures for allocating resources, all is lost. It won't then matter much whether or not IMF-specified quarterly deficit targets were reached.

PATIENT DIED

The situation brings to mind the joke bout the team of doctors, all eminent specialists, who announced after a complicated surgical procedure: "The operation was a brilliant success. Unfortunately, the patient died."

The aspirations of the New Russia must not die. The world should not entrust that vulnerable nation's fate to IMF analysts who are more prepared to raise tax revenues to match government expenditures than to devise innovative ways to stimulate private sector growth and attract foreign investment. Wealth must be created before it can be collected and redistributed.

What Russia needs is an economic reform program that recognizes the privacy of entrepreneurial activity, one that devates the businessman over the bureaucrat. Instead of making further supplications for an IMF-administered aid package, Mr. Yeltsin should begin seeking western government and private support for an alternative economic program that would designate growth as a more urgent priority than unreasonable budgetary and monetary restrictions.

Take the matter of Russia's need for a sound convertible currency. Under pressure from the IMF to drive down the exchange rate of the ruble against hard currencies earlier this year, Russian officials moved to shut down the printing presses and restrict credit. The use of administrative brute force caused a temporary strengthening of the ruble, but the policy quickly spawned deep resentment from other sovereign republics who found themselves intolerably squeezed. As rubles became increasingly scarce, workers were forced to go without wages for weeks on end. Agricultural collectives could not proceed with spring planting. Industrial enterprises began issuing IOUs to one another in lieu of payment for supplies, running up a gargantuan level of intraenterprise debt that now approaches nearly 2 trillion rubles.

A reversal in policy was urgently launched this month to stave off threatened worker strikes and widespread industrial collapse. Russians were informed on television that 142 billion new rubles would be printed in July; that is more than the amount issued during all of 1991.

By following IMF recommendations, Russia can look forward to continuing new rounds of inflation, followed by demands for compensatory wage increases, which in turn will set off successively higher levels of inflation as each new effort to "skim" some percentage off the population's real wages is neutralized by the anticipatory wage demands of increasingly skeptical Russian workers.

Was it good advice to demand that the Central Bank of Russia attempt to control the outstanding supply of rubles, a feat that the U.S. Federal Reserve Board—with all its relative finesse at utilizing regulatory and market mechanisms to influence the supply of dollars—can hardly perform with predictable results? Instead of trying to salvage the remnants of the old Soviet ruble system, Western advisers should be working with Russian reformers to pursue alternative solutions.

For example, a new Russian currency could be introduced. The plan announced last week to coin 25,000 and 50,000 ruble gold pieces is a step in the right direction, but if it is to work, the new gold coinage must not be connected to the moribund old ruble monetary system. Sound money, so critical for attracting foreign investment and supporting free market reform, could be offered by establishing a new Russian Currency Bank presided over by a distinguished board of Russian, American, European and Japanese members—Margaret Thatcher, Kari-Otto Poehl and Milton Friedman come to mind.

In conjunction with a comprehensive debt forgiveness plan initiated by Western governments, this new Russian Currency Bank could look to three major sources for its initial capitalization: (1) The central banks of the Group of Seven industrial nations, (2) the Russian government and (3) Western commercial Banks with outstanding loans to the former Soviet Union. As part of the plan, gold accepted as collateral by G-7 central banks engaged in swap arrangements with the former Soviet government would be returned. Commercial banks relieved through government insurance programs on defaulted Soviet debt would be required to purchase a predetermined amount of the new Russian currency (as a percentage of the debt relief provided) by paying in the necessary sums of hard currency.

The Russian Currency Bank would effectively function as a currency board; new

units of Russian money would be issued on the basis of held reserves of gold and foreign currencies. Every new deposit of hard currency or gold would justify creation of additional Russian money. This base of convertible Russian currency would provide a new solid monetary foundation for economic growth and investment based on accurate price signals. It would also help speed Russia's integration with the global economy.

Such a plan would constitute a bold move toward the rebirth of Russia enabling Mr. Yeltsin to co-opt the growing nationalist movement. At the same time, it would build strong financial links with leading Western nations. Indeed, G–7 support in setting up a Russian Currency Bank would provide an invaluable signal of confidence in Mr. Yeltsin's leadership and Russia's economic future.

Putting up $6 billion to create a new Russian money would seem to much more prudent use of Western funds than setting up a "ruble stabilization fund" to back a discredited and uncontrollable currency. Moreover, the additional $12 billion the IMF intends to spend on "balance of payments support" for Russia will do little to foster small business development, but will instead reassert the influence of government control over the distribution of economic resources.

The funds are earmarked now to finance the import of Western consumer goods and industrial products, which are then to be redirected in accordance with the calculated preferences and priorities of government officals in Moscow. "Essential" industries will be the lucky recipients of technologically advanced Western equipment while the government expects to rake in massive profits by selling Western consumer goods through its network of state-owned stores.

How much more appealing, how much more enterprising, to focus such large sums on bolstering the fledgling private sector in Russia. What if Mr. Yeltsin were to announce the issue of a 10-year Russian government bond, guaranteed by sellable commodities and denominated in dollars, the funds from which would be made available to would-be entrepreneurs who came up with promising business proposals? Call it the Free Enterprise Fund and tap the expertise of U.S. venture capital investment firms to market it.

AMERICAN SYMPATHY

Americans understand that Russia needs help to make it towards democracy and free markets, and they are sympathetic. They don't begrudge Mr. Yeltsin the amount of money he is seeking; they just don't want to see it wasted by institutional bureaucrats who seem more confortable working with governments than private individuals. The world can hardly afford to have Russia into yet another permanent ward of the IMF.

As for Mr. Yeltsin, all he can seek is what has been offered. If the so-called Freedom Support Act is not passed by Congress, Russian officials will have wasted precious time trying to appease IMF analysts. If it does pass, the New Russia will soon find itself back on the old treadmill of inflation and central government control of the economy. Mr. Yeltsin and the Russian people deserve better.

Mr. SYMMS. Mr. President, I ask unanimous consent that three more articles by Kurt Schuler and Dr. Hanke, that are published in the Washington Times, the New York Times, and the Financial Times Limited, be printed at this point in the RECORD.

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

[From the Washington Times, June 24, 1991]

BIZARRE RUBLE GAMES

(By Steve Hanke/Kurt Schuler)

The Soviet Union's currency, the ruble, is almost worthless. Indeed, the ruble is little more than an object of ridicule. To save face, the Soviet Union's prime minister, Valentin Pavlov, concocted a nonsensical story about a foreign plot to undermine the ruble in February. That piece of disinformation ended in a public relations disaster.

Last month's emergency economic plan has brought forth yet more bizarre comments about the ruble. For example, Deputy Prime Minister Vladimir Scherbakov indicated that the government planned to strengthen the battered ruble by backing it with state-owned property.

If the Soviets are serious about rescuing the ruble, they should abolish the Gosbank and replace it with a currency board. Indeed, the only proven method to provide a sound currency in a chaotic environment is to adopt a currency board. As proof, we need to look no further than the Soviet Union itself. During the turbulent civil war years, 1918–1920, Russia had a currency board, and it worked well. Interestingly, the British Foreign Office archives reveal that the father of that Russian board was none other than John Maynard Keynes.

Under a currency board system, there is no central bank. Instead, a currency board issues notes and coins convertible into a foreign currency at a fixed rate and on demand. As reserves, a board holds high quality, interest bearing securities denominated in the foreign currency. Its reserves are equal to 100 percent or slightly more of its notes and coins in circulation, as set by law. A currency board does not accept deposits. It generates income from the difference between the interest paid on the securities it holds and the expense of maintaining notes and coin circulation. A board has no discretionary monetary powers. Instead, market forces alone determine the money supply.

More than 60 countries (mainly former British colonies) have currency boards. All were successful and maintained convertibility at a fixed exchange rate. Moreover, in countries that used boards, capital- and current-account transactions were little impeded. Consequently, those countries enjoyed the same relatively low interest and inflation rates as did the metropolitan centers they were linked to by reserve currencies.

With independence, and as an expression of nationalism, most currency boards were replaced by central banks. As a result, the quality of their domestic currencies deteriorated sharply. However, currency boards still exist in Hong Kong, Singapore and Brunei, where they continue to operate with great success.

[From the Washington Times, June 24, 1992]

Russia briefly had its own currency board. When troops from Britain and other Allied nations invaded north Russia in the waning days of World War I, they found a chaotic local currency environment. The Russian civil war had begun, and every party to the conflict was issuing its own near-worthless local currency. There were more than 2,000 separate issuers of fiat rubles. Accordingly, trade was difficult because few people would accept fiat rubles in exchange for goods and services.

To facilitate trade with the local population in north Russia, the British established a National Emission Caisse for the area in 1918. The Caisse issued "British ruble" notes. They were backed by British pounds sterling and convertible into pounds at a fixed rate.

Despite a raging civil war, the British ruble was a great success. The currency never deviated from its fixed exchange rate with the British pound. In contrast to other Russian rubles, the British ruble was a reliable store of value. Consequently, it drove other rubles out of circulation in north Russia. With British rubles, the Allied army was able to buy and sell goods almost as easily as if it had been at home on maneuvers. Unfortunately, the British ruble's life was brief. The National Emission Caisse ceased operations in 1920, after Allied troops withdrew from Russia.

To establish a convertible ruble, the Soviet Union should follow Keynes' proven example. It should abolish the Gosbank and replace it with a currency board. The best way to introduce the board would be to fix the exchange rate with a foreign reserve currency, so that Soviet exports are competitive. The board would then pledge to exchange the new ruble for the reserve currency at that rate.

The most logical reserve currency for the new board would be the U.S. dollar because the dollar is the most preferred currency in the Soviet Union. To obtain the dollar reserves necessary for the currency board, the Soviet government could begin by converting its official stock of gold and foreign currency reserves into dollars. That would generate about $20 billion. It could raise at least another $20 billion through standby facilities with Western governments and other multinational lending institutions.

A currency reform along the lines we suggest would provide the Soviet Union with a convertible currency within months. The British introduced a convertible ruble just 11 weeks after Keynes proposed it. Such a sound currency would give Moscow some credibility and act to arrest the economic chaos that threatens the Soviet Union.

Steve Hanke is professor of applied economics at Johns Hopkins University and personal economic adviser to the deputy prime minister of Yugoslavia. Kurt Schuler is the Durell Fellow in Money and Banking at George Mason University.

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

A "KEYNESIAN" CURE FOR THE SOVIET ECONOMY

(By Steve H. Hanke and Kurt Schuler)

BALTIMORE.—If John Maynard Keynes were alive today, he would have little doubt about how to cure the Soviet Union's sick economy.

Not through Keynesianism but its antithesis: a hard-currency plan similar to the one he devised to pull the country out of an even worse economic fix after World War I. When troops from Britain and other Allied nations invaded north Russia in the spring of 1918, they found a chaotic local currency environment. The Russian civil war had just begun, and every party to the conflict was issuing its own near-worthless local currency. There were more than 2,000 separate "fiat" rubles, backed by nothing more than the good faith of the issuer.

Without a hard currency, the Allies were unable to complete even the most basic commercial transactions, such as unloading ships or purchasing supplies. To facilitate trade with the local population in north Russia, the British established a National Emission Caisse. It issued "British ruble" notes. The British ruble was a hard currency. It was

backed by British pounds sterling and was convertible into pounds at a fixed rate.

Despite a raging civil war, the British ruble was adopted eagerly by north Russians. Unfortunately, the currency's life was brief: the National Emission Caisse ceased operations when Allied troops withdrew from Russia in September 1919.

British Foreign Office archives reveal that the father of the British ruble was none other than Keynes, who at the time was a Treasury official. Keynes's ruble plan was inspired by the British colonial currency board system, which still operates in Hong Kong and Singapore.

The parallels with the present are obvious. Frustrated that today's nearly worthless ruble cannot be legally exchanged, the Soviet republics that have recently declared sovereignty or independence have plans to issue their own money. To arrest these centrifugal forces, Mikhail Gorbachev has to establish a credible, convertible currency. Without a hard currency, moreover, true economic reform is impossible.

Although many currency reforms have been proposed, they lack a solid basis in economic experience. If Mr. Gorbachev is to succeed in the economic sphere, he must imitate Keynes's simple, effective idea.

To carry out such a reform, the Soviets must abolish their central bank and replace it with a Soviet currency board. The board would issue new "hard" rubles that had 100 percent backing in a foreign reserve currency. The new notes would be convertible at a fixed rate with the reserve currency.

The most logical reserve currency would be the U.S. dollar, since the dollar is the preferred unofficial currency in the Soviet Union. To obtain required dollar reserves, the Soviet Union could begin by converting its stock of gold and foreign currency reserves into about $20 billion. In addition, another $20 billion could be raised through standby facilities with Western governments and the International Monetary Fund.

A Soviet currency board would be easy to establish. Moreover, it would be practical, since it has been tested before with excellent results. The benefits would be immediate.

The ruble would become a hard currency acceptable in international trade. In consequence, the Soviet Union and its citizens could purchase the Western goods they need to foster economic development. Western businesses would be more willing to invest in the Soviet Union, since they could repatriate their earnings in hard currency.

More important, a successful currency reform would inject a much-needed degree of confidence into Mr. Gorbechev's faltering reform process. Without a hard currency jumpstart, centrifugal forces will continue to tear the Soviet Union apart.

[From the Financial Times, Feb. 21, 1990]

REFORM BEGINS WITH A CURRENCY BOARD; GERMAN MONETARY UNION

(By Steve Hanke, Alan Walters)

The two Germanys have agreed to begin discussions about crafting a currency reform. This represents a tiny step along what promises to be a bumpy road.

Chancellor Helmut Kohl's pre-emptive strike on currency reform will, no doubt, provide the starting point for deliberations. The Chancellor proposes a quick switch from two German Marks to one. Such a currency reform would entail the abolition of East Germany's central bank and its unconvertible soft currency. In exchange, the East Germans would accept West Germany's Bundesbank as the sole purveyor of its monetary policy and the D-mark as its legal tender. This proposal has given the Bundesbank's President, Mr. Karl Otto Pohl, and some East German officials considerable discomfort.

But the tensions created by the proposed switch are unnecessary. There is an alternative that should satisfy both Mr. Kohl and Mr. Pohl, as well as the East Germans.

The currency reform would require that East Germany's central bank be replaced by a currency board. This new institution would guarantee East German monetary stability and establish a fully convertible East German Mark. Thus, the Chancellor's objectives would be achieved. An East German currency board would not affect the Bundesbank's policies and would lay the foundation for a monetary union and eventual German reunification. Mr. Pohl's concerns would be addressed and the East German Mark would be retained. Thus, the East Germans would be able to save face.

Although currency boards appear to be something new, they are not. Currency boards were ubiquitous in the colonial regimes of Africa, Asia and the Caribbean. But as colonies became independent in the 1950s and 1960s, they generally eschewed the currency board system and formed central banks. Perception, rather than performance, engendered the demise of the boards: they were regarded as colonial instruments of exploitation.

This was an unfortunate misconception. Where currency boards survive, for example in Singapore and Hong Kong, they have prevented exploitation by currency debasement. Indeed, these countries have been bastions of stability in a world of inflationary expropriation.

The principle attributes of a currency board are:

Issuance of domestic currency which is readily convertible into a foreign-reserve currency at a specified and fixed rate.

Domestic currency backed by liquid reserves held by a board and denominated in a foreign-reserve currency.

Reserves equal to or greater than the value of the domestic currency issued. The discipline of convertibility at a fixed rate and reserve-currency backing establish reliability and confidence. To establish a hard East Germany Mark, East Germany should convert its central bank into a currency board. The board would recall old East German Marks and replace them with new ones. The new East German Marks would be fully backed by interest-bearing, West German Government bills and D-Mark notes. Moreover, the new East German Marks would be fully convertible and as good as D-marks because the East German currency board would exchange new East German Marks at a fixed rate for D-marks.

The critical question is: at what level should the exchange rate be fixed? Too high a rate (such as the 1:1 official rate) would render East German industry almost uncompetitive. Real wages would be relatively high, but few workers would enjoy them since employment would be scarce. Similarly, too low a rate (say 1:10) would result in a shortage of labour as the world would rush to employ the low-wage workers in East Germany.

In our view, it would be best to fix the new East German Mark rate near the present "free" rate (1:6). It is true that at this rate holders of East German Marks would not receive a subsidy from West Germany as a consequence of the reform. However, transparency dictates that any subsidy should be an explicit one from the West German Government and the country's voters to residents of East Germany, rather than an implicit one facilitated through a currency reform.

A currency reform along these lines would assist the East Germans in their attempt to escape the grim realities of socialism. The East German's public purse would be out of reach from plundering politicians since they would no longer have access to East German Mark printing presses. Hence, East Germans would enjoy roughly the same low inflation and interest rates as West Germans. In consequence, East Germans would be as willing to hold new East German Marks as D-marks.

With an East German currency board, foreign investors would be able to convert new East German Marks into a hard currency and repatriate profits earned in East Germany. This convertibility feature would facilitate trade, establish investor confidence and encourage the inflow of foreign capital. Nongovernmental linkages between East Germans and international capital markets would be established. These linkages would promote the creation of international bank branches in East Germany. Such branches would give the East Germans access to large pools of competitively priced capital and international expertise. Other advantages include economy, simplicity and automatism.

Chancellor Kohl is correct. The East German's central bank instills little confidence and produces unconvertible soft Marks. Thus, its existence jeopardises liberal economic reforms. Mr. Pohl is also correct. An immediate monetary union between the two Germanys would threaten the Bundesbank's autonomy and sound monetary policies. To satisfy the concerns of Mr. Kohl and Mr. Pohl and allow the East Germans to retain a sovereign monetary institution until the two Germanys are reunified, an East Germany currency board must be established immediately.

(The authors are professors at The Johns Hopkins University in Baltimore. Sir Alan Walters, until recently, was Prime Minister Margaret Thatcher's personal economic adviser.)

Mr. SYMMS. I yield the floor.

AMENDMENTS NUMBERED 2668 AND 2669

Mr. PELL. Mr. President, I believe that the Gramm amendment is the present pending amendment, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. PELL. I think it is an excellent amendment. It has been cleared on this side, and I suggest we vote on it.

The PRESIDING OFFICER. Is there further debate?

The question is on agreeing to the Gramm amendments, en bloc.

The amendments (No. 2668 and No. 2669) were agreed to.

Mr. PELL. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Montana.

AMENDMENT NO. 2672

Mr. BAUCUS. Mr. President, on behalf of myself and Senator CHAFEE, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. BAUCUS], for himself and Mr. CHAFEE, proposes an amendment numbered 2672.

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

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

The amendment is as follows:

On page 31, line 23, insert "environmental and health protection laws," after "agricultural policy laws".

On page 35, after line 7, insert the following:

"(F) to control the emissions of air pollutants that may present a risk to public health and the environment;

(G) to protect and restore all waters;

(H) to restore areas contaminated by hazardous substances;

(I) to conserve biological diversity;

(J) to prevent environmental threats to the United States or the Arctic/subarctic ecosystem;"

Mr. BAUCUS. Mr. President, this is an amendment which I think is cleared all the way around. I checked with the majority side and also the minority side. The Senator from Rhode Island is involved in this because it touches upon language which he has added to the bill.

Essentially, the amendment clarifies the environmental opportunities that are available to the United States in dealing with Russia and the emerging Eurasian democracies. The amendment has two major goals.

First, the amendment provides that funds authorized by this legislation may be used for technical assistance for environmental and health policy laws.

We are by now all familiar with the enormous failure of communism to protect the people from the threats of pollution. Cities are chocking with polluted air, the water is unsafe to drink in many areas, and thousands of square miles are contaminated with hazardous wastes.

The United States has been a leader in environmental protection and we have much to offer other countries. I propose that technical assistance through small and medium size United States businesses be available to help Russia and other countries move quickly to improve their environment.

The second purpose of my amendment is to clarify the technical assistance provided for environmental protection.

While the language in the reported bill is laudable in many respects, it is necessary to clarify the environmental and health protection goals of the technical assistance that is authorized.

For example, the reported bill does not authorize technical assistance for the remediation of sites contaminated by hazardous substances.

The reported bill also does not address the problem of local or regionwide air pollution, although it did address the problem of global pollution. But air pollution has many effects and we should provide technical assistance for each.

These types of environmental problems are ones with which we are all too familiar. Our years of experience could be quite valuable to those just moving into a free market economy.

The benefits are many. U.S. technology and know-how can be used in other countries. This increases demand for American environmental goods and services, creating jobs for Americans in a variety of areas, from technical services to manufacturing.

This will allow the recipients of this assistance to improve their level of public health and environmental protection more quickly and at less cost. This helps the people of Russia and other Eurasian countries.

We rarely have such an opportunity for sound international, environmental and economic policies to converge as they can in this instance. And I urge my colleagues to support this amendment.

I urge my colleagues to support the amendment.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. We are prepared to accept the amendment on our side.

Mr. PELL. The amendment has been cleared and is an excellent one, and it has been cleared on our side as well.

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

If not, the question is on agreeing to the amendment of the Senator from Montana.

The amendment (No. 2672) was agreed to.

Mr. PELL. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Alaska.

AMENDMENT NO. 2673

(Purpose: To clarify that fish and fish products are included as agricultural commodities)

AMENDMENT NO. 2674

Mr. STEVENS. Mr. President, I have three amendments I would like to have considered. I believe they are all acceptable to both the majority and minority. I ask unanimous consent I may be able to submit them en bloc.

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

The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] proposes amendments en bloc numbered 2673 and 2674.

Mr. STEVENS. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2673

Amend the section titled "Sales to the Independent States of the Former Soviet Union—Processed and High Value Agricultural Commodities," by inserting after the phrase "agricultural commodities" the phrase "(including fish and fish products, without regard to whether such fish are harvested in aquacultural operations)".

AMENDMENT NO. 2674

At the appropriate place in the bill insert the following new sections:

SEC. . FOREIGN COMMERCIAL SERVICE OFFICERS.

To ensure adequate United States support for business development in the Russian Far East, the Secretary of Commerce should place United States and Foreign Commercial Service Officers in the Russian Federation cities of Vladivostok and Khabarovsk.

SEC. . TECHNICAL ASSISTANCE CENTER.

(a) The President is authorized to establish a technical assistance center at an American university, in a region which receives nonstop air service to and from the Russian Far East as of the date of enactment of this legislation, to facilitate United States business opportunities, free markets and democratic institutions in the Russian Far East.

(b) There are authorized to be appropriated such sums as may be necessary to operate the center established under subsection (a).

Mr. STEVENS. There are two amendments printed on one page and one printed on a separate page.

Mr. President, last year, Alaskans celebrated with our friends across the Bering Strait the 250th anniversary of Vitus Bering's first trip across the Bering Strait. That voyage marked the beginning of over two centuries of cooperation between the people of Alaska, Siberia, and Eastern Russia.

Long before the ice wall came down between the United States and the Soviet Union, Alaskans were at the forefront of United States efforts to organize business and cultural exchanges with our neighbors to the west.

In addition to establishing sister city relationships with the Far Eastern cities of Vladivostok, Petropavlovsk, Magadan, and Providenya, Alaskans have seized on numerous business opportunities in this region. Alaskan-owned businesses in the Russian Far East are currently involved in everything from making batteries to processing reindeer.

In spite of the great economic opportunity Alaskans see in the Russian Far East, they believe that our government is not doing what it can to assist. This is unfortunate. Recent figures show that Russia has over one-half of the world's supply of coal, oil, and natural gas. It also has one-fifth of the world's timber. Nearly all of those resources are in Siberia and the Russian Far East.

Other countries are already actively involved in cultivating the enormous resources of this region. Japan, for instance, has established development as-

sistance projects in Siberia; oil and natural gas projects on Sakhalin Island; hard coal projects in Yakutia; tourism and fishery projects in Kamchatka; and timber projects across the entire Russian Far East.

Across the region, Russians repeatedly ask the same question: "Where are the Americans?" It seems, Mr. President, that the Americans are all in Moscow and St. Petersburg.

The majority of American aid to Russia has targeted those two cities in Western Russia. And all of the United States Foreign and Commercial Service Officers in Russia are currently located in those two cities.

What many do not seem to realize is that the Russian Far East could be independent in as little as 2 years from now. That is the prediction of a well-known expert on the former Soviet Union, Mr. Paul Goble of the Carnegie Endowment. All the United States aid to Moscow and St. Petersburg will mean nothing if the Russian Far East becomes a separate and independent state.

If we are to take advantage of the economic wealth of Eastern Russia, we must establish a significant American presence in the region. Such a presence will begin with the opening this summer of an American consulate in Vladivostok. But that is not enough.

The United States lags behind Austria, Canada, Finland, France, Italy, Japan, and the United Kingdom in a comparison of the number of commercial officers each country has stationed in Russia. The United States and foreign commercial service must position more Americans in Russia to assist United States businesses.

This does not mean that we should only look at cities such as Vladivostok. Much of the wealth of the Russian Far East—the oil, the timber, the coal, the gas, and the minerals—are not near Vladivostok. We must consider positioning commercial and consular officers in other major cities of the Far East, such as Khabarovsk, Magadan, and Petropavlovsk.

The Russian Far East is also in dire need of technical assistance. Such assistance is needed in the areas of oil development, defense conversion, reform of local and regional governments, democracy building, and infrastructure development. The United States should establish a technical assistance center to facilitate these projects and to enhance American business participation in the Russian Far East.

The potential for American business in the Russian Far East is enormous. Yet, less than half of 1 percent of United States exports and imports currently involve the former Soviet Union. I have three amendments to offer which address the stationing of Commercial Service Officers, the establishment of a technical assistance center, and the inclusion of fish as an agricultural product. I hope that I can count on bipartisan support for these amendments.

The amendments I have just offered do three things with regard to this activity.

First, it would ensure that adequate United States support for business development exists in the Far East and requests that the Secretary of Commerce place United States and Foreign Commercial Service officers in the Russian federation cities of Vladivostok and Khabarovsk. That is a recommendatory request. It is not a mandate but we do believe that the authority should be there.

Second, the next amendment authorizes the President to establish a technical assistance center at an American university in a region which deals extensively with the Russian Far East.

There is only one place for that but the Secretary of State may think otherwise. But it does authorize the establishment of such a center to deal with the business opportunities of free markets and fostering Democratic institutions in the Russian Far East and Siberia.

My third amendment, Mr. President, deals with the problem of making certain that agricultural commodities as referred to in the bill include fish and fish products without regard to whether the fish are harvested in aquacultural operations.

In 1984, Mr. President, through the Magnuson Act we included in the Commodity Credit Corporation authorization an amendment which included fish and fish products in the definition of agricultural commodities.

In 1990 when that act was rewritten the 1984 amendment appears to have been dropped, I believe by mistake, but there was inserted by that amendment in 1990 the following statement.

For the purposes of this paragraph fish entirely produced in the United States includes fish harvested by a documented fishing vessel as defined in title 46 of the United States Code in waters that are not waters including the territorial sea of a foreign country. In the codifying of the amendment, that final amendment, the 1984 provision was left out.

My amendment corrects that and restores fish and fish products in the concept of the Commodity Credit Corporation. Again it is not a mandate. It merely follows a definitional concept that existed in the 1984 bill and subsequent legislation. We wanted to make certain that in this authorization they use the commodities that come under the Commodity Credit Corporation in a manner in which fish and fish products are included.

It was my understanding these were acceptable.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LUGAR. 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. LUGAR. Mr. President, we are prepared to accept the amendments of the distinguished Senator from Alaska on our side.

The PRESIDING OFFICER. Is there further debate?

The Senator from Rhode Island.

Mr. PELL. Mr. President, we have examined the amendments of the Senator from Alaska and think they are fine and recommend they be agreed to.

Mr. STEVENS. Mr. President, I ask unanimous consent that the amendments be considered en bloc, and I ask for their immediate consideration.

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

The question is on agreeing to the amendments en bloc of the Senator from Alaska.

The amendments (No. 2673 and No. 2674) were agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, may I express my thanks to the managers of the bill, and I hope that the departments of State and Agriculture also will use this authority.

I yield the floor.

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

The bill clerk proceeded to call the roll.

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

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

A NONPOLITICAL DRUG CZAR

Mr. SIMON. Mr. President, one of the things that I have tried to do unsuccessfully is to see to it that our drug efforts in the United States should be nonpolitical. When Bill Bennett was the drug czar, he went around the Nation making speeches at Republican rallies, and when he quit as drug czar, he was appointed chairman of the Republican National Committee. It was a natural transition from being drug czar.

But, whoever runs that operation, the people in it ought to be nonpolitical, just as the FBI and the CIA are. For that same reason, when Bob Martinez visited me, I said if you will com-

mit not to get involved in partisan politics—and I am going to ask the same of any future Presidential nominees under whatever President I serve—I will vote for you. Otherwise, I am going to vote against you. He would not give me that commitment and I voted against him. I just received a copy of the Orlando Sentinel. On the front page is, "Drug War: Patronage is Prolific." Then I turn over to the continuation, and it says, "Politics, Not Experience, is a Prerequisite at Drug Office." And then they have this list of various departments of Government, 63 agencies of Government, and what percentage of the people they appoint are political.

Department of the Navy, less than 1 percent, and so forth, on up. And guess which is No. 1. No. 1, the Office of National Drug Control Policy, 42 percent of the employees are political appointees.

In the article itself it says:

Some top staff members such as recently appointed Associate Director Kay James and former Notre Dame basketball coach Richard "Digger" Phelps—didn't even mention the word "drugs" in their job applications.

Mr. President, we have to do better. If Bill Clinton is the next President of the United States, and I hope he is, I am going to insist before I vote for a drug czar or anyone in that office that that person or persons not engage in partisan politics.

We are not playing games in this area of drugs. We are talking about something that is deadly, literally deadly serious in this country.

I hope we can move away from what we are doing right now. Just yesterday someone gave me a clipping where Bob Martinez is making speeches around the country attacking Ross Perot. I may very well agree with everything he has to say, but the drug czar of the United States of America should not be doing that.

Mr. President, I would like to commend the Orlando Sentinel and Sean Holton, who wrote this story. I ask unanimous consent to have it 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 Orlando Sentinel, June 28, 1992]

DRUG WAR: PATRONAGE IS PROLIFIC

(By Sean Holton)

WASHINGTON.—The federal office created to lead the nation's "war on drugs" has a higher percentage of political-patronage jobs than any other U.S. government agency, records indicate.

More than 40 percent of the 109 employees in the Office of National Drug Control Policy got their jobs through a spoils system that places the highest premium not on expertise in a given field but on political connections and—in this case—Republican Party loyalty.

The drug office's patronage payroll adds up to $2.6 million and includes 49 people—two of whom don't even work on drug-related matters. The list begins with drug czar Bob Martinez and his top deputies and reaches down to secretaries and typists, according to office personnel records obtained by The Orlando Sentinel.

Most federal agencies set aside fewer than 5 percent of their jobs for political appointees, and only a handful have more than 9 percent, according to a Sentinel analysis of figures kept by the White House, the government Office of Personnel Management and the General Accounting Office.

The high numbers at the drug office have alarmed some congressional Democrats, including the powerful senator who was a key force in creating the office.

"I feel betrayed," said Sen. Dennis DeConcini, D-Ariz. "This is totally out of line and unacceptable, and really a disgrace—not only to Martinez for letting it happen but to the White House for making it happen."

DeConcini, chairman of the Senate Appropriations subcommittee responsible for financing the drug office, threatened to slash the drug czar's budget this year and to push for abolishing the office next year if President Bush is re-elected.

"The president has politicized it, . . . putting out phony statements of success and declaring a victory, . . . when, in fact, we are losing the war," he said. "It is just clear that the White House and Bush have made this a purely political office to dump political appointees in."

Martinez, in response, issued a written statement that fired right back at DeConcini.

"To say that it is unacceptable for a policy office in the White House to have political appointees in it is preposterous," Martinez wrote. "I'll match the proportion of political appointees in my office against the proportion in Sen. DeConcini's any day."

Defenders of the highly political staff say it is vital to one of the office's primary missions: Producing an annual "National Drug Control Strategy" that reflects the policies and political goals of the president.

They say that many of the lower-rung patronage jobs involve generic office skills, such as typing and filing, that don't require special expertise.

Further, staffers in the drug office say, higher-level appointees have the general government expertise to deal with Congress and the rest of the Washington bureaucracy.

On that point, the drug office found an unlikely ally in the congressman who has been its hardest critic.

"You can't knock all political appointees," said Charles Rangel, D-N.Y., chairman of the House Select Committee on Narcotics. "Some of them are pretty good people."

But the percentage of political appointees in the drug office "is alarming," Rangel said, and indicates that the White House views the drug office as a "dumping ground."

Such concerns aren't exclusive to politicians. Others familiar with the 3½-year-old drug office say that the high patronage levels may help explain why it commands so little respect among career law-enforcement and drug-treatment professionals in the more than 30 agencies it is supposed to coordinate.

"I said something about it being a dumping ground," said Terrence Burke, former acting chief of the Drug Enforcement Administration. "It certainly had that appearance. And right now the office does not really appear to be functioning that well."

One undisputed fact is that patronage jobs are won or lost on Election Day. As a result, if President Bush were defeated in November, it would wipe out nearly half the office established by Congress in 1988 to fight what Bush later called "the gravest domestic threat facing our nation today."

LITTLE EXPERIENCE WITH THE DRUG ISSUE

Relatively few of the drug office's political appointees claimed experience in dealing with the drug issue on their job applications, which were released to the Sentinel in response to a Freedom of Information Act request.

The list of 49 appointees—Martinez, his two top deputies and 46 others—was current to April, according to a letter that accompanied the material.

Forty-six appointees among 109 employees puts the patronage rate at 42 percent; include the director and the two deputies—the only presidential appointments in the group—and the percentage rises to 45 percent.

In his written statement, Martinez stated that the proportion of political appointees is "33 percent—not 42 percent, . . . and it has decreased steadily since the office was created."

Martinez's staff said the lower percentage he cited was based on the inclusion of some two dozen career civil servants from other agencies who are detailed to work at the drug office but are paid by their home agencies.

Office employees citing previous anti-drug experience include Deputy Director John Walters, once a top aide to former Education Secretary William Bennett. Walters' application spells out his duties at the Education Department, including advising Bennett about drug-abuse prevention policy.

When Bennett was appointed the first drug czar in 1989, he brought Walters along with him. Walters also was praised for keeping the office running during the transition between Bennett and Martinez, who became drug czar in March 1991.

Public Affairs Director Elaine Crispen was involved in the "Just Say No" anti-drug campaign during her years as press secretary to former First Lady Nancy Reagan.

Others reported dealing with the drug issue as political aides or private consultants.

NO MENTION OF "DRUGS" ON APPLICATIONS

But some top staff members—such as recently appointed associate director Kay James and former Notre Dame basketball coach Richard "Digger" Phelps—didn't even mention the word "drugs" in their job applications.

James is a former assistant secretary at the Health and Human Services Department and former public affairs director for the National Right to Life Committee. She is paid a $112,100 salary to oversee the drug czar's dealings with state and local drug-fighting efforts.

At her Senate Judiciary Committee confirmation hearing in April, she cited her work on drug-use surveys at HHS and her involvement in a grass-roots organization to help "at risk" children.

But committee Chairman Joseph Biden, D-Del., told her that her qualifications for the drug post were "mixed at best."

Phelps, a personal friend of Bush, is paid $104,000 a year to be the office's liaison to "Operation Weed and Seed," a $500-million program to revitalize inner-city areas hard hit by crime and drugs. His hiring did not require Senate approval.

Among the office's rank-and-file political appointees are lawyers, former Republican congressional aides, advertising professionals, salespersons and an ex-bartender.

Only a few of the appointees appear to have been directly recruited by Martinez as

holdovers from his years as Florida governor. Those include his top personal aide, a personal secretary and his wife's former press secretary.

Many of the others share a common bond as past Republican Party activists—including convention hosts, Bush-Quayle 1988 campaign workers and "opposition researchers" assigned to dig up dirt about political opponents—or as former Education Department appointees.

In addition, drug-office officials said that two of the patronage workers listed on their payroll don't even work there or in any other drug-related post.

Lindsey Howe and Katherine James, two drug-office secretaries, have been "detailed" to help out at the White House personnel office, which screens applicants for plum patronage jobs government-wide.

The drug office's budget director, Bruce Carnes, said that assignment is only temporary, and that the two employees' salaries are being reimbursed by the White House.

"That doesn't make any difference," DeConcini said of the reimbursement. "I mean, . . . they're not there to be a secretarial service to the White House."

CRITICS: POLITICS HURTING DRUG OFFICE

The patronage issue is only one of several to surface in recent months and lead to charges that politics has crowded out performance at the drug office.

Martinez repeatedly has been criticized for letting the drug war fade from view since his appointment last year, and for lacking influence within the Bush administration.

In January he got into hot water over his use of an aide and official letterhead to process campaign-expense refunds from his 1990 Florida governor's race. He has also been questioned by Congress about his travel on behalf of political candidates.

A standard defense offered by Martinez and his staff is that the drug office is a coordinating and policy agency—"not an operating agency." Therefore, they say, it should be not be held to the same standard of political neutrality as law-enforcement agencies such as the FBI and the DEA.

In the case of patronage jobs, Martinez aides say the drug czar's office should not be compared to other government agencies but to the White House staff—because the drug office was set up as part of the Executive Office of the President.

"Keep in mind that . . . a distinction between this agency and most of the other agencies that you're looking at is that this is a policy office as opposed to a technical office," said budget director Carnes, a career civil servant.

Much of the White House staff falls outside the civil service system and is not included in the political-appointment statistics compiled by the GAO, Congress' watchdog agency.

OTHER AGENCIES HAVE FEWER APPOINTEES

But even at other White House agencies for which there are statistics—such as the Office of Management and Budget and the Council of Economic Advisors—the percentage of political appointees among all employees falls far short of those at the drug office.

The distinction drawn by the drug office staff is "smoke and mirrors," DeConcini said.

"That is just blatantly incorrect," he said. "they were never constructed by Congress to be part of the White House. It is to be independent."

Rep. John Conyers, D-Mich., chairman of the House Government Operations Committee that wrote the law establishing the drug office, agreed with DeConcini.

"In fact, ONDCP [the drug office] should be compared to other agencies," Conyers wrote in a statement.

"What this shows is that Bush is more interested in style than substance, that drugs are a conservative political stalking horse, not a real issue for the administration."

THE DRUG CZAR'S POLITICAL PAYROLL

Here are the annual salaries of 49 political appointees in the Office of National Drug Control Policy. The salaries add up to $2,624,703, or an average of $53,565 per appointee. The combined salary of all 109 drug office employees is about $5.9 million:

Presidential Appointments (3):	
Bob Martinez, director	$143,800
John P. Walters, deputy director	112,100
Kay C. James, associate director	112,100
Non-career senior executives (4):	
Elaine D. Crispen, public affairs director	112,100
Terence J. Pell, general counsel	104,000
Richard "Digger" Phelps, "Weed and Seed" liaison	104,000
Joseph H. McHugh, congressional relations director	90,000
Schedule C employees (42):	
Matthew C. Ames, associate general counsel	83,501
Benjamin F. Banta, press secretary	79,220
Rowena M. Morris, special assistant	68,515
Leonard A. Dinegar, special assistant	64,233
David M. Ford, special assistant	64,233
Michael G. Franc, legislative assistant	63,707
Janice K. Benson, executive assistant	61,887
Karen M. Pitts, special assistant	58,247
Donna Knight Rigby, special assistant	58,247
Patricia A. Casal, special assistant	56,990
Nancy W. Dudley, special assistant	54,607
Graham R. Gillette, special assistant	54,607
Severin L. Sorenson, regional liaison	54,607
Daniel J. Cassidy, congressional liaison	49,290
Daniel L. Philippon, special assistant	47,750
Mary L. Cavanagh, confidential assistant	46,210
Paul T. Conway, regional liaison	46,210
Elizabeth A. Dunne, legislative assistant	46,210
Ellen Field, special assistant	46,210
Joan Renee Vail, special assistant	46,210
Jean A. Balestrieri, confidential assistant	45,336
Jane A. Deck, confidential assistant	42,152
Paul G. Cellupica, attorney-adviser	38,861
Nelson J. Cooney, staff assistant	38,861
JoAnn Georgostathis, confidential assistant	38,861
John E. Littel, staff assistant	38,861
Carrie S. Chambers, confidential assistant	33,504
Alicia V. Gatewood, staff assistant	33,504
Judith R. Hall, confidential assistant	33,504
Robert J. Beshaw, staff assistant	32,423
Laura E. Carroll, staff assistant	32,423
Ronald A. Giller, staff assistant	32,423
James O'Gars, staff assistant	32,423
Inez B. Yeiser, staff assistant	30,495
Christopher G. Bahr, staff assistant	26,798
Marianne C. Dean, confidential assistant	26,798
Victoria A. Nolan, confidential assistant	26,798
Lindsay W. Howe, secretary	24,262
Timothy P. Dana, confidential assistant	21,906
Katherine L. James, confidential assistant	21,906
Elizabeth B. Moore, confidential assistant	21,906
Sharon K. Waterfield, confidential assistant	21,906

NOTE.—List reflects employees on payroll as of April.

Source: Office of National Drug Control Policy.

The U.S. drug czar's office has more political appointees, on a percentage basis, than any other federal agency. Here are 63 federal agencies ranked according to the percentage of politically appointed employees on their payroll. The first figure is the total number of employees in the agency; the second column is the number of political appointees among those employees; and the third column is the number of political appointees expressed as a percentage of the agency's total work force.

ATOP THE PATRONAGE PILE

Rank and Agency	Employees	Political appointees	
		By number	By percentage
1. Office of National Drug Control Policy	109	46	42
2. President's Commission on White House Fellowships	8	3	37
3. Federal Mine Safety and Health Review Commission	50	8	16
4. Council on Environmental Quality	25	3	12
5. Council of Economic Advisors	34	4	12
6. Tax Court of the U.S.	319	37	12
7. Office of Science and Technology Policy	40	4	10
8. Commission on Civil Rights	90	8	9
9. U.S. Arms Control and Disarmament Agency	216	19	9
10. Administrative Conference of the U.S.	23	2	9
11. Occupational Safety and Health Review Commission	73	6	8
12. Office of the Defense Secretary	2,175	150	7
13. National Mediation Baord	54	3	6
14. Federal Maritime Commission	217	11	5
15. U.S. Trade Representative	181	8	4
16. Office of Management and Budget	608	25	4
17. International Trade Commission	502	14	3
18. Education Department	5,037	140	3
19. Export-Import Bank	362	10	3
20. National Endowment for the Arts	286	7	2
21. National Transportation Safety Board	374	9	2
22. Interstate Commerce Commission	620	13	2
23. National Endowment for the Humanities	269	5	2
24. Consumer Product Safety Commission	546	10	2
25. Commodity Futures Trading Commission	602	10	2
26. Office of Government Ethics	66	1	2
27. Action	425	6	1
28. Federal Labor Relations Authority	251	3	1
29. Selective Service System	272	3	1
30. Farm Credit Administration	496	5	1
31. Pension Benefit Guaranty Corporation	626	6	<1
32. Federal Trade Commission	1,026	9	<1
33. Small Business Administration	4,998	42	<1
34. Federal Emergency Management Agency	3,404	26	<1
35. Housing and Urban Development Department	14,247	107	<1
36. Energy Department	20,157	148	<1
37. Securities and Exchange Commission	2,460	18	<1
38. Labor Department	17,942	98	<1
39. Commerce Department	37,563	201	<1

ATOP THE PATRONAGE PILE—Continued

Rank and Agency	Employees	Political appointees	
		By number	By percentage
40. Agency for International Development	4,418	23	<1
41. State Department	25,798	132	<1
42. U.S. Information Agency	8,248	39	<1
43. Federal Communications Commission	1,857	8	<1
44. National Credit Union Administration	972	4	<1
45. Office of Personnel Management	6,856	26	<1
46. Equal Employment Opportunity Commission	2,892	9	<1
47. Environmental Protection Agency	18,247	55	<1
48. National Labor Relations Board	2,139	6	<1
49. General Services Administration	21,149	50	<1
50. Agriculture Department	113,496	182	<1
51. Justice Department	93,213	120	<1
52. Department of Transportation	70,191	87	<1
53. Interior Department	75,584	88	<1
54. Health and Human Services Department	130,532	150	<1
55. National Archives and Records Administration	3,213	3	<1
56. Treasury Department	170,368	99	<1
57. Government Printing Office	4,862	2	<1
58. Federal Deposit Insurance Corporation	22,583	5	<1
59. National Aeronautics & Space Administration	25,592	5	<1
60. Department of the Air Force	213,306	25	<1
61. Veterans Affairs Department	255,448	20	<1
62. Department of the Army	41,704	19	<1
63. Department of the Navy	316,165	16	<1
Total	2,361,691	2,401	<1

Note.—For purposes of this table, a political appointee was defined as anyone hired as a Schedule C worker or as a non-career Senior Executive Service employee; presidential appointments (usually the agency's chief and, sometimes, the top deputies) were not included because complete information could not be obtained for all the agencies listed. For example, the Office of National Drug Control Policy actually has 49 political appointees if you include its three presidential appointments: director (agency chief), deputy director and associate director; <1 percent = less than 1 percent.

Sources: White House personnel office; General Accounting Office; U.S. Office of Personnel Management; Office of National Drug Control Policy.

FREEDOM FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES AND OPEN MARKETS SUPPORT ACT OF 1992

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER (Mr. ROCKEFELLER). The Senator from Oklahoma.

Mr. BOREN. Mr. President, is the bill now open to amendment?

The PRESIDING OFFICER. The bill is open to amendment.

AMENDMENT NO. 2675

(Purpose: To match any tied aid offers made by foreign countries to the former Soviet Union)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oklahoma [Mr. BOREN] for himself, Mr. BENTSEN, Mr. BYRD, Mr. BAUCUS, Mr. LIEBERMAN, and Mr. CONRAD, proposes an amendment numbered 2675.

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

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

The amendment is as follows:

On page 52, after line 13, add the following:

SEC. . TIED AID CREDIT PROGRAM; CASH TRANSFER ACCOUNTABILITY; RESTRICTIONS ON WAIVERS.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the recent agreement by the Organization for Economic Cooperation and Development (hereafter in this section referred to as the "OECD agreement") to limit tied aid covers the independent states of the former Soviet Union;

(2) this agreement is nonbinding;

(3) it contains "grandfather" clauses which will allow foreign countries to shelter tied aid projects;

(4) the mechanisms for enforcing this agreement may be insufficient to prevent foreign countries from continuing predatory export financing practices that disadvantage the United States; and

(5) while the United States should make its best efforts to abide by the terms of this agreement, it should at the same time be prepared to match any tied aid offer made by foreign countries in violation of the agreement.

(b) COUNTERING TIED AID IN THE FORMER SOVIET UNION.—(1)(A) The President should give priority attention to combating the tied aid practices of foreign countries in the independent states of the former Soviet Union, the Baltic states, and the states of Eastern and Central Europe, when such practices are deemed by the Secretary of the Treasury to be in violation of the OECD agreement.

(B) Funds for this purpose shall be available for grants made by the Export-Import Bank under the tied aid credit program pursuant to section 15(b) of the Export-Import Bank Act of 1945 and to reimburse the Bank for the amount equal to the concessionality level of any tied aid credits authorized by the Bank.

(2) The Chairman of the Export-Import Bank is authorized to use funds made available under section 15(e)(1) of the Import-Export Bank Act of 1945 (12 U.S.C. 635i-3(e)(1)) in such amounts as may be necessary to match specific predatory financing practices of foreign countries in the independent states of the former Soviet Union, in the Baltic states, and in the Central and Eastern European states.

(3) From funds made available under this Act, there are authorized to be appropriated to the Tied Aid Credit Fund established in section 15(c) of the Export-Import Bank Act of 1945 such sums as may be necessary to carry out this subsection.

(c) CASH TRANSFER ACCOUNTABILITY.—Not later than one year after the date of enactment of this Act, the President shall submit a report to the Congress stating—

(1) the amounts of assistance provided under this Act as cash transfers;

(2) the recipients of such cash transfers; and

(3) the extent to which commodity or capital financing were utilized in lieu of such cash transfers.

(d) PROCUREMENT RESTRICTIONS.—Funds made available for assistance under this Act may be used for procurement—

(1) in the United States, the recipient countries, or a developing country; or

(2) in any other country but only if—

(A) the provision of such assistance requires commodities or services, or defense articles or defense services, of a type that are not produced in and available for purchase in any country specified in paragraph (1); or

(B) the President determines, on a case-by-case basis, that procurement in such other country is necesary—

(i) to meet unforeseen circumstances, such as emergency situations, where it is important to permit procurement in a country not specified in paragraph (1), or

(ii) to promote efficiency in the use of United States foreign assistance resources, including to avoid impairment of foreign assistance objectives.

Mr. BOREN. Mr. President, this is an amendment that has been cleared on both sides and has also been cleared with the administration. This amendment would authorize the President to match any tied aid offer made by other countries in the former Soviet Union and in Eastern and Central Europe. It would, in essence, enable the President to draw on the "Tied Aid War Chest" at the Export-Import Bank at his discretion. It would require the President to account for cash transfers to the former Soviet Union and it would limit the procurement of non-United States goods and services.

I submit for the RECORD, letters of endorsement for this proposal from the National Association of Manufacturers, the National Foreign Trade Council, and the Coalition for Employment Through Exports.

I ask unanimous consent that those letters be printed in the RECORD.

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

NATIONAL ASSOCIATION OF MANUFACTURERS,
Washington, DC, July 1, 1992.

Hon. DAVID L. BOREN,
U.S. Senate, Washington, DC.

DEAR SENATOR BOREN: The National Association of Manufacturers supports the "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act," S. 2532. We also believe, however, that this bill would be greatly strengthened by two amendments you are associated with, namely:

The amendment on Business and Commercial Development in the former Soviet Union, which you are cosponsoring with Senator Lieberman and others, and

The amendment you have offered on Tied Aid Credit Program; Cash Transfer Accountability; and Restrictions on Waivers.

The first of these clearly establishes that S. 2532 is about American jobs and the competitiveness of American firms in the former Soviet Union as much as it is about the former Soviet Union *per se*.

The second of these, your amendment on tied aid, would establish U.S. policy in a critical area and should ensure that American firms and American workers do not lose business to competitors whose governments are more willing than ours to offer tied aid for projects in Russia, Kazakhstan and the other CIS republics. The National Association of Manufacturers recognizes the merits of the recently concluded OECD agreement on tied aid, which limits the use of this kind of financial assistance in the former Soviet Union. On the other hand, we have argued that the Export-Import Bank should use its war chest to match tied aid offers by others in those countries. This is exactly the policy that your amendment establishes with respect to the former Soviet Union, and we strongly support it.

We also support the other provisions of this amendment. These call for an accounting of the cash transfers authorized by S. 2532 and for procurement guidelines that benefit American companies. Both of these provisions are important and constructive.

Over the past five years, nearly 40 percent of the real economic growth in the United States has come from export expansion. The Soviet Union and its successor states played a relatively small role in that export drive. They are, however, likely to be quite significant to future U.S. export growth in a number of sectors. For this reason, we need a strategy designed to ensure that American industry plays a major part in the development of the former Soviet Union. Your amendment is an important component of that strategy.

Sincerely,

HOWARD LEWIS III,
Vice President.

NATIONAL FOREIGN TRADE COUNCIL, INC.,
Washington, DC, July 1, 1992.

Hon. DAVID L. BOREN,
U.S. Senate,
Washington, DC.

DEAR SENATOR BOREN: The National Foreign Trade Council, having reviewed your proposed amendment to S. 25332, "Freedom of Russia . . . Act" is pleased to give its support to this effort. In recent testimony given on behalf of the NFTC by Jim Cox, Chairman of our Export Finance Committee to the respective Banking Subcommittees of the Senate (Senator Sarbanes) and House (Rep. Mary Rose Oakar) in conjunction with Eximbank's reauthorization legislation, the issue of tied aid and mixed credits and the OECD Tied Aid Credit Agreement were addressed at length. In that testimony Mr. Cox said, "there is widespread consensus by exporters and bankers that the U.S. needs to have a realistic assessment of the current conditions in the area of mixed credits and have this assessment reflected in the reauthorization of Eximbank's charter." It was further stated that, "it is a well-known fact among exporters that other competitor governments have, often times, taken liberties with their interpretation of the OECD Agreement rules. In such cases, the exporters cannot wait until all the facts are known before the U.S. decides to retaliate. Waiting is tantamount to losing an order. Therefore we strongly urge that Eximbank's tied and credit fund be fully available for aggressive, imaginative and pro-active application by the Bank."

Certainly it was and continues to be the intent of the OECD Agreement to keep the new republics of the former Soviet Union and states of Central and Eastern Europe free from predatory competitive practices through the use of tied aid and mixed credits. Your amendment addresses this extremely serious competitive issue with direct unambiguous language. The amendment in and of itself should be seen by our competition as a stern warning not to compromise the spirit of the OECD Tied Aid Agreement. In that context, hopefully it will make the need to retaliate academic.

Sincerely,

EDWARD A. JONES.

COALITION FOR EMPLOYMENT THROUGH EXPORTS, INC.,
Washington, DC, July 1, 1992.

Hon. DAVID L. BOREN,
U.S. Senate,
Washington, DC.

DEAR SENATOR BOREN: The Coalition for Employment through Exports (CEE) is pleased to support your amendment to S. 2532 on matching foreign tied aid offers to the former Soviet Union. CEE, a broad-based coalition of U.S. exporters, organized labor and state governors, was organized eleven years ago (see attached membership list). Since that time, CEE has pioneered efforts to increase awareness of the linkage between U.S. exports and jobs and to promote export finance programs which enable U.S. companies to compete in international markets. Members of the Coalition have identified mixed credits-tied aid as a crucial factor in competing for overseas projects.

We appreciate your recognition of this problem. Mixed credit-tied aid competition remains a serious problem for U.S. exporters. In a recent Eximbank survey, exporters were critical of U.S. efforts in this area and called for more tied aid support from the government. Until international efforts are proven effective in limiting mixed credits-tied aid practices, CEE believes that U.S. exporters need continued and aggressive support from Eximbank and AID. In particular, the U.S. government should aggressively provide support to American companies in cases of violations of the agreement and in matching financing for projects "grandfathered" or "exempt" from the agreement. CEE supports the Senate Banking Committee bill, S. 2864, which updates the Eximbank charter in this area.

The Coalition is concerned about the use of tied aid by foreign governments in the former Soviet Union and in Eastern and Central Europe. Your amendment specifically addresses this and the need for the United States to aggressively counter tied aid in these areas. We believe this will help our efforts to be competitive in these regions, and to increase U.S. exports and American jobs.

Your leadership on this and other export issues is appreciated and we look forward to continuing to work with you on this important legislation.

Sincerely,

PEGGY A. HOULIHAN,
Executive Director.

CEE MEMBER COMPANIES

AT&T.
Allied Signal, Inc.
American Textile Machinery Association.
Asea Brown Boveri.
Bechtel Group, Inc.
The Boeing Company.
Brown & Root, Inc.
Caterpillar, Inc.
Dresser Industries, Inc.
Dresser-Rand.
Fluor Corporation.
GTE Corporation.
General Electric Company.
Ingersoll-Rand Company.
Motorola, Inc.
PACCAR, Inc.
Private Export Funding Corporation.
Rockwell International.
Scientific-Atlanta, Inc.
Sea-Land Service, Inc.
Varian.
Westinghouse Electric Corporation.

CEE AFFILIATE SUPPORTERS

Labor organizations

American Federation of Government Employees.
Building and Construction Trades Department, AFL-CIO.
Coalition of Labor Union Women.
Communications Workers of America.
Council of Engineers and Scientists Organizations.
International Brotherhood of Electrical Workers.
International Ladies Garment Workers Union.
International Union of Electrical, Radio and Machine Workers.
International Union of Operating Engineers.
The Seafarer's International Union of North America.
United Association of Plumbers and Pipefitters.
United Automobile, Aerospace and Agricultural Implement Workers of America.
United Brotherhood of Carpenters and Joiners of America.
United Steel Workers of America.

Government members

Tom Bradley, Mayor of Los Angeles.
B. Evan Bayh III, Governor of Indiana.
Mario M. Cuomo, Governor of New York.
Jim Edgar, Governor of Illinois.
Booth Gardner, Governor of Washington.
Ann W. Richards, Governor of Texas.
William D. Schaefer, Governor of Maryland.
George A. Sinner, Governor of North Dakota.
Fife Symington, Governor of Arizona.
Tommy G. Thompson, Governor of Wisconsin.
George V. Voinovich, Governor of Ohio.

Mr. BOREN. Mr. President, I ask unanimous consent that the distinguished minority leader, Senator DOLE, be added as a cosponsor of the amendment.

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

Mr. BOREN. Mr. President, let me briefly summarize the reasons why this amendment is necessary. I am among those who believe that the Freedom Support Act is not just another foreign aid bill. But particularly with legislation of such importance, we need to think about ways to help ourselves at the same time that we help others. We have learned the hard way that other countries have become quite skillful at the practice of tying their foreign aid to the purchase of their own goods and services. These other countries are certainly aware that assisting the former Soviet Union also means developing new markets and enhancing their competitive position.

Unfortunately, the United States has been slow in making this connection between aid and trade. Of our economic support fund assistance provided over the last few years, the vast majority has been in the form of cash transfers rather than credits to buy our products. In Eastern Europe, for example, Germany and Japan have given over two-thirds of their aid in the form of credits, far more than the United States. So, what we are doing, in essence, is giving cash that often is used to buy the products of our competitors. In fact, Mr. President, it has been estimated that the United States loses $4.8 billion in exports annually because we have not tied our aid as effectively as other countries have done.

When Germany or Italy or France or Japan provide their aid in the form of tied credits and export credits, they are placing their products into the infrastructure of the recipient countries, into the communication systems, into

the transportation systems, into the banking systems that are being modernized in Eastern Europe and elsewhere.

Not only does this create jobs in the donor countries, through the production of high-tech equipment or of basic machinery, it also creates a future market for spare parts and for service contracts. It establishes a long-term economic and trading relationship.

So, Mr. President, I think we have to be alert to what others are doing. We have to be alert to the fact that no matter what others have said over the years, they have been using tied aid projects to take away jobs from Americans. We are compassionate people. We want to help others, but it simply makes sense that we should help ourselves by creating jobs in our own country at the same time.

In 1987, Mr. President, the United States persuaded the other countries of the Organization for Economic Cooperation and Development, the OECD, to reduce the use of tied aid credits. That was the agreement. But, instead, since that time, total tied aid offers actually increased by 75 percent by those countries, from $12 billion in 1987 to $21 billion in 1991. The United States tried to play fair, and our friends in the OECD seized the opportunity. Now, the OECD has put together another agreement to restrict tied aid practices and to make the former Soviet Union off limits in terms of receiving tied aid.

I hope, Mr. President, that this latest agreement will hold. I hope we will not be disadvantaged, as we have since 1987, by other countries that continue to give tied aid, that continue to give credits that can only be used to buy their products.

But I would point out that it is only a hope. Realistically, I doubt very much that this agreement will hold. The latest agreement, like the earlier one, is nonbinding, and it has no enforcement mechanisms. It can be waived for reasons of national interest and it contains a grandfather clause which will exempt our competitors' tied aid projects already underway.

Therefore, Mr. President, I think we must be prepared for the possibility that others may go back to their old ways of using tied aid projects, particularly in the vast and largely untapped markets of the former Soviet Union. If that is the case, the United States must be in a position to make sure that we are on a level playing field. We must make sure that we are able to protect the interests of American workers and businesses while reaching out to help those in the former Soviet Union and in other countries.

This amendment, Mr. President, is simply a matter of giving authority to respond in kind to any violations of the OECD agreement by other countries. It is not mandatory. It does not bind the President. It does not force the President. What it really does is send a message to our friends in the OECD that they should live up to their agreements and that if they do not, the United States will not stand on the sidelines.

This amendment has had broad support from across the board. It leaves maximum flexibility in the hands of the President of the United States. And I think it simply makes it clear to others who will also be participating in aid programs to the countries of the former Soviet Union, that we must all play by the same rules.

Mr. KASTEN. Will the Senator yield?

Mr. BOREN. I will be happy to yield.

Mr. KASTEN. Mr. President, I want to commend the Senator on this amendment, first of all, but also say a number of us have been working on this issue and I know you have for a number of years. I frankly wish we would be binding the President, I wish we would be mandating, I wish we would be forcing, because we have tried through hearing after hearing, through letter after letter, time and time again to try to get this point across, and it wins sometimes in Commerce, and then it loses in State, and it wins sometimes in one place and loses somewhere else, and it goes back and forth like a ping-pong ball in this administration. I commend the Senator for his amendment. I ask I be named a cosponsor of the amendment.

Mr. BOREN. Mr. President, I thank my colleague from Wisconsin. I ask unanimous consent that the Senator from Wisconsin be added as a cosponsor of this amendment.

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

Mr. BENTSEN. Mr. President, I rise to urge my colleagues to support the amendment offered by the Senator from Oklahoma.

The legislation now before the Senate will help set the foundation for our economic relations with Russia and the other former Soviet Republics for many years to come. This bill therefore is of historic significance not only to President Yeltsin and his colleagues, but also to our own companies seeking to do business in the former republics. Our firms are counting on us to pass a bill that also keeps their important interests in mind.

We all recognize that the United States today faces unprecedented economic challenges from our major European and Asian competitors. A recent study by the private sector Council on Competitiveness found that we continue to lose ground in many key industries—expecially those in which foreign governments are helping their firms build up production and exports.

One way they do so is through the use of tied aid. Many of our toughest economic competitors continue to link their foreign assistance directly to purchases of their own products. And they provide export credit financing below market rates.

Our competitors also make sure that the bulk of their aid goes for lucrative capital projects—which help the recipients speed up their economic development. The assistance goes for much-needed phone lines, powerplants, and scrubbers that cut back on air pollution. And those capital projects return money and jobs to the countries providing the aid.

Meanwhile, the United States continues to spend far less on these capital projects, while giving far more aid in cash, than anyone else.

The result: Our companies continue to lose as much as $5 billion a year to their foreign competitors.

Last July, this body overwhelmingly passed aid for trade legislation to begin dealing with this serious problem. Like that bill, this amendment makes clear that we will no longer sit by idly while other countries actively pursue opportunities in emerging markets like the former Soviet Republics.

For years, U.S. negotiators tried to prod other countries to put limits on their tied aid. But the talks languished, and our competitive position only worsened. By passing that aid for trade legislation, we made it crystal clear that the United States was ready to counter the massive tied aid provided by other countries. And with that added leverage, our negotiators finally were able to bring back a tied aid agreement last fall.

That agreement was an important milestone. But it still leaves many questions unanswered. It grandfathers current tied-aid arrangements. Already some countries are using that loophole to extend their tied aid for several more years. It relies on voluntary compliance: There are no sanctions to compel good behavior. And it is still anybody's guess just how the agreement will be enforced.

In fact, our own Export-Import Bank Chairman has stated that the United States will have to be the policeman of the tied aid agreement.

No good policeman reports for duty unarmed. If other countries are prepared to use tied aid, we must be ready to respond.

That is just what the Senator from Oklahoma's amendment does with respect to aid to the former Soviet Republics. It makes clear that we should counter any tied aid provided by other countries to the former republics. That is the whole purpose of the Export-Import Bank's war chest. We should not hesitate to use it aggressively to help our own companies gain a foothold in Russia and the rest of the former republics.

The point is to respond in kind to what our competitors may choose to do. We should not, and we will not, be the first to violate the tied aid agreement. But we also must not unilaterally disarm and just cede those markets to our chief competitors.

This amendment makes clear that we will not do so. And it also ensures that our approach toward the former Soviet Union is a balanced one: Helping the former republics help themselves, while also looking out for our own commercial interests. That is the essence of a sound aid policy.

For all of the above reasons, I urge my colleagues to support the amendment.

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

Mr. PELL. Mr. President, this seems to be an excellent amendment. I suggest that we vote for it.

Mr. LUGAR. Mr. President, we are prepared to accept the amendment on our side.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 2675) was agreed to.

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

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

The motion to lay on the table was agreed to.

BALANCING THE BUDGET OR PLAYING POLITICS

Mr. HARKIN. Mr. President, reducing the deficit, and how we accomplish that goal, are some of the most difficult issues that the Congress and our Nation will face over the next decade. Balancing the budget is serious business. It demands the leadership of the President, the cooperation of Congress, and sacrifice and commitment of the American people. It should not be used for crass political purposes or manipulation for partisan advantage. Unfortunately, that's the situation we find ourselves in today when considering the amendment of Senators SEYMOUR and NICKLES.

Mr. President, I have struggled over the question of the balanced budget amendment for all my years in Congress. When I served in the House in the 1970's and early 1980's, I opposed the balanced budget amendment. But beginning in 1982 as deficits skyrocketed in the early Reagan years, I began to review my position. Four years later, i supported the balanced budget amendment then offered by Senator SIMON.

And if the House had cast the necessary two-thirds vote to move the balanced budget amendment to the States for their ratification, this year's vote on Senator SIMON's proposal would once again have been a difficult one. However, it is not now. The House's rejection of Congressman STENHOLM's balanced budget amendment doomed action on this proposal by the Congress for this year. The debate this week is merely a partisan exercise, designed to score political points rather than take the serious and concrete steps needed to balance the budget.

The fact is, Mr. President, some of the Republicans have decided to play political games with the deficit. As Senator SIMON, the chief sponsor of the balanced budget amendment that passed the Judiciary Committee, said, "I do not consider this a test vote. It [the balanced budget amendment] has been defeated. I think it is clear that it is being brought up for partisan political purposes." Simply put, this Republican-inspired effort to revive this issue—which, again, has no real chance of getting out of Congress and into the State legislatures for ratification—is clearly a sham designed for the upcoming political campaign, rather than a serious or sincere attempt to solve the deficit crisis.

Before we can act in earnest on the constitutional balanced budget amendment in the next Congress, we can take real and concrete action now to deal with the deficit. For one, the amendment proposed by Senator BYRD puts ultimate responsibility for balancing the budget where it belongs—on the President's desk. Specifically, the Byrd amendment calls upon the President to submit, by September 2, a plan to balance the budget within 5 years. It's curious that the 2 leading proponents of a balanced budget amendment, President Bush and former President Reagan, have presided over administrations in large part responsible for the quadrupling of the Federal deficit—increasing by $3 trillion in just over 11 years.

The Byrd amendment makes the point that where a balanced budget is concerned, don't read the President's lips, read his budget. The President's fiscal year 1993 budget shows a deficit of $339.4 billion for the current year, the largest annual deficit in our Nation's history. Mr. Bush's political rhetoric aside, this figure is the true measure of his commitment to a balanced budget.

Mr. President, balancing the budget and getting our fiscal house in order demands more than political grandstanding. It requires real action.

In the current fiscal year, the Federal Government will spend an estimated $297 billion on interest, more than defense or Social Security. That amounts to $800 million each day that could be spent on education, health care, job training, and housing.

And who benefits? Those billions of dollars of interest payments go to those wealthy enough to buy T-bills. Increasingly, these are foreign investors. Instead of paying off the rich, we should be investing in our human and physical resources.

We do need to begin the process of imposing the restraint necessary to balance our books and halt this drain of public capital from our children, grandchildren, and poor and middle income Americans to the wealthy, both here and abroad. For this reason, I have been attracted to the proposal of Senator SIMON.

I believe a balanced budget amendment can be achieved by pursuing a growth agenda. First, we can reduce defense expenditures by as much as 50 percent over the next 10 years and devote these resources both to public investment and deficit reduction. Second, we can reduce the trade deficit with a tough trade policy designed to stop the export of U.S. jobs. Eliminating the trade deficit will create good, well-paying jobs here at home, which will stimulate the economy and, in turn, reduce the deficit.

Third, a comprehensive growth policy, based on investments in our people and physical resources, will generate economic growth, produce more jobs, producing higher revenues while reducing Government expenditures for unemployment benefits as well as welfare costs. The deficit will be lowered as a result. Fourth, reducing the deficit will lower Federal payments on interest. An economic growth policy also demands tax fairness, and that may require making the wealthy pay their fair share of the tax burden. For this reason, I opposed the amendment of Senator KASTEN, which would require a super majority to inject fairness into our tax code.

With a growth policy in place, with budget priorities that meet the needs and threats of the post-cold-war world, we can balance the budget, without reducing investments in our human and physical resources and without sending a huge bill to our children and grandchildren. But a task of this importance demands more than rhetoric or partisanship. As I have said before, it requires leadership by the President, cooperation by the Congress, and a commitment and willingness to sacrifice by the American people. Political exercises, such as the one we are engaged in today, moves us further into political gridlock and further away from our goal of balancing the budget and putting our economy on the path to sustained long-term growth.

AMENDMENT OF THE COMMITTEE ON AGRICULTURE

Mr. KERREY. Mr. President, I rise in support of the amendment from the Committee on Agriculture, and I want to thank the chairman and the ranking Republican of the committee for their complete cooperation and full support in accommodating my interest in seeing that we reorient our export assistance programs toward giving some encouragement to the emerging private sector farming activities in the former Soviet Union.

We in American agriculture find ourselves in a bit of a dilemma. We welcome, of course, the fact that the former Soviet Union is no more and that the several countries that have emerged in its place have abandoned communism in favor of democracy and free markets. But, the former Soviet Union was among United States agriculture's largest market, and we want the new independent States [NIS] that

have replaced it to remain strong commercial customers.

The dilemma in this: We know that if the NIS is to put itself on a firm economic footing, and remain a cash customer for United States farm products, the new independent States must rebuild a healthy private agricultural sector as a pillar of their society. A strong domestic agriculture in these countries could be viewed by some as a potential threat to U.S. markets, but that does not have to be so. Indeed, I support the changes made by the committee amendment because I believe that they will encourage private sector farmers within the new independent States in a way that will increase demand among those farmers not only for bulk grains, but also for feed products, breeding livestock, machinery, inputs and other items from the United States that will help farmers throughout Eurasia to satisfy a consumer demand that, as we all know, has a tragically long way to go before it is fulfilled.

For over 2 years, Land O'Lakes, the large American dairy cooperative, has been working with the major grassroots organization of private farmers in Russia—a group with the acronym AKKOR—to set up private agribusiness in the Tula region, south of Moscow. AKKOR was founded just 2½ years ago and since then the number of private farms has grown from fewer than 1,000 to nearly 100,000 as of last month. AKKOR now expects to see 150,000 private farms in Russia by the end of year—vastly exceeding projections made last year. Land O'Lakes and the Russian Ministry of Agriculture have privately financed a full feasibility study to create model agribusinesses that would be controlled by private farmers. AKKOR is exactly the type of effort that I believe we need to support with the changes made in the amendment from the Committee on Agriculture.

Mr. President, I am confident that this amendment will prove to be in the long-term interests of farmers here in the United States as well as the new independent states, and I am pleased to support it.

ARMENIA, AZERBAIJAN, AND THE FREEDOM SUPPORT ACT

Mr. KERRY. Mr. President, I would like to take a few minutes during this debate on the Freedom Support Act [FSA] to discuss the current situation involving Armenia, Azerbaijan, and Nagorno-Karabach.

Section 5(c) of the FSA consists of an amendment that I offered in the Foreign Relations Committee to prohibit assistance to Azerbaijan unless and until it meets the following three conditions. First, it must take steps to cease its blockade and other offensive uses of military force against Armenia and Nagorno-Karabach; second, it must demonstrate respect for the human rights of its minority citizens, including the Armenians; and third, it must participate constructively in international efforts to arrive at a peaceful settlement of the Nagorno-Karabach issue.

It should not be United States policy, and it is not the intent behind the language in this bill, that the United States side with one party or the other in the conflict over Nagorno-Karabach. It is not we who will have to live with the outcome of that conflict. Nor do we wish to encourage other outside powers to intervene. Our neutrality, however, does not extend to the issue of principle. We are not neutral about abduction, torture, or murder. We are not neutral about blockades designed to starve out populations. We are not neutral about mortarfire and shelling that kill indiscriminately. And we are not neutral about the issue of whether disputes over territory and self-determination ought to be settled through peaceful negotiation rather than violence.

Clearly, none of the parties to the conflict in Nagorno-Karabach is without fault. Neither the Azerbaijani Government nor the Armenian Government fully controls the actions of the military units with which it is identified. Both sides, moreover, have been accused of aggression, both have been accused of indiscriminate violence, and both have been accused of a refusal to compromise.

But the fact that there may be blame on all sides does not mean that the responsibility is equal. Any objective analysis of the history of Azeri control over Nagorno-Karabach, or of the recent escalation of fighting, must conclude that the primary responsibility and blame for the violence rest with Azerbaijan.

Azerbaijan has maintained an economic blockade against Armenia periodically since 1988, and continually since November of last year. The result has been desperate shortages of fuel, food, and other basic supplies within Armenia, crippling the economic recovery of perhaps the most democratic, pro-free-enterprise, pro-American of all the former Soviet Republics.

That blockade also has affected Nagorno-Karabach, a predominantly Armenian enclave that was placed under the control of Soviet Azerbaijan by order of Joseph Stalin in 1921. Stalin subsequently redrew the boundaries to eliminate any land border between Armenia and Nagorno-Karabach. For decades, the Armenian residents endured political and economic repression orchestrated by the Communist leaders in Moscow and their puppets in the Azerbaijan capital of Baku.

Finally, in 1988, the parliament of Nagorno-Karabach took advantage of the political opening promised by President Gorbachev and voted in accordance with the Constitution to seek independence from the authority of Azerbaijan. This triggered a major outbreak of repression directed by Azerbaijan against the region, including torture, abductions, and large-scale deportations leading to a massive flight of refugees to Armenia.

The fighting has continued intermittently for the past 4 years, but has been particularly intense during the past 6 months. Although the Armenian forces have taken steps to break the blockade and open supply lines between Armenia and Nagorno-Karabach, and questions remain about the alleged killing of Azeris in February at Khodzaly, the primary instigator of the recent violence has, again, been Azerbaijan.

Under the direction of its new hardline President, Ebulfez Elchibey, Azerbaijan has launched a massive offensive against the Armenian forces in Nagorno-Karabach and reportedly has made preparations to carry the fight across the border into Armenia, itself. The Azeri offensive has been aided by large quantities of heavy weapons either seized from, or provided by, the regular Army of the Confederation of Independent States. Bombings and shellings of principal Armenian cities, including Stepankert, occur on a daily basis. Hundreds of innocent civilians have been killed or wounded in this latest round of fighting alone and thousands of homes have been destroyed.

Unfortunately, international efforts to mediate a peace settlement have not yet succeeded. The Russians, the CSCE, Iran, the United Nations, and others have sought agreements from the parties to stop the fighting. Armenian President Ter-Petrosyan has made clear his Government's support for a peaceful settlement and has suggested the deployment of UN peacekeeping forces. Speaking to an emergency session of the Armenian Parliament on June 25, Ter-Petrosyan said that:

> We cannot ignore the norms of international law and are bound to take account of world public opinion. I hope that the common sense and wisdom of the people will prevent irresponsible forces from plunging us into rash action. Ensuring the safety of Nagorno-Karabach's population in conjunction with continuing the negotiation process should remain the basic component of our policy toward Nagorno-Karabach. The only alternative to this is the further intensification of confrontation and an unending bloody war. I reject the futile route.

Although Azerbaijan's leaders also have expressed public support for a settlement, their words are belied by a continuing failure to acknowledge any degree of autonomy for Nagorno-Karabach and by maintenance of the blockades.

As I have said, there are many aspects of the current situation that are not entirely clear. But section 5(c) of the Freedom Support Act gives the Senate the best opportunity we will have to go on record about the aspects of this dispute that are clear. First, the

economic blockade launched by Azerbaijan against Armenia and Armenian Nagorno-Karabach was—and is—wrong. Second, U.S. aid dollars should not go to Azerbaijan as long as that country is engaged in military aggression. Third, respect for human rights should remain an absolute precondition to the granting of aid to any government. And, finally, all sides should seek a peaceful resolution to the conflict.

I hope that the inclusion of this language in the Freedom Support Act will contribute to international pressure on Azerbaijan to modify its policies, and that it will encourage the Bush administration to be aggressive in its support of an end to the violence and repression in Nagorno-Karabach.

In closing, I ask unanimous consent to insert at this point in the RECORD a chronology of daily reports on the current situation in Nagorno-Karabach and Armenia that was prepared by the Armenian Assembly of America. The information was prepared from first-hand accounts, local press sources, and official Government statements.

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

CHRONOLOGY OF DAILY REPORTS ON CURRENT SITUATION IN NAGORNO-KARABAGH AND ARMENIA MAY 1–JUNE 23, 1992

NAGORNO-KARABAGH

Askeran region

May 5: On May 5, the regional center of Askeran was shelled with 25 "grad" missiles from the Aghdam region (Azerbaijan). Several structures were damaged. Details about the casualties are being confirmed.

May 6: As a result of artillery shelling of the Armenian village of Baluja from the Azeri bases in Jangasan one villager died.

May 11: In the morning of May 10, after the "grad" shelling, Azeri army forces with 20 units of armoured equipments and tanks attacked the Askeran region the Aghdam region of Azerbaijan. The attackers managed to enter the Armenian villages of Dahraz and Aghbulagh. Six natives were killed and five were wounded. Armenian self-defense units managed to repel the attack.

On May 9, the regional center of Askeran, Armenian villages of Harav, Karashen and Krasni and Stepanakert City were bombarded with MI–24 helicopters and SU–25 attack planes. The bombing of Stepanakert, the city airport and the regional center of Askeran were considerably more intensive. Askeran and the Village of Noragyugh were shelled with "grad" missiles from the Aghdam region (Azerbaijan). There were many casualties and many buildings were damaged.

May 13: In the evening of May 12 and the morning of May 13, the Armenian villages of Akhbulakh, Arazamin, Nakhijevanik, Dagraz and the Stepanakert airport were shelled with "grad" missiles, artillery weapons and tanks from the Aghdam region. An accumulation of tanks, armoured vehicles and soldiers are being observed near the Azeri village of Gyulabli. Once again, a major attack is being expected.

May 14: On May 13, an Azeri SU–25 attack plane again bombarded Armenian villages in the Askeran region. Several homes were destroyed in the village of Khachmash and two villagers were wounded. On May 9, this same military plane fired upon the Armenian Yak-40 plane, which was transferring wounded from Stepanakert to Goris. The plane caught on fire and barely managed to land at the Sisian (Armenia) airport.

May 15: On May 15, the Armenian villages of Nakhijevanik and Prjamal were fired upon from the Azeri bases in Gyulaplu. Several buildings were damaged and there were several wounded. Armenian self-defense forces repelled these attacks and were also able to silence almost all of the weapon emplacements in Gyulaplu.

May 18: In the evening of May 17 and the Morning of May 18, the regional center of Askeran was shelled with artillery weapons and tanks from the Aghdam region. More than 100 shells were launched on the city. One person died, six were wounded.

May 20: On May 20, the regional center of Askeran and the Stepanakert airport (Khojalu) were shelled with "grad" missiles from the Aghdam region. Two people were wounded. Several homes were damaged.

May 25: In the evening of May 23, the regional center of Askeran and Armenian villages near the NKR border were shelled with artillery weapons and "grad" missiles. The shelling continued until May 24. More than 150 different types of shells were launched. Four people died and four were wounded.

June 4: On June 3, a "uaz" type car was blown up by an Azeri placed mine near the Armenian village of Dagraz. Eight passengers died and four were wounded.

June 12: Armenian villages of Prjamal, Akhbulakh Arandzamin and Dahraz which were conquered and looted on June 12, and still under the Azeris' control. Reinforcements coming from the Aghdam region. The regional center of Askeran and the positions of the Armenian self-defense units are being shelled with artillery weapons and "grad" missiles. Details concerning casualties are still being confirmed. The Azeri units also suffered considerable losses, and once again reports are being received that the units are full of mercenaries of Slavic origin.

June 17: While Azeri units continue to hold their positions in the five conquered Armenian villages, Armenian self-defense forces began a counter-attack to liberate their land. Reports indicate that the Azeris are getting reinforcements from the Aghdam region. During the counterattack, several Azeri military vehicles and equipment were destroyed.

June 19: On June 19, the regional center of Askeran and the Armenian village of Kyatuk were shelled with artillery weapons and "grad" missiles from the Aghdam region. Several villagers were wounded and many buildings were damaged.

June 22: On June 20, Armenian self-defense forces launched an attack to liberate the Armenian villages of Nakhijevanik and Prjamal, which had been conquered by Azeri forces on June 12. Azeri army tank units retreated, though at least three tanks were put out of action. Both sides suffered losses.

On June 22, at 3 a.m., the regional center of Askeran was attacked with tanks and armored vehicles from the Aghdam region. The attack was repelled. Three Armenians died and one was wounded. At the same time, several Armenian border villages of the Askeran region were shelled with "grad" missiles and heavy artillery.

June 13: Azerbaijani forces recently seized military weapons from arsenals which were maintained by the former Soviet army. These forces misappropriated massive quantities of armored vehicles, planes, missile launchers, automatic weapons, and ammunition. There is no doubt that the seizure of these weapons, combined with the already massive weaponry Azerbaijan possesses, will be used to annihilate the people of Nagorno-Karabagh. The launching of this offensive, coming shortly after the election of President Elchibey, is in direct contravention of the agreement reached at the north atlantic cooperation council meeting in Oslo on June 6th. This latest offensive is an attempt by Azerbaijan to derail the upcoming CSCE conference on Nagorno-Karabagh in Minsk scheduled to convene in two weeks.

June 14: The Armenian self-defense forces managed to stop the progression of the Azeri tanks into the Askeran region. On June 14, the Armenian villages of Maragha, Karmiravan, Talish (Mardakert region, two people died and four were wounded), the Armenia village of Edillu (Hadrut region, two died) and all the border villages of the Noyeberian, Ijevan, Kapan, and Goris regions of Armenia were shelled with "grad" missiles and artillery weapons. There were casualties and several structures were damaged.

Hadrut region

May 5: On May 5, the Armenian villages of Tumi and Edillu were shelled with "grad" missiles from the Fizuli region (Azerbaijan). Two homes were destroyed. One villager was wounded.

May 7: On May 6, at 8 pm, the wine factory and the village of Togh were attacked with armored vehicles from the Azeri village of Vershatlu (Fizuli region). The Armenian self-defense forces managed to retaliate the attack. One villager of the village of Hkaku (Hadrut region) was killed.

May 12: During the early morning on May 12, Azeri forces heavily shelled the Armenian village of Khsabert with grad missiles. There were casualties. It appears as if the Azeri forces which were retreating from Shushi were able to transfer one grad missile launcher to heights overlooking the Hadrut region.

May 13: The regional center of Hadrut and the Armenian village of Khtsaberd were shelled with "grad" missiles from the Jebrail and Fizuli regions (Azerbaijan). One villager died, nine were wounded.

May 14, On May 12, near the Fizuli region, a group of armed Azeris attacked a convoy of cars, including trucks carrying food for troops in the Hadrut region. The food from seven trucks was stolen.

June 3: As a result of a "grad" shelling, one man died and one was wounded in the village of Akhbulakh.

June 4: On June 4, the Armenian village of Melikjanlu was shelled with "grad" missilies and artillery weapons from the Fizuli region (Azerbaijan). Many buildings were seriously damaged and seven villagers were wounded.

June 9: On June 8, the Armenian village of Kochbek was attacked by tanks from the Fizuli region (Azerbaijan). The attack was repelled. The Azeris suffered two losses.

June 15: On the night of June 15, an attempt was made to penetrate the regional center of Hadrut with tanks from the Fizuli region. The attack was repelled. Both sides are reported to have suffered great losses.

June 16: Late at night of June 15, an attempt was made to penetrate the Armenian village of Sarishen with tanks from the Jabrial region of Azerbaijan. The attack was repelled. Both sides suffered losses. From the morning of June 16, the regional center of Hadrut was shelled with "grad" missiles and artillery weapons. Several buildings were damaged and there were casualties.

June 23: On June 22, the regional center of Hadrut was shelled with heavy artillery from the fizuili region. Two women were wounded.

LACHIN

May 28: According to the headquarters of the NKR's self-defense forces, Kurd families are returning to Lachin.

June 6: Armenia's defense ministry rejected information spread by the Russian mass media regarding the transference of military equipment from Armenia to NKR via the Lachin corridor on June 1st.

Mardakert region

April 16: On April 10, the Azerbaijani army attacked the village of Maragha in the Mardakert region. It was discovered that the Azerbaijani army left in its wake a massacre of the village of Maragha. 50 bodies have been identified, mainly women, children and elderly.

Baroness Caroline Cox, who had been in Maragha on April 12, commented on the massacre of Maragha by stating that in a single day more than 50 civilians were killed and about 100 taken prisoner, mainly women and children. Baroness Cox made known that they had evidence regarding the atrocities perpetrated in Maragha, including photos of decapitated and mutilated bodies.

May 1: On April 29, at 7 p.m., the Armenian village of Karmiravan was shelled with rocket-artillery weapons from the Azeri village of Shotlanli (Aghdam region). The Armenian villages of Vank, Maragha and Chailu were also shelled. One villager died, and some buildings were damaged.

May 4: The Armenian village of Karmir Avan (Mardakert region) was shelled from the Terter region (Azerbaijan). Four villagers were wounded, and several structures were damaged.

May 5: In the evening of May 4, the Armenian village of Talish was attacked by the Azeri army from the Terter region. At the same time the village was shelled with rockets from the Azeri bases in Shefek. The attack was repelled by the self-defense forces of the village. Four villagers were killed and four were wounded.

May 6: On May 5, the Azeri army divisions with tanks and armoured vehicles launches an attack on the Armenian village of Talish, trying to cross the road connecting the Mardakert and Shahumian regions. The attack was repelled. Seven people were killed and seven were wounded. 20 Azeri soldiers were reported dead. On May 5, the Armenian villages of Chailu, Matagis, and Leninavan were shelled with "grad" missiles from the Terter region (Azerbaijan) and the Azeri bases in Shefek and Zeiva. More than 500 shells were launched on the villages. Many buildings were damaged and there were casualties.

May 7: Seven people died as a result of the May 5th attack on the Armenian village of Talish by the Azeri army.

May 12: During the morning of May 12, the day after Armenians repelled an Azeri attack on the Armenian village of Maragha, Azeri forces began heavily shelling the village from the Azeri village of Derder. Confirmed reports indicate that when the Azeri army entered the village of Maragha on May 11, 7 Armenian civilians were brutally murdered and several others seriously wounded.

Also during the morning of May 12, the Mardakert regional center and the village of Talish were bombed with "grad" missiles from Derder.

May 18: 60 "grad" missiles were launched on the Armenian villages of Maragha and Karmiravan from the Derder region (Azerbaijan). Several structures were damaged and several villagers wounded.

May 25: On May 25, the Armenian village of Talish was bombarded with navy cannons from the Mirbashir region (Azerbaijan). These cannons were taken from the Caspian fleet. Several buildings were damaged. Details about casualties are being confirmed. On May 24, the Armenian village of Talish was shelled with unidentified rockets and artillery weapons.

May 26: The regional center of Mardakert was shelled with unidentified rockets which have gigantic destructive power, from the Aghdam region. A group of experts were sent to the region to investigate.

On May 27, at 5:15 pm, the regional center of Mardakert and the Armenian villages of Horatagh and Janyatagh were shelled with artillery weapons (from tanks, cannons and armoured vehicles) from the Aghdam region. Two villagers were wounded.

On May 26, "land-air" rockets were launched upon the Mardakert region. The region's authorities have expressed concern about the new use of this mass destruction weapon.

June 1: during the evening of May 31st in the village of Kichan (located on the border of Aghdam), one car was blown up by a mine along the road. That car was loaded with a portion of Lady Cox's humanitarian aid from Stepanakert. One person was killed, 3 were wounded.

June 4: Azeri forces continue to intensely bomb the Mardakert region. On June 3, the Armenian villages of Janyatagh, Nerkin Oratagh, Vardazor and the regional center of Mardakert were shelled with "grad" missiles, rocket and artillery weapons, cannons and tanks, and armoured vehicles from the village of Papravend (Aghdam region, Azerbaijan). 500 shells were launched. At least four people were wounded.

June 5: Azeri units are said to be fleeing from their bases in Nareshtar.

June 8: On June 7, the regional center of Mardakert was shelled with artillery weapons and "grad" missiles from the Aghdam region (Azerbaijan). More than 100 shells were launched. One woman was killed. There were several wounded and destructions reported. An accumulation of military equipment is being observed in the Kubatli and Kelbajar regions of Azerbaijan.

June 9: on June 8, the Armenian village of Maragha was shelled with artillery weapons and "grad" missiles. Three villagers were wounded.

Cyandide-005 was discovered in the shells launched on the village of Mokhratagh (Mardakert region) from the Aghdam region (Azerbaijan). A group of experts arrived in Mokhratagh to investigate.

June 10: on June 9, the Armenian villages of Maragha, Talish, and Karmiravan and Chailu were shelled with "grad" missiles and tanks from the Terter and Germboi regions (Azerbaijan). Two people died and six were wounded in Chailu. Yerevan doctors confirmed that in the "grad" volleys there was poisonous gas, which causes convulsions and unhealed sores upon the body.

June 11: on the night of June 11, the Armenian villages of Getavan, Vagaus, Chapar were attacked with military equipment from the Azeri bases in Nareshtar. The attack repelled, three Armenians died and eight were wounded. Operations are being prepared to silence the Azeris' weapon emplacements in the base in Nareshtar. On the night of June 11, Mardakert city, the villages of Karmiravan and Maragha were shelled with artillery weapons and 300 "grad" volleys from the Azeri villages of Shotlanli, Papraven (Aghdam region) and the Terter region. One man was wounded. Several buildings were damaged.

In the morning of June 14, the Armenian self-defense forces managed to stop the movement of the Azeri tanks from penetrating further into the Mardakert region. The Azeri military equipment was withdrawn from the conquered and looted Armenian village of Kichan. At present, the fighting continues and both sides are reported to have suffered great losses. The Azeri artillery and tanks continue to shell Armenian villages.

June 12: the Armenian village of Vaguas was shelled and attacked from the Azeri bases in Nareshtar. Two Armenians were killed.

June 15: The fighting continues in the village of Srkhavend. 30 additional Azeri military units are coming to support the Azeri forces from the Aghdam region. Since the morning hours of June 15, the Armenian villages of Chailu and Talish have been under heavy grad missile attacks. The refugees from the Shahumian region were mainly concentrated in those villages. There were casualties and several buildings were damaged.

On Saturday, June 13, at 10 a.m., the Azeri military forces tried to penetrate further into the Mardakert region. The Azeri artillery and tanks had surrounded and tried to take by storm the Armenian villages of Children Kolatak. Several structures were destroyed and casualties were reported.

June 16: Consolidating their position in the Shahumian region, the Azeri units backed up with fourth army tanks, began intensive shelling of the Armenian villages of Talish and Chailu (the majority of the refugees from the Shahumian region were settled in those villages) with artillery weapons and "grad" missiles until the morning of June 16th. There were tens of casualties and substantial damage to structures.

June 17: During the morning of June 16, Azeri army units, backed with 20 tanks and 50 other military vehicles, invaded the Mardakert region and conquered the settlements of Mataghis, Talish, Tonashen, and Chailu. In addition to the native population of 6,000 close to 10,000 refugees from the Shahumian region had settled in these villages. It has been reported that dozens of Armenian civilians were killed during the attack, while thousands were forced to flee into the surrounding forests. In the evening on June 16th, Armenian self-defense forces began a counter-attack, and were able to liberate part of the village of Chailu. Latest reports indicate that the fighting continues.

June 18: Two Azeri army tank columns (20 tanks and 50 armored vehicles) from the Terter region, have circled the Armenian village of Leninavan and are actively moving towards the regional center of Mardakert. Armenian self-defense forces are preparing to resist the attack, although they are outnumbered and outarmed.

In the evening of June 17, the Armenian self-defense forces managed to silence all the weapon emplacements in the Azeri bases in Alimadatli.

June 19: On June 18, Azeri army units, backed up by 30 tanks and 50 units of military equipment of the 23rd division of the former CIS Fourth Army, managed to invade and burn the Armenian village of Leninavan (5,000, plus 3,000 refugees from the conquered Shahumian region). Dozens of people were killed, and others fled in the direction of Aterk and Mardakert. Armenian self-defense forces established defense positions near the Armenian villages of Leonarkh, Hasangaya and the road leading to Markakert.

During the last day, Azeri forces have not launched any attacks in the direction of Mardakert.

June 22: In the morning of June 22, Armenian self-defense forces continued fighting to liberate the northern villages of the Mardakert region. Azeri units are continuing to retreat from some positions.

During the night of June 22, the regional center of Mardakert was shelled with "grad" missiles from the Azeri bases in Papravend. There were wounded and several buildings were damaged.

June 23: On June 22 and 23, Armenian self-defense forces continued fighting to liberate the conquered Armenian villages of the northern part of the Mardakert region. The Azeri units retreated from the two main heights.

On June 22, the regional center of Mardakert was shelled with "grad" missiles from the Azeri bases in Papravend. The Armenian villages of Aterk, Vaguaz and Getavan were also fired upon. 115 shells were launched.

Martuni region

May 1: On April 30, the Martuni regional center was shelled with 50 "grad" missiles from the Azeri bases in Amiranlar. several civilians were wounded and many buildings were damaged.

May 6: On May 5, the Armenian village of Karmir Shuka was shelled with "grad" missiles from the Fizuli region (Azerbaijan). 160 "grad" volleys and 18 shells were launched. Two homes were completely burnt. Many people were wounded.

May 7: On May 6, the regional center of Martuni was shelled with rocket and artillery weapons from the Azeri bases in Amiranlar and the village of Marzili (Aghdam region). 12 different types of shells and 107 "grad" volleys were launched on the city. Three homes were completely destroyed. One man was wounded.

May 13: On May 12, the Azeri military helicopter MI-24 fired upon the Armenian villages of Herher and Machkalashen with unguided missiles. One villager was wounded in Herher. Three homes were completely and five were partially destroyed in Machkalashen.

May 14: On May 12, the Azeri military helicopter MI-24 fired upon the Armenian villages of Herher and Machkalashen with unguided missiles. One villager was wounded in Herher. Three homes were completely and five were partially destroyed in Machkalashen.

May 15: On May 15, the regional center of Martuni was shelled with "grad" missiles and artillery weapons from the Azeri bases in Amiranlar, Mughanli and Kurapatkino. Several buildings were damaged. Three were wounded. As of noon the shelling continued.

May 17: On May 16, the Armenian villages of Norashen, Ashan, Avdur, and Hatsi were shelled with "grad" missiles and two military MI-24 helicopters from the Aghdam region (Azerbaijan). 200 "grad" missiles and 12 unguided missiles were launched on the region. Two villagers died and three were wounded.

May 18: Afterwards, units of the Azeri army launced a massive attack on the villages of Norashen and Ashan. Armenian self-defense forces were barely able to repel the attacks. The Azeris retreated after having suffered many losses. Five Armenian fighters died and five were wounded.

May 18: On May 16, the regional center of Martuni was shelled with artillery weapons, tanks and flame-throwers from the Azeri bases in Amiranlar. Several buildings were damaged and many Armenians were wounded.

May 20: On May 20, the Armenian village of Chartar was shelled with "grad" missiles from the Fizuli region. 135 "grad" volleys were launced upon the village. Two villagers died and five were wounded. Two homes were completely destroyed.

May 21: On May 20, the Armenian village of Norshen was shelled with artillery weapons and tanks from the Azeri village of Gyulapli (Aghdam region). The attack was repelled. One villager was wounded.

As a result of shooting of the Armenian village of Machkalashen from the Azeri village of Divanlar one home was completely and two homes partially destroyed.

May 26: On May 26, the regional center Martuni was shelled with "grad" missiles, artillery weapons and tanks from the Azeri bases in Amiranlar, Mughanli and Kurapatkino. Several buildings were damaged and there were casualties.

May 27: On May 27, the regional center of Martuni and the Armenian village of Karachinar were shelled with artillery weapons. Details are being confirmed.

June 1: Yesterday the regional center of Martuni was bombarded from the Fizuli region of Azerbaijan with "grad" missiles, artillery weapons and tanks. One woman with child were wounded. There was also substantial damage done to the center.

June 2: During the evening of June 1, the Armenian village of Chartar was shelled with the artillery weapons and tanks from the Azeri village of Dilagardar (Fizuli region). 25 shells were launched upon the village. One villager was wounded. The regional center of Martuni was also shelled with "grad" missiles and artillery weapons from the Azeri bases in Amiranlar. Two people were wounded. Details are being confirmed.

June 5: On June 5, the regional center of Martuni was attacked with military equipment from the Azeri bases in Amiranlar. Armenians responded and were able to repell the Azeri attack, but three Armenians were killed, one was wounded and two left missing.

June 8: As a result of the June 5 Azeri attack on the Martuni suburbs, three people were killed and one was wounded. The attack was repelled.

June 9: The Armenian village of Myurishen was bombarded with artillery and rockets from the Aghdam region (Azerbaijan). Five villager were wounded.

June 10: On June 9, the Armenian villages of Myurishen and Avdur were shelled with 130 "grad" missiles from the Azeri villages of Gyulaplu and Abdal. Two homes were completely destroyed and two villagers were wounded. The Armenian village of Machkalashen was bombarded with artillery weapons and "grad" missiles from the Azeri bases in Divanlar and Gajar. One villager was wounded. During the night of June 10, the regional center of Martuni was fired upon from the Azeri bases in Amiranlar and Mughanli. An attempt was made to attack the self-defense posts but the attack was repelled. Two Armenians were wounded.

June 16: Midday on June 15, NKR's self-defense forces liberated the Armenian villages of Kichan and Srkhavend. It was reported that both sides suffered casualties. On June 15, at 8 p.m., information was received that Armenians had liberated also the village of Nakhijevanik. That information has not been confirmed. During the last 3 days of military operations, 18 Armenian fighters were killed and 89 were wounded.

June 17: In the morning of June 17, the Armenian villages of SOS and Machkalashen were shelled with "grad" missiles from the Fizuli Region (Azerbaijan). Four villagers were wounded.

Azeri troops from Gyulaply and Abdal attempted to conquer the Armenian village of Norshen. The attack was repelled.

June 18: During the night and the morning of June 18, all of the Armenian border villages were shelled with "grad" missiles and heavy artillery.

One villager died and several were wounded in the village of Spitakashen.

June 22: Late at night of June 21, the regional center of Martuni was shelled with "grad" missiles from the Azeri bases in Amiranlar. Three citizens were wounded. The Armenian village of Chartar was fired upon from the Azeri bases in Gajar. 30 artillery shells were launched. one villager was wounded.

In the evening of June 21, the Armenian village of Berdashen was shelled with 50 "grad" rockets from the Aghdam region. Five villagers were wounded.

June 23: In the evening of June 22, the Armenian village of Berdashen was shelled with "grad" missiles and artillery weapons from the Aghdam region. Four villagers died and three were wounded. Five homes were completely destroyed.

Shahumian region

May 4: On May 2, the Armenian village of Erkej was attacked by Azeri armed groups. According to the self-defense headquarters, both sides suffered casualties.

May 5: On May 5, the Armenian village of Karachinar and the regional center Shahumyanovsk were bombarded with artillery weapons from the Azeri bases in Shefek. One man died, five were wounded.

May 11: In the evening of May 9 and the night of May 10, the regional center of Shahumianovsk and the Armenian village of Karachinar were shelled with "grad" missiles and artillery weapons. There were wounded and many buildings were destroyed.

May 12: During the earlier morning of May 12, Azeri forces began shelling the Armenian village of Karachinar with "grad" missiles from the Azeri military base in Sheffik. Initial reports indicate that several Armenians were wounded during the attack.

May 13: On May 13, the regional center Shahumyanovsk was shelled with "grad" missiles. Details are being confirmed. The Azeri army accumulations was being observed in the entire area of the region.

May 14: As a result of the May 12 shelling of the village of Gharachinar one villager died.

May 20: On May 20, the Armenian village of Karachinar and the regional center Shahumianovsk were bombarded from the Azeri bases in Shefek and Todan. The Armenian self-defense units were forced to open respond fire.

May 25: On May 25, the Armenian village of Karachinar was shelled with rocked and artillery weapons. 60 different types of shells, including "land-air" rockets were launched. Two people died and six were wounded.

On May 24, the Armenian villages of Karachinar, Buzluk and the regional center Shahumyanovsk were bombarded with "grad" missiles as well as "land-air" rockets, which have gigantic destructive power.

May 26: The Armenian villages of Karachinar and Manashid were shelled with heavy tanks, and "land-air" rockets from the Azeri bases in the Shahumian region. Two Armenian villagers were wounded and several buildings were damaged.

June 2: On June 2, the Armenian village of Karchinar was shelled with "grad" missiles and artillery weapons from the Azeri bases in Shefek. 15 shells were launched. One villager died. Several buildings were damaged.

June 3: On June 3, the Armenian village of Karachinar was shelled with "grad" missiles and artillery weapons. Details about the casualties are being confirmed.

June 8: On June 6, the Armenian village of Karachinar was shelled with tanks, "grad" missiles and "alazan" rockets from the Azeri bases in Shefek. Two villagers died and two were wounded.

June 10: On the night of June 10, the Armenian village of Karachinar was bombarded with 150 "grad" volleys from the Azeri bases in Shefek. Details about the casualties are being confirmed.

June 15: After the June 13 shelling of regional Armenian villagers with air bombs, some of which are suspected to be chemical materials (dozens of peaceful civilians died and were taken to the hospitals with obvious symptoms of chemical poisoning), the Azeri army, with 20 tanks and more than 40 armoured vehicles, managed to conquer the Armenian village of Karachinar, Buzlukh, Erkedj, Manashid, Kharkhaput, Armenian Borisi and the Russian village of Russian Borisi. The villages were burnt and looted, and most civilians who had remained in the villages were ruthlessly killed. Hundreds of wounded were taken to the regional hospital of Shahumyanovsk. The regional center of Shahumyanovsk and the Armenian village of Verishen (population of 15,000) were encircled and shelled with heavy artillery, "grad" missiles and tanks. New casualties were reported and several structures were destroyed. There is no possibility to evacuate the peaceful population as the roads are blocked with Azeri military equipment. Medicine is in short supply in the Shahumian region.

Azeri tanks managed to enter all 12 Armenian villages of the region.

June 16: About 10,000 people from the Shahumian region fled to the northern villages of the Mardakert region (NKR). The whereabouts of the remaining 10,000 is unknown. It is probable that many were taken hostage and others may be hiding in the forests. According to the refugees, dozens of inhabitants of the 11 Armenian villages and the regional center Shahumyanovsk were mercilessly fired upon from tanks and armoured troop-carriers. One of the shells landed on the regional hospital, where there were several wounded and people who had suffered from the chemical weapons used on June 13.

On June 15, Ashot Manucharian, the President's National Security Advisor and Defense Minister Vazgen Sarkisian made appearances at the Supreme Council Session. According to Ashot Manucharian, Yerevan was aware of the prepared attack on NKR by Azerbaijan, but nobody expected that such great forces will be launched. According to Vazgen Sarkisian, during the night the Azeris accumulated about 100 units of military equipment (50 T–72 tanks) along the Shahumian border.

Shushi region

May 11: The Azeri military forces while abandoning Shushi, left a great amount of ammunition there. According to the NRK's supreme council press-center, the Azeri army left Shushi on May 9 without any resistance, though both sides suffered great casualties during the Azeri attack on Stepanakert on May 7 and 8. On May 8, during the counter-attack on Shushi, 7 fighters from the Armenian self-defense units died.

On May 9, Azeri MI–24 helicopters and a CIS SU–25 military plane bombarded an ancient Armenian church in Shushi, which the Azeris had been using to as a military depot. According to the NKR's self-defense forces headquarters, the ammunition had been transferred to a more secure place.

According to the NKR's Supreme Council Presidium Member Levon Melik-Shahnazarian, Shushi and the Azeri military bases of the Azeri army are currently under the control of NKR's self-defense units. NKR's supreme council press-center categorically rejected Azeri media claims that Armenians used chemical weapons and battle planes.

Some background information on Shushi: There have been few, if any, civilians living in Shushi during the past month. Over the past year, it was transformed into a massive Azeri military base. In 1988 both Armenians and Azeris lived in Shushi, however, after the Anti-Armenian pogroms in May 1988, more than 5,000 Armenians were forced to abandon their homes in Shushi and were forced to flee their homes.

Historically, Shushi was the capital of NKR. Its demographics changed after 1918, when, as a result of several Turkish and Azeri pogroms, a large percent of the Armenian population living in Shushi were expelled from their native city.

May 18: According to the Karabagh officials, cars carrying wounded from Karabagh will soon be using a demilitarized road, connecting the villages of "Mets Berdadzor" (Karabagh) with the villages in the Goris region (Armenia) to Karabagh have been prohibited due to the shelling of the Yak–40 passenger plane. The plane, which was bringing humanitarian aid to the Stepanakert Airport, was shelled with "grad" rockets from the Aghdam region. Nagorno Karabagh is still being blockaded. Cars from Armenia will take flour and other food to Karabagh, as negotiations between NKR officials and Lachin Kurds indicate that the Kurds are ready to allow all the non-military goods to go to Karabagh via Lachin.

May 19: The Azeri popular front, units are leaving Lachin. The local population is also abandoning the city. On May 19, Lachin is practically empty, except for several Kurdish families. The traces of the fights between the Azeri peoples front, the Kurds and the Mutalibov's supporters are obvious in the city.

June 8: On June 7, the official opening ceremony of the cross-stone (Khachkar) monument was held in Shushi devoted to those Armenian self-defense fighters who perished during the defending of their lands.

24 of the 64 electric power stations are already working in the city, providing 35% of the electric power to the city.

June 10: Life is being restored in the city of Shushi. Yesterday, city buses began operating from Stepanakert to Shushi. Very soon the bread ovens and small enterprises will also reopen. There is now a daily official (NK Supreme Council) newspaper printed called Artsakh. Culturally, art exhibitions and dance group performances are being organized for a road trip to Shushi by the ROA's ministry of culture.

STEPANAKERT

May 1: On April 30 and in the morning of May 1, the northwestern suburbs of Stepanakert were attacked by Azeri army divisions from Gaibalu and Jangasan. 10 Armenians were wounded as were several Azeris.

On May 1, Stepanakert was shelled with "grad" missiles from Shushi—38 volleys were launched on the city. Details about the casualties are being confirmed.

May 4: From January 1 through the end of April, Stepanakert has been shelled 170 different times from Shushi and Azeri forces have attacked the suburbs of the capital 11 times. Over 4,750 missiles and rockets have landed in Stepanakert during this time, 2,437 of which were "grad" missiles, and 527 "alazon" missiles. As a result of these bombings, 90 civilians have died and 268 have been wounded (this is in the city alone and doesn't include casualties in NKR's different regions), 188 homes have been destroyed and 144 damaged. Due to serious shortages of medicine, most people who are wounded cannot be saved.

May 4: On May 2 and into the morning of May 3, Stepanakert was bombarded with "grad" missiles from Shushi, Janhasan, and Kyosalar. Abut 200 rockets and shells were launched on the city. Two civilians died and over a dozen more were wounded. During the shelling Stepanakert's maternity hospital was bombed and as a result six people died, including two new born babies.

On May 3, Azeris resumed their attack on Stepanakert. More than 120 rockets and shells (including grads) were launched on the city. Several buildings were damaged.

Later during the day, after 15 hours of uninterrupted shelling of the Stepanakert, the Azeri army launched a massive attack on the south-western suburbs of the capital, and were able to overtake one of the suburbs overlooking Stepanakert. During the fighting, 17 civilians were wounded, and others died. Armenian self-defense forces who were defending the city were forced to retreat. After invading the suburbs, the Azeri forces began shelling Stepanakert from closer distances, causing fires to break out in different parts of the city. Because of the continual shelling, it is difficult to report on additional casualties and damages.

May 5: On May 5, the south-western suburbs of Stepanakert were shelled with rockets and artillery weapons from Shushi. Four citizens were wounded. There is practically no communications with Stepanakert and as a result details are extremely difficult to confirm.

May 6: On May 6, Stepanakert was shelled with rockets and artillery weapons from Shushi. 23 "grad" missiles and 17 different types of shells were launched on the city. Four homes were partially damaged. Two citizens were wounded. The south-western suburbs are still being fired upon.

May 7: The entire night of May 7 Stepanakert was hit with 43 shells, including "grad" missiles from Shushi. Four homes were partially destroyed. Several citizens were wounded. Details are being confirmed.

May 8: NKR self-defense forces are continuing military operations to silence Azeri weapon emplacements in Azeri military bases near Stepanakert. At 10 a.m., the strategic height of Jangasan was conquered and Armenian troops are approaching Shushi. During the fighting, one "grad" missile launcher and a great deal of military equipment were captured. However, Azeris continue to shell Stepanakert with rocket artillery. 16 were wounded, and several others died in the city.

May 12: Weapon emplacements and military depots in Shushi and near-by locations, which were captured by Armenian forces on May 9 are reported to be full of military equipment and were surrounded by mines. Several Armenians have been wounded or died as a result of these mines.

May 14: On May 14, the Stepanakert Airport was shelled with "grad" missiles from the Aghdam region. Two citizens were wounded and several structures were damaged.

May 18: On May 18, the NKR's defense forces conquered the city of Lachin. Arme-

nians conquered the city without suffering any losses. Stepanakert-Goris Highway with its neighboring settlements is currently being controlled by the Armenians. The Azeris leaving the village of Zabugh, have blown up the Goris-Stepanakert highway bridge. According to the information, the Armenian Army's engineering divisions went to Zabugh to build a temporary bridge. According to the NKR's defense forces, the land communication with Armenian will be restored today.

May 20: On May 19, Stepanakert schools resume classes. The kindergartens are still closed due to the lack of food. However, it is foreseen that after the successful arrival of food via the "humanitarian corridor" (Yerevan/Goris/Lachin/Stepanakert), NKR's children will be able to resume their kindergarten activities.

The first caravan with humanitarian aid, arrived in Stepanakert safe and sound. The population of Stepanakert came out of their cellars smiling for the first time in 4 years.

May 27: The situation in Stepanakert remains calm. NKR's supreme council is preparing to address the region's economic problems.

June 1: As it is impossible to reach Stepanakert from Azeri territory due to the distance, electricity and drinking water facilities are moderately improving. The hospital is currently under renovation and the kindergarten will soon be reopened. During yesterday's meeting of NKR leadership, the Republic of Armenia and Baroness Cox were thanked for their humanitarian aid, which reached NKR through Lachin corridor. The refugees from Shushi, who have been living the past months in Stepanakert, are now returning to their homes in Shushi. They include Russian families as well.

June 2: The NKR's supreme council session was held in Stepanakert today. The problems of the political situation of the Republic, the symbolism of NKR and their constitution will be discussed, as well as elections of the NKR's supreme council chairman and his deputies will be carried out. Prime-Minister, Oleg Yessian spoke about the current economic situation of the republic. Government's personal staff, procurator, the chairman of the Supreme Court and the NKR's head arbiter were confirmed. The NKR's military service laws were also discussed. Also present during the opening session were guests of honor, Babken Arartsian, Supreme Council Commission Chairman Seiran Baghdasarian, Bagrat Asatran, Lady Caroline Cox, foreign journalists, public organizations, Russian's, Armenia's parties representatives.

June 5: NKR's parliamentary chairman elections continue today. Yesterday, Georgi Petrosian, Robert Kocharian and Boris Arushanian withdrew their candidacies and the remaining candidate Shahen Meghrian, did not receive enough votes to be elected. (41 votes needed).

June 8: NKR's supreme council decided to postpone supreme council chairman elections until after the July 12 elections for the 20 vacant parliamentary deputy slots. On June 5, NKR's temporary count was confirmed and a parliamentary commission was established to develop the final constitution.

June 10: Six major construction organizations began reconstruction of kindergartens and other educational institutional buildings. Though the humanitarian corridor is functioning, there is a lack of building materials and it can interfere with the plans of reconstructing schools for the following year.

June 12: NKR received 52 tons of potatoes, 14 tons of cornmeal, 4.5 tons of flour, 7 tons of diesel fuel and other goods in humanitarian aid from Georgia. Georgia also provided 20,000 roubles to the families of the wounded and dead self-defense fighters of NKR. Artillery shelling of the Armenian villages continues along the NKR-Azerbaijan border.

ARMENIA

Ararat region

May 8: On May 2, the Armenian village of Sevakavan (Ararat region) was bombarded from the territory of Nakhichevan. Azeris continue to shell the village of Yeraskhavan.

May 6: The Ararat regional center rejected the information of the Azeri side that Nakhijevan has been attacked. In fact, the Azeris violating the ceasefire agreement, shelled the Armenian villages of Yeraskh and Sovetashen on May 5, in the afternoon, the Armenian side was forced to silence the weapon emplacements in the Azeri villages of Gyumushli (Nakhijevan). As a result some Azeri artillery emplacements were neutralized.

May 8: Fighting continues along the Nakhijevan—Ararat region (Armenia) border and the number of casualties is increasing. Armenian officials have issued an order to evacuate Armenians living in the border regions of Sevakavan, Yeraskhavan, Armash, and Surenavan. Azeri artillery attacks and shooting have become more accurate.

May 12: It has been reported that large amounts of military equipment and troops are accumulating in Nakhichevan along the border with the Ararat region.

May 18: In the morning of May 18, the near border posts of the regional department of internal affairs were fired upon from the Sadarajk region (Nakhijevan). Militiamen were forced to open respond fire.

On May 17, reports from the Armenian village of Khor Virap state that machine gun and cannon shooting was heard from Turkish territory. The noise was apparently from fighting which is currently taking place between Kurds and the Turkish army.

May 20: On May 20, the rocket-artillery shelling of the border Armenian villages (Ararat region) from the village of Sadarak (Nakhijevan) resumes, provoking respond fire. ROA's defense ministry more than once has rejected the fact that Armenian units had attached Sadarak. Leaders of the seventh army stationed on Armenia's territory, categorically rejected the soldiers' and military participation in the fights at the Armenian-Azerbaijan border.

May 21: As a result of massive shellings upon the village of Yeraskh from the Sadarak region (Nakhijevan) on May 20 and 21 with artillery weapons and "grad" missiles, two villagers died and two were wounded. Armenia's defense ministry rejected Azeri reports that chemical weapons were used in that region. On May 19, Nakhijevan's foreign minister, RZA Ibadov, stated that he has appealed to Turkey for help in supplying Nakhijevan with modern weapons to repel Armenians' attacks.

June 1: On the night of June 11, the Armenian village of Yeraskhavan was shelled with "grad" missiles. Five villagers were wounded, in the morning the shelling resumed. The Armenian side did not respond.

June 5: On June 5, the Armenian village of Yerashavan was fired upon. Three villagers were wounded during the attack. Armenians have refrained from responding to the shellings.

June 8: The Armenian village of Yerashavan (Ararat region) is periodically being fired upon in provocation. The Armenian side is not responding to the shootings.

June 12: As a result of artillery shelling upon the Armenian village of Yeraskhavan during the evenings of June 11 and June 12, two villagers were wounded.

Goris Region

May 11: In the evening of May 9, the Armenian villages of Kornidzor and Khndzoresk (Goris region), Aigehovit and Vazashen (Ijevan region) and Aignedzor and Chinar (Taush region) were shelled with artillery weapons and tanks from Azerbaijan. There were casualties and destructions. In the morning of May 10, the shelling resumed. The commanders of the CIS seventh army, located in the territory of Armenia, rejected the C claims that the CIS Army participated in the alleged attacks on Azerbijan and Nakhijevan from Armenia.

May 13: On May 12, tanks and armoured vehicles from the Ghubatlu region (Azerbaijan) on their way to the Azeri city of Lachin, fired upon the Armenian villages of the Goris region. Simultaneously, the population of Lachin and the deserters were being evacuated from the city. Lachin is converted into a powerful Azeri military base, from where on May 12 and 13 the regional center of Goris and the border Armenian villages were shelled with "grad" missiles. There were wounded people and damaged buildings.

May 15: On May 14, several Armenian villages and Armenian self-defense units were shelled with artillery weapons from the Azeri region of Kubatli, but all the attacks were repelled. Yesterday, the situation was calm in Goris City.

May 18: NKR's supreme council's foreign relations Committee's Chairman Levon Melik-Shahnazarian stated that "lifting of the blockage of Goris-Stepanakert highway of the Lachin region with military ways an obligatory step in order to open Karabagh to the outside world, as the Azeri blockade has led people to starvation and the economy is completely in shambles. Other countries's mediations in lifting the blockade were fruitless. The Stepanakert Airport has been closed because of the continuous shelling from the Azeri territory.

May 19: Though the Azeri army is losing the war in Karabagh, Goris border villages are still being shelled. On May 17, the Armenian villages of Tech, Kornidzor, Khoznavar, Khnatsakh Hartashen and Shurnukh were shelled with rockets. There were no casualties reported. During the night the Azeris left the heights, from where they were bombarding Goris City and the nearby border villages.

May 20: The Goris-Lachin-Shushi-Stepanakert highway is finally open after being blockaded for 4 years. NKR's army silenced all the enemy weapon emplacements located along the highway and nearby regions. Along the road, military equipment was left behind by the Azeris. It was reported that before retreating, the Azeris burnt and blew up their homes, as well as slaughtered their animals.

May 20: On May 19, a caravan of 100 trucks headed for Artsakh by Goris-Lachin road, loaded with humanitarian aid, arrived safely in Stepanakert.

May 22: According to Platt's Oilgram News—May 22, 1992: the intensification of fighting in and around Nagorno-Karabagh is being tied to plans for a crude export route directly into Turkey. The plans developed jointly by Turkey and Azerbaijan, are to annex to Azerbaijan the Zangezour region in southern Armenia, a narrow strip of land that divides Azerbaijan proper from

Nakhichevan. By annexing the Zangezour region now, Azerbaijan would be able to build a large diameter pipeline to Turkey without having to transit third countries.

Turkish and Azerbaijani planners expect the land bridge of Zangezour will also provide a right-of-way to a proposed gas-line from Turkmenia via Baku onto Turkey and then to Europe. This is the route that Turkey and Azerbaijan are pushing against alternative proposals by Iran offering central Asia's oil and gas producers a direct line to Persian Gulf terminals. Turkey and Azerbaijan have rejected a third alternative via Georgia.

May 27: On May 26, from 11 to 12 a.m., the Armenian village of Kornidzor (Goris region) was shelled with artillery weapons from the Kubatli region. One villager was wounded, six homes were destroyed and ten were partially destroyed.

On May 26, in the evening, the Armenian village Khndzoresk was bombarded continuously for several hours. Several buildings were damaged.

June 1: During the evening of May 31 the Armenian village of Kornidzor and Khndzoresk were shelled with artillery weapons and "grad" missiles. One villager died and one was wounded in the village of Kornidzor. One villager was wounded in Khndzoresk. Several buildings were damaged.

June 2: On June 2, the Armenian villages of Khndzoresk, Kornisdzor and Karaunj were shelled with "grad" missiles and artillery weapons from the Kubatli region (Azerbaijan). One villager was killed, four were wounded in the village of Khndzoresk. Several buildings were damaged.

June 3: On June 2, at 6:30 p.m., a car was fired upon from the Kazakh region (Azerbaijan). Four passengers died. The car was from Georgia and the casualties were Georgians.

June 4: The Armenian villages of Kornidzor and Khndzoresk were again shelled with "grad" missiles. One man was wounded. Several buildings were damaged.

June 5: The Armenian villages of Artsvashen (Krasnoselsk region) and Berkaber (Ijevan region) were shelled with artillery weapons and "grad" missiles on the night of June 5.

June 18: On the evening of June 17, a group of Azeri army tanks from the Kubatli region, tried to attack the Armenian village of Kornidzor, in order to conquer the humanitarian corridor connecting the Goris region with the NKR. Reports indicate that the attack was repelled, and that the Azeris were forced to retreat.

Ijevan region

June 3: On June 2, at 6:30 p.m., a car was fired upon from the Kazakh region (Azerbaijan). Four passengers died. The car was from Georgia and the casualties were Georgians.

June 8: The Armenian villages of Artsvasheen (Krasnoselsk region) and Berkaber (Ijevan region) were shelled with artillery weapons and "grad" missiles on the night of June 5.

June 9: On June 9, the Armenian villages of Aigehovit and Berkaber were shelled with artillery weapons and "grad" missiles from the Kazakh region (Azerbaijan). Six homes were damaged and one villager was wounded in the village of Aigehovit. Several buildings were damaged and one man was wounded in the village of Berkaber.

June 10: In the evening of June 9 and the night of June 10, the Armenian villages of Sarigyugh, Kayanavan, Azatamut, Aigehovit, Berkaber were shelled with artillery weapons, tanks, and "grad" missiles. Four villagers died in Azatamut, one was killed and two were wounded in Aigehovit, one was killed in Berkaber. The village of Berkaber was also shelled with cannons and unguided missiles from the Mi-24 helicopter.

June 12: On the night of June 12, the Armenian villages of Achajur, Sevkar and Vazashen were shelled with artillery weapons and "grad" missiles. Two villagers were wounded.

Kapan region

May 1: The population of the Azeri border villages is being evacuated. This activity suggests that the Azeris are preparing to launch large-scale military operations against the southern regions of Armenia.

May 6: On May 6, the Kapan Airport was fired upon with cannons from the Zangelan region (Azerbaijan). On May 5, the Azeri side once again violating the ceasefire agreement launched an attack on the village of Geghanush of the Kapan region (Armenia) from Ghazanchi. The village was fired upon with machine guns, cannons and other weapons. The city of Kapan was also bombarded. Fortunately, there were no casualties.

May 20: On May 18, from 10 to 12 p.m., the eastern regions of Kapan city were bombarded from the Azeri village of Seidlar (Zangelan region). Two buildings were damaged. There were no casualties reported. At the same time the Armenian village of Syunik was bombarded from the enemies ceased their fire.

On May 19, the Armenian village of Chakaten was attacked from the Azeri village of Jambar and Garalu (Zangelan region). The attack was retaliated by the Armenian self-defense units.

May 27: On May 25, the Armenian village of Nerking Hand (Kapan region) was bombarded with cannons from the village of Kyolu (Zangelan region, Azerbaijan). More than 60 shells were launched on the village. The region's self-defense forces repelled the attack. One villager was wounded, several buildings were damaged.

June 1: On June 1, the regional center of Kapan, Armenian villages of Yeghvard, Siznak, David Bek, Chakaten were shelled with artillery weapons from the Zangelan region (Azerbaijan). There were wounded. Details are being confirmed. Eight homes were completely destroyed.

June 2: On June 2, the regional center of Kapan, Armenian villages of David Bek, Yeghvard and Agarak were shelled with "grad" missiles and heavy artillery from the Kubatli region (Azerbaijan). Three people were wounded in Kapan, and one in David Bek.

June 4: On June 4, the Armenian villages of Geghanush and Yeghvard were shelled with "grad" missiles and artillery weapons from the Zangelan region (Azerbaijan). In Yeghvard, six homes were completely destroyed. Furthermore, Zeri troops from Zangelan attacked an Armenian and wounding two others.

June 11: On the night of June 11, the Armenian village of Geghanugh was fired upon from the Azeri village of Kazanchi. A 14-year-old boy was killed. Several constructions were damaged.

June 15: Late in the night of June 14, the regional center of Kapan and the border Armenian villages were shelled with "grad" missiles. An accumulation of more than 70 units of military equipment is being observed in the Zangelan region (Azerbaijan).

June 17: During the night and the morning of June 17, all the border villages of the Kapan, Goris, Vardenis, Vaik, Krasnoselsk and Taush regions of Armenia were shelled with artillery weapons and "grad" missiles. Three innocent people died and four were wounded in the regional center Berd (Taush region). Accumulation of tanks and other military equipment is being observed in the Kubatli, Zangelan and Ordubad regions of Azerbaijan.

June 18: On June 18, the regional center of Kapan was shelled with tanks, artillery weapons and "grad" missiles from the Zangelan region (Azerbaijan).

June 19: On June 19, the Armenian villages of Agarak and Syunik were shelled with artillery weapons and "grad" missiles. There were wounded. Several buildings were damaged.

June 22: On June 20, the Armenian villages of Geghanush (Kapan region) and Kornidzor (Goris region) were shelled with artillery weapons and "grad" missiles. Substantial damage was done to the buildings.

KHACHIK

May 20: On May 19, at 7:30 p.m., the Armenian village of Khachik was bombarded from the territory of Nakhijevan. The civilians are seeking shelter and have retreated to their cellars.

May 22: On May 20, the shooting between the Armenian village of Khachik and the Azeri village of Yaiji (Nakhijevan) resumed. Armenians managed to silence an Azeri weapons emplacement. The Azeris suffered losses.

Kragnoselk region

June 19: An accumulation of the Azeri artillery and military equipment is being observed in front of the village of Artsvashen. An attack is expected on that village soon.

June 21: On May 20, an armed group tried to attack the post along the border with Armenia from the Azeri village of Getabek. The attack was repelled. One Armenian and three attackers were reported dead.

MEGHRI/BLOCKADE

March 18: According to the ministry of foreign affairs of republic of Armenia: Azerbaijan's blockade of Armenia is in violation of international law and has reached intolerable limits. As a result, 110,000 tons of fuel bound for Armenia remain held up in Azerbaijan. Industry is at a standstill and the economy has been destroyed. There is no tax base for the government to meet its most basic budgetary requirements. Schools are closed and hospitals are without medical supplies. Food staples are in short supply.

Armenia's alternate lifeline to the rest of the world is now unreliable due to the political situation in Georgia. Furthermore, Turkey has obstructed shipment through its territory of humanitarian aid for Armenia.

Armenia has clearly stated that it has no territorial claims on Nagorno-Karabagh or Azerbaijan. Nagorno-Karabagh is seeking application of the right to self-determination under international law. To create normal conditions for discussions, Azerbaijan must end its blockade. Trains of fuel destined for Armenia must be allowed to continue their journey.

June 1: Over 270 railroad cars of goods bound for Armenia were appropriated by authorities in Nakhichevan at the Sharur Station and either sold or distributed to the local population in Nakhichevan or sent to Turkey and Iran for sale. Because of this Armenia has closed off railroad traffic to Nakhichevan via Armenia's Meghri region. Armenian interests have precluded any blockade of Nakhichevan since that would have eliminated any incentive Azerbaijan

had to allow at least a small fraction of cargo bound for Armenia to pass over the Azerbaijani border into Armenia. Nakhichevan now has an open and friendly border with Turkey through which it is receiving both civilian and military supplies.

Despite Azerbaijan's economic blockade of Armenia, Armenia has worked with Azerbaijan to provide electricity to the Nakhichevan Republic which is part of Azerbaijan. During the first 4 months of 1982, 400,833,380 kilowatt hours entered Armenia from Azerbaijan and 22,663,490 kilowatt hours entered Armenia from Georgia. An unknown portion of this electricity was generated in neither Georgia nor Azerbaijan, but in Russia. During the same period 254,964,600 kilowatt hours of electricity entered Azerbaijan from Armenia (98.9% of which went to Nakhichevan and 1.1% to the Lachin region) and 1,211,800 kilowatt hours of electricity entered Georgia from Armenia. Therefore, during this period, a total of 423,496,870 kilowatt hours of electricity entered Armenia from Georgia and Azerbaijan and a total of 256,176,400 kilowatt hours entered Georgia and Azerbaijan from Armenia. Armenia received from Azerbaijan 145,868,780 kilowat hours more than it was to pass on to Nakhichevan and Lachin and payment was made for this excess.

June 23: On June 23, from 7 to 8 p.m., dozens of shells were launched upon the regional center of Meghri from artillery weapons for the Ordubad region (Nikhijevan). The population has been evacuated from the region.

Noyemberian region

May 26: According to ROA's international ministry, on May 25 Armenian villages in the border regions of Noyemberian, Ijevan, and Taush were shelled with artillery weapons. One man was wounded and 20 homes were destroyed.

June 8: On June 8, the Armenian village of Voskepar (Noyemberian region) was shelled with artillery weapons and rockets. Several buildings were damaged. Some villagers were reported wounded.

June 9: During the night of June 8 through the morning hours of June 9, the Armenian villages of Vaghanis, Voskepar, Voskevan and Koti were attacked and shelled with artillery weapons. The attack was repelled. Respond measures were taken to silence the enemy's weapon emplacements of the Azeri base in Verin Askipar. Four Armenians were killed and seven were wounded.

June 10: On June 10, the Armenian villages of Voskepar (three villagers died), Voskevan (one was killed, two were wounded and one is missing), Koti (one was killed, three were wounded), were shelled with artillery weapons and "grad" missiles. Several buildings were considerably damaged in all of the villages. Armenians were forced to open respond fire.

Sadarak Region

May 25: Despite Nakhijevan's Supreme Majlis Chairman Heidar Aliev's statements on a unilateral ceasefire, Azeri forces from the Azeri military base in Sadarak shelled the Armenian villages of Yeraskh on May 24. According to Azeri information sources, the population of Sadarak has been evacuated. Last week, 12 Armenians died and 30 were wounded as a result of the Azeri shelling of Yeaskh.

June 5: According to the Armenia's defense ministry, in the border regions of Tauz, Kazakh, Zangelan, and Sadaraks (Azerbaijan) "grad" missiles are employed. "grad" missiles were given to the National Front of Nakhijevan.

Shosh Region

May 2: On May 2, the Armenian villages of Shosh, Dashushen, Krasni, Khantsakh, and Baluja were shelled again. There were many casualties.

May 4: During the night the Armenian village of Baluja was shelled from the Azeri village of Janhasan. Four Armenians were wounded.

Taush Region

May 5: As a result of the May 4 massive rocket shelling of the regional center Berd and the village of Movses from the Tauz region (Azerbaijan), two villagers died and seven were wounded. More than 20 homes were destroyed. Since the morning of May 5, the Armenian village of Yeraskh (Ararat region) has been shelled. The shelling still continues.

May 8: Although the situation in the Taush region is relatively calm, Armenian officials are expecting a massive Azeri attack in the near future as Azeri military equipment and personnel continues to be accumulating along the border and Azeri officials refuse to negotiate with Armenian officials from the Taush region.

May 12: Throughout the evening on May 11 and into the morning of May 12, several Armenian villages in the Taush region were shelled with artillery. The Armenian village of Khntzoresk in the Goris region was also shelled. As of 12 noon on May 12, the shelling continues.

May 15: On May 14, 2 p.m., the regional center Berd and the Armenian border villages of Artsvaberd, Paravakar, and Chinari were shelled with "grad" missiles; Tanks and artillery weapons from the Touz region (Azerbaijan). One villager died in Artsvaberd, three were wounded. Several buildings were damaged. There are hundreds of homes throughout the region which have been completely or partially destroyed by Azeri bombings.

May 28: On May 27, Armenian border villages in the Taush region and the villages of Movses, Verin Karmir Akhpor and Aigepar in the Ijevan region were shelled with "grad" missiles from Azerbaijan. There were casualties and several buildings were damaged.

June 5: On June 5, an Azeri army unit armed with tanks tried to enter Armenian territory. Although the attack was repelled, four Armenians are missing and it is suspected that they have been taken hostage.

June 9: On June 9, the regional center of Berd and the Armenian villages of Movses, Tovuz and Verin Karmir Aghbyur were shelled with artillery weapons and "grads" missiles from the Tauz region (Azerbaijan). Details are being confirmed.

June 10: As a result of night shelling with "grad" missiles from Tauz region (Azerbaijan) nine people from the regional center Berd were wounded.

Vaik Region

June 15: On June 14 and 15, the Armenian villages of Khndzorut and Verin Aznavert were shelled with "grad" missiles, tanks and artillery weapons. Three villagers died, four were wounded.

June 16: The whole night and the morning on June 16, the Armenian border villages of the Valk, Taush, Ararat and Goris regions of Armenia were shelled with tanks and artillery weapons. Accumulations of the Azeri military equipments is being observed in the Zangelan region (Azerbaijan) and the Ordubad region (Nakhijevan). The possibility of an attempt to conquer the Meghri region (Armenia) is not excluded.

June 19: On June 19, the Armenian village of Khndzorut and Bardzruni were shelled with tanks and missiles. As of 11 a.m. today, the shelling was still continuing.

Vardenis Region

June 2: As a result of the shelling from the Kelbajar region (Azerbaijan), one man died and three were wounded in the settlement of Zod.

June 4: A mutual agreement has been reached between the Vardenis region (Armenia) and the Kelbajar region (Azerbaijan) regarding ceasefire. However, on June 2, an intensive shooting was heard and seen from the Azeri side.

CHAFEE AMENDMENT NO. 2647

Mr. DODD. Mr. President, I rise in strong support of this amendment, and I want to take this opportunity to commend the Senator from Rhode Island for his initiative on this issue.

Mr. President, this amendment is very simple in nature. It would require the authorities in the former Soviet Union to provide us with their full cooperation on the prisoner of war issue as a condition of any United States assistance. I think there are few issues more important than the early resolution of the POW issue, and this amendment would help assure full cooperation toward that goal.

Mr. President, in recent days Russian President Boris Yeltsin made two statements that stunned and horrified the American public. Two weeks ago, President Yeltsin admitted that several U.S. servicemen who had been shot down over Soviet territory during the 1950's may have been held as prisoners. And just a few days later, upon his arrival here in the United States, President Yeltsin said he believed former prisoners left behind at the end of the Vietnam war may also have been held by the Soviet Union.

Mr. President, since the end of the Vietnam war the prisoner of war issue has been characterized for the most part by false hope and disillusionment. Sadly, we have seen many instances in recent years where families have had expectations raised by the possibility that a loved one might still be alive, only to see those hopes cruelly dashed.

Nonetheless, Mr. President, the slightest possibility that United States prisoners of war might still be alive in Indochina or the former Soviet Union, or for that matter anywhere in the world, is one that tears at the very soul of America. And as long as any unanswered question remain on this compelling issue, our highest priority must be to get to the bottom of it. We should stop at nothing, Mr. President, until we have examined every lead, and answered every question.

That is the spirit of the amendment today, Mr. President. I think it is an important provision and I urge its immediate adoption.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, I commend the managers for their diligence in pursuing this legislation. Sen-

ators have had three rollcall votes on this measure so far today and a number of other amendments have been disposed of by means other than rollcall votes. However, we again find the Senate in a familiar situation in which several Senators have indicated an intention to offer an amendment, but at the same time, are unwilling to offer those amendments at this time. Therefore, it appears that no further amendments requiring rollcall votes will be offered this evening and, accordingly, there will be no further rollcall votes this evening.

I understand that the mangers are here and available to consider and accept amendments which have been cleared on both sides.

With respect to further consideration of this bill tomorrow, Senators should be aware, and are hereby placed on notice, that if Senators have an amendment which they wish to offer, they should be prepared to do so tomorrow or to be present to debate the bill, because at some reasonable time tomorrow, following further reasonable notice, if Senators are unwilling to come to the floor and offer amendments, and if Senators are not present for further debate, the mangers will be authorized to proceed to third reading and final passage of the bill.

As all Senators know, the Fourth of July recess is to commence at the close of business tomorrow. It had been my hope that some of the Senators who say they have amendments to offer would have been prepared to do so this evening so that close of business tomorrow would have been at a reasonable time.

That now may not occur depending upon how many amendments are offered or how much debate remains to occur.

But I simply want all Senators to be aware—and I repeat so there can be no misunderstanding—it will not be acceptable indefinitely, and certainly not throughout the day tomorrow, for Senators simply to state that they have an amendment to offer and then be unwilling to either be present to offer the amendment or even debate the bill, that is, simply to leave and expect the managers to remain here indefinitely.

We want to proceed to complete action on this measure, and obviously there is no intention on my part, nor desire on my part, to cut off any Senator's right to offer amendments or to debate the bill. But in order to do so, a Senator must be present to do one or the other, or both, and that will have to occur tomorrow.

I will not do that tomorrow without further notice, but such notice will be given, and Senators must be prepared to be present for that purpose.

Mr. President, I notice the distinguished Republican leader on the floor, and I will be pleased to yield to him for any comment he may wish to make.

Mr. DOLE. Mr. President, if the majority leader will yield, I agree with the majority leader, and I first of all commend the managers. I think they have done a good job. We have covered a lot of amendments. I have just taken a look. There are three pages of amendments. Many have been disposed of, as the Senator indicated, three by rollcall votes.

I have also had a number of inquiries on my side, which is always the case prior to recess. We hope we can prepare to leave early tomorrow. That is going to be up to the Members on both sides who have amendments. If they do not come over until 10, or 11, or 12 o'clock tomorrow, it is going to be hard to accommodate a lot of Senators on both sides, who I understand have commitments on Friday in their States because of the holiday and parades and things of that kind.

So I hope that anybody with an amendment on this side of the aisle will let the distinguished Senator from Indiana [Mr. LUGAR], know early in the morning whether or not they plan to offer the amendment.

Obviously, as the majority leader said, we will not cut off anyone. If they are not going to offer it, then I think the managers will have a pretty good idea when we might complete action. I understand two or three of the controversial amendments are in the process of being looked at. Hopefully, they will be agreed upon, with some changes. If that is the case, it is possible we might finish at a reasonable hour tomorrow, which I interpret to mean sometime midafternoon. That may not be when it will finally happen, but it could happen.

So I thank the majority leader, and we will cooperate in every way we can on this side of the aisle.

Mr. MITCHELL. Mr. President, as the distinguished Republican leader knows from a prior conversation, it has been my hope, which I have previously expressed to him privately and publicly on the floor, that we could also complete action before we leave for recess on the conference report extending the unemployment insurance program, which otherwise will expire during the recess. I am advised that is now the subject of negotiation between the administration, House conferees and Senate conferees, and we all are hopeful that will be worked out in a manner which will permit us to complete action on it. But I hope we can get to that and dispose of it as well tomorrow before we leave for the recess.

Mr. DOLE. I understand there had been some progress made. There had been offers made by the House, and it is under consideration by Senate conferees, the chairman of the committee, Senator BENTSEN, principally, and also the administration.

They are not there yet, but at least some progress is being made. It may be that can be resolved early tomorrow.

Mr. MITCHELL. Mr. President, then as I said earlier, there will be no further rollcall votes this evening. It is my understanding from staff that the Senate will come in at 8:30 tomorrow. There will be a 2-hour period for morning business and we will be back on the bill at 10:30 in the morning.

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

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

AMENDMENT NO. 2676

Mr. MACK. Mr. President, I have an amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. MACK], for himself, Mr. HELMS, Mr. D'AMATO, Mr. GRAHAM, and Mr. MCCAIN, proposes an amendment numbered 2676.

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

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

The amendment is as follows:

On page 29, in line 15, strike "or";

In line 19, strike the period and insert a semicolon in lieu thereof;

After line 19, add the following new subsection:

"(6) with respect to assistance provided six months after enactment of this Act, is supplying or selling nuclear fuel, technical advisors, or construction assistance to nuclear reactor complexes under construction in Cuba unless the President certifies and justifies in writing to the Congress that such state has provided appropriate assurances to the United States that such state will not provide nuclear fuel rods to Cuba unless—

(A) Cuba has provided assurances that it will not act in a manner inconsistent with the basic principles of the Nuclear Non-Proliferation Treaty and the Treaty of Tlatelolco;

(B) Cuba has committed to comply with the proposed IAEA standards of 1991 or the current country of origin (for example, Russia) reactor safety standards; and

(C) Cuba has committed to accept verification of compliance with such safety standards by a special international commission approved by the United States and such state, preferably in conjunction with the IAEA, except that this subparagraph shall only apply with respect to assistance provided twelve months after enactment of this Act.

Mr. MACK. Mr. President, this amendment has been agreed to, as I understand it, by both sides and by the administration. I first want to begin by thanking Senator LUGAR and his staff, Senator PELL and his staff, and members of the administration for working out this agreement. We have been trying to find some solution now for the past 6 hours or so, and I appreciate everyone's effort to come to a conclusion

on this because I think it is a significant problem and one of significant concern.

Just a quick background. What I am referring to is an issue of Cuba building a nuclear power plant 250 miles off the Florida coast that is being built with Russian support and technical assistance. Cuba reportedly has some 10,000 workers involved in an attempt to complete it by 1993.

What the amendment says in essence is that we will not be providing any assistance under the act to any nuclear reactor program in Cuba unless Cuba commits to abide by two treaties that contain safeguards against the use of nuclear reactor byproducts for the manufacture of nuclear weapons and has committed to comply with either the new International Atomic Energy Agency standards for nuclear reactor safety or the new Russian safety standards which are essentially the same.

The amendment also requires Cuba to accept verification of its compliance with these standards by a special commission approved by the United States and Russia in conjunction with the IAEA.

The reason for offering this amendment is because of my concern for the safety of the people of the southeastern portion of the United States, of the people of Cuba, and for the people in the nations surrounding Cuba.

There has been testimony in the past from NOAA, a U.S. Government agency, that if there were to be an explosion at this plant, the cities of Miami and Tampa would be at risk within 2 or 3 days. One might ask, what is the reason for concern? Of course, I think the obvious one would be a very simple response that in essence the people who gave us Chernobyl are the ones who are assisting the Cubans in the construction of this plant. Frankly, it goes much beyond that.

I have talked to defectors from Cuba personally who have worked on this facility, who have indicated that by his inspection 15 percent of the weld points of this facility are defective. And I would suggest that in this country, if one weld point was defective, we would not allow it to open and to operate.

Dr. Harold Denton who is a nuclear engineer with the United States Government, and who personally inspected the plant in Cuba while he indicated that there is a debate about the design, responded to my question, would you license this facility in the United States?

There was a very simple and very clear response. The answer was no.

Another point that I would like to make is I think it is significant to understand that in this totalitarian regime in Cuba, they have provided that control over safety, operations, and construction will be under one person—until recently, Fidel Castro's son. That is an organizational chart that is created or that will allow for an accident to take place, as far as I am concerned.

A Dr. Nils Diaz, who is director of the nuclear studies institute at the University of Florida and has testified before Congress on this issue, has compiled a list of the concerns about this particular reactor. The list goes something like this: There is no full Western-style reactor containment, there is a lack of verification of essential safety features, a proven lack of quality control and quality assurance of design components and installation, proven violations of quality and features significant for safety, lack of acceptable international safety standards; lack of acceptable organization to implement nuclear safety requirements; poor workmanship, serious lack of personnel certification and training during construction; poor operating plant-specific personnel training and operating standards; poor institutional, electric-grid communications and general infrastructure to support nuclear operation.

An interesting report came out recently with respect to an earthquake that took place in Cuba in May 1992. There was a difference of opinion as to the size of the earthquake. Cuba says that it was a 5.4 on the Richter scale. The United States said it was a 6.9 on the Richter scale.

You might ask what is relevant about that with respect to this discussion about this reactor?

It is relevant because Cuba has said that this reactor was designed to withstand up to 6.2 on the Richter scale. Clearly, the Cuban Government lied about an earthquake on their territory to coverup the inadequacy of their reactor design and construction.

So I would suggest that all of these concerns that I have just indicated are concerns that this Congress and our Government should in fact be deeply concerned about, and I believe it is the reason why we are able to come to some agreement. The amendment before us, in essence, says this: Russia will certify to us that they will not deliver the fuel rods for this reactor unless there has been certification about the safety of the design, construction, and potential operation of this nuclear facility. They will not deliver those nuclear fuel rods unless there has been international inspection that is approved by the United States. I think if we can get that agreement, there is some reason to feel confident that this plant will not become operational until it is substantially rebuilt, if necessary, to bring it up to international safety standards, or failing that, that it will never become operational.

So again, Mr. President, I say I appreciate the willingness of the various staffs, and Members of the Senate who helped to work out the agreement with respect to this amendment, and I am assured that with this amendment the Cuban plant will not be completed unless it meets full international standards.

I yield the floor.

Mr. LUGAR. Mr. President, I commend the distinguished Senator from Florida for an excellent amendment. We are prepared to accept it.

Mr. PELL. Mr. President, this is an excellent amendment. We recommend its acceptance.

The PRESIDING OFFICER. If there is no further debate, the amendment is agreed to without objection.

The amendment (No. 2676) was agreed to.

Mr. PELL. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2677

(Purpose: to support the production of books for use in the educational systems of the independent states of the former Soviet Union)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Washington [Mr. GORTON] proposes an amendment numbered 2677.

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

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

The amendment is as follows:

On page 35, line 14, strike "and".

On page 35, line 19, strike the period.

On page 35, between lines 19 and 20, insert the following new paragraph:

"(10) to support the printing of books and other informational materials for use in the educational systems of the independent states of the former Soviet Union, including support for the procurement of paper for such purpose.".

Mr. GORTON addressed the Chair.

Mr. PELL. Mr. President, is there a modification to this amendment?

Mr. GORTON. Yes, it will be modified.

The PRESIDING OFFICER. Without objection, the Senator may proceed.

Mr. GORTON. Mr. President, when Russian students now attend classes, they are likely to read books which their older brothers and sisters read before the Soviet Union collapsed. Through these antiquated books, the students may learn to appreciate a socialized economy or to depend upon their State. The students may also find, to their confusion, that their schoolbooks are openly hostile to the principles driving Russia's recent reforms. To help Russia update its curriculum, I am offering an amendment to the Freedom Support Act which would authorize assistance for the printing of books and procurement of paper for new schoolbooks in Russia.

Fortunately, replacing these books does not require the Herculean effort we've encountered in examining other parts of Russia's Administrative Government. Russia is not crippled by an Education Ministry incapable of distributing new books. Nor does it require technical assistance to author texts worthy of a free-thinking country.

Rather, in the face of opposition from older academies, the Russian Education Ministry has completed a new curriculum for its elementary and secondary schools that includes instruction in political science, economics, literature and most of the other subjects the United States would demand of its school system. The Russian teacher is more vocal than anyone in demanding a new curriculum. And unsurprisingly, the students themselves have expressed exasperation over their continuing relationship with Communist texts. We should credit the Education Ministry for finding its direction, acquiring much of it from the West, and mobilized quicker than other quarters of the Russian reform.

Sadly, the problem facing a new curriculum is funds. Struggling to continue the rudiments of his reform, President Yeltsin has been unable to help the Education Ministry print new books. Their transcripts sit within the Ministry awaiting paper, and that having been procured, perhaps funds for printing. Its Minister, Eduard Dneprov, and his nation's teachers understand the pressures occupying their President, and absolve him of any blame. The Freedom Support Act, however, should not ignore their needs.

Mr. President, if education is the cornerstone of society, educational reform will be especially important to Mr. Yeltsin. The books currently educating an overwhelming number of his citizens are the product of a closed society trying to lead its subjects down an isolated path. Democracy, as we all know, demands enlightenment—the free exchange of ideas, access to all manners of information, and, most importantly, the individual's ability to decide for himself. Most of this heritage will be passed onto the Russian people through books.

I ask that we acknowledge the efforts and enthusiasm already invested by the Russian people in updating their schools' curriculum and authorize assistance in the Freedom Support Act to help them print their new books.

The PRESIDING OFFICER. Is there further debate?

Does the Senator from Washington have a modification?

Mr. GORTON. The Senator from Washington does have a modification which I send to the desk.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 2677), as modified, is as follows:

On page 34, line 17, add the following new language after the semi-colon:

"including support for the printing of books and other informational materials for use in the educational systems of the independent states of the former Soviet Union, and support for the procurement of paper for such purpose.".

Mr. PELL. Mr. President, this is an excellent amendment and I suggest we support it.

Mr. LUGAR. We commend the Senator and we are prepared to accept the amendment.

The PRESIDING OFFICER. There being no further debate, the amendment is agreed to without objection.

The amendment (No. 2677), as modified, was agreed to.

Mr. GORTON. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. GORTON. I am very grateful to the Chair and the distinguished chairman and ranking member.

MORNING BUSINESS

Mr. DOLE. Mr. President, I now ask unanimous consent that there now be a period for morning business not to exceed 15 minutes.

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

SENATOR SPECTER'S FAMILY TRIBUTE

Mr. DOLE. Mr. President, I listened with great interest earlier today to the eloquent and moving remarks by my friend from Pennsylvania, Senator SPECTER, commemorating the 100th Anniversary of his father's birth.

In his very personal and heartfelt statement, Senator SPECTER painted a vivid portrait of the challenges facing a typical immigrant family, and how that family struggled to make it in America. It was a fitting tribute to Harry Specter, and to what one can accomplish in America with hard work, courage, optimism and traditional family values.

I am also proud that my hometown of Russell, KS, is part of the extraordinary story of Harry Specter. Russell welcomed the Specters with open arms and the old fashioned hospitality that my State of Kansas is known for. I am pleased that my home of Russell is still home to Senator Specter's brother, Morton.

I might add that the remarkable story of the Specter family is still being written, here in the U.S. Senate, by the son of that immigrant from Ukraine. I know Harry Specter would be proud of the contribution his son, Senator ARLEN SPECTER, has made in his remarkable career in public service.

Mr. President, I am honored to have known Harry Specter, and I am proud to serve in this body with his son.

UNITED STATES WILL HELP BOSNIA

Mr. DOLE. Mr. President, Pentagon officials announced yesterday that the United States is prepared to put U.S. Air Force and Navy combat air patrols over Bosnia-Hercegovina to support and protect international relief efforts in that country.

The United States would not do this unilaterally, but at the request of the United Nations, as part of a multilateral effort.

Although relief efforts began yesterday when three air planes loaded with food and medicine landed at Sarajevo airport, shelling has already disrupted the distribution of this assistance to the people of Sarajevo.

Monday's U.N. Security Council resolution—authorizing the deployment of 1,000 peacekeepers to Bosnia—did not authorize a broader effort or the use of force, if necessary, to keep the Sarajevo airport open or to protect convoys. However, this decision by the administration helps clear the way for such an authorization by the United Nations Security Council.

Mr. President, I welcome this news. It means that the United States is serious. Serious about ending what Secretary Baker last week called the "humanitarian nightmare" in Sarajevo. Serious about ending starvation there and in the many other Bosnian towns and villages where civilians have been trapped without food and medical supplies. Serious about sending a message to Serb aggressors in Bosnia that their reign of terror will not be tolerated.

Mr. President, the United States has taken a very important step. The war in Bosnia has raged on for 12 weeks now. Finally, there can be no doubt that the United States is fully engaged—in planning and in implementing relief efforts; and, this decision also indicates that while we prefer to undertake relief activities with the cooperation of Serb militias—we will not wait endlessly for their cooperation and watch as tens of thousands of innocent people perish. We will not give Milosevic a veto over these relief efforts, so that he can starve the people of Bosnia-Hercegovina into submission and slavery in a greater Serbia.

In short, yesterday's Pentagon announcement clearly signals that the United States is willing to do what it takes, to alleviate the suffering of the people of Bosnia—Muslims, Croats, and Serbs.

THE FEDERAL HOUSING ENTERPRISES REGULATORY REFORM ACT OF 1992

Mr. CHAFEE. Mr. President, I plan to oppose the bill under consideration this morning—and I want to state clearly my reasons for doing so. I have serious concerns with a provision in the bill dealing with the liability of

municipalities under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, or Superfund.

As my colleagues will recall, last week I offered an amendment to strike from the managers' amendment language dealing with this municipal liability. Unfortunately, that amendment was defeated.

As I indicated during the debate on that amendment, I oppose strongly making changes in the Superfund law at this time and on this totally unrelated piece of legislation. The Committee on Environment and Public Works, on which I serve, has already begun the process of reauthorizing Superfund—a process that will likely be completed during the next Congress. In my view, a determination on the municipal liability question should be made in the context of that process. To do otherwise, as the Senate has chosen to do, seems very unfair.

Mr. President, the Superfund Program has come under a great deal of criticism in the last few years. We may well decide that the program, including the liability system, needs a complete overhaul. But before we make any changes to the liability system, we should have the benefit of all possible facts. The Senate last week decided, however—with only a few hours of debate—to change one aspect of the Superfund liability system in a way that fundamentally affects the entire program.

For these reasons I feel compelled to vote against the GSE bill. It is my hope that when the House and Senate go to conference on this bill, the language dealing with municipal liability under Superfund will be deleted.

I am disappointed that the GSE legislation has been caught in the middle of this debate over Superfund. S. 2733 was a good bill when it emerged from the Senate Banking Committee on April 8. I support a reinvigorated regulator within the Department of Housing and Urban Development. In my view, increased supervision will promote additional safety and soundness at GSE's and will reduce the risk that Federal tax dollars will ever be needed to bail them out.

I also favor the housing components established in the banking committee version of S. 2733. The legislation calls upon Fannie Mae and Freddie Mac to purchase a greater portion of low- and moderate-income mortgages. In addition, the bill would have required GSE's to increase their activities in urban areas around the Nation.

And finally, the bill would require Fannie Mae and Freddie Mac to establish specific capital reserve standards that must be met to ensure that GSE's could withstand a severe credit and interest rate stress test—similar to what could occur should there be a significant and prolonged downturn in the national economy.

All these changes would greatly improve the operation of GSE's in our Nation. Nevertheless, I will be voting against S. 2733 because I strongly oppose the municipality liability provisions that have been added to the bill.

TRIBUTE TO JIM HART

Mr. HEFLIN. Mr. President, it is with great sadness that I rise today to pay tribute to the late Jim Hart, a Brewton, AL, attorney and civic leader who died on June 24, 1992. Jim was a true friend to this small community in southwest Alabama, and a close personal friend of mine as well.

As an editorial published after his death put it so succinctly, "Jim Hart was a great man." He was the type of person who believed in giving back something to his community, but who never sought praise or recognition for the things he did. Indeed, many of his accomplishments never made the news. His concern for his town and the people around him was a natural part of his character.

Like many others, I knew Jim Hart as a person who derived much enjoyment and satisfaction from seeing others having a good time. As his longtime friend, Brewton Mayor Ted Jennings remarked, "he always had that great big laugh." As evidence of Jim's efforts to promote the happiness and good times of others, he was instrumental in obtaining an Amtrak stop for Brewton last year.

Yes, Jim Hart was a great man, an exceptional person. Brewton is a better place for his having lived and worked there. I extend my deepest sympathy and condolences to his family in the wake of their tremendous loss.

I ask unanimous consent that the introduction of Jim when he was presented the Citizen of the Year Award this past spring be included in the RECORD immediately following my remarks.

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

TRIBUTE TO JIM HART—CITIZEN OF THE YEAR

"Jim" was born on March 23, 1943, in Mobile, Alabama, to James E. Hart, Sr., and Georgia W. Hart of Flomaton, Alabama. He is married to the former Patricia Taylor of Bartow, Florida, and has two sons, Jimbo, who is a graduate of Auburn University, and John, who is a junior at the University of Alabama. Jim graduated from Marion Military Institute in 1962. While at Marion, he was a member of The Monogram Club, Morgan's Raiders, Honor Council, and played varsity football. His Bachelor's Degree in Business Administration is from Auburn University. Cumberland School of Law of Samford University graduated him in 1970 with a Doctor of Jurisprudence, cum laude. While at Samford, he was a member of the Cordell Hull International Law Society, Phi Alpha Delta Law Fraternity and Alpha Tau Omega Fraternity. He was also the Managing Editor of the Cumberland-Samford Law Review for 1969–70.

Jim was admitted to the practice of law in Alabama in 1970, and in Florida in 1972. He is a member of the Alabama Bar Association, the Florida Bar Association, the American Trial Lawyers Association, the Alabama Trial Lawyers Association, and the Alabama Criminal Defense Lawyers Association. He is a former Assistant District Attorney for Escambia County and has served as a Special Assistant Attorney General with the State of Alabama. He is a member of the Oil and Gas Task Force and has served as Chairman of the Oil, Gas and Mineral Section and the Lawyers Public Relations Committee Section of the Alabama State Bar. He is a past President of the Escambia County Bar, and currently serves as Bar Commissioner for the Twenty-First Judicial Circuit.

Jim is President of the Southeastern Livestock Exposition and a past President of the Alabama Cattlemen's Association. He has been active in the Alabama Cattlemen's Association and the Escambia County Cattlemen's Association for many years, serving in all capacities in those organizations.

He is an active member of First United Methodist Church of Brewton, having served as a Lay Leader and all other committees and board of the church. He is a past member of the Conference Board of Trustees of the Alabama-West Florida Conference of the United Methodist Church.

He is an active member of the Brewton Rotary Club, where he has served as President and is a Paul Harris Fellow. He is a past President of the T. R. Miller Quarterback Club and is still very active in that organization. He has served as Chairman of the Escambia County Democratic Executive Committee, Chairman of the Oil Severance Trust Fund Committee for the Brewton City Schools, has been a member of the Marion Military Institute Presidential Advisory Council, a member of the Advisory Board of Cumberland School of Law, and a member of the Centennial Committee for the City of Brewton. He is also actively involved in the Gulf Coast Council of the Boy Scouts of America, the Alabama Sheriff's Association, and many other civic organizations.

Jim moved to Brewton in 1970 and has a thriving law practice here. His wife, Tricia Hart, has recently opened the "Downtown Antique Mall and Gallery" in the old Robbins-McGowin building, a collectibles and antique business, which has received support from the community.

During the past year, Jim served as Chairman of the All-America City Award Committee for the City of Brewton. He worked closely with community members in compiling an entry in this National Civic League program which honors communities for civic excellence. While there was no formal committee organized, Jim was instrumental in cajoling Amtrak, through letters, phone calls, and personal visits to Washington, D.C., to visit with officers of the National Railroad Passenger Corporation, and after many months of hard work, to make Brewton a regular stop on the "Gulf Breeze" service between Birmingham and Mobile. He was then the driving force behind "Amtrak Day" which was a huge success and enjoyed by many of Brewton's citizens.

Jim Hart was a vital and interested citizen of this City and would be a distinguished addition to the already distinguished list of Citizen of the year award winners.

COMMENDING ROBERT C. LOUTHIAN

Mr. WARNER. Mr. President, over the course of the several centuries dur-

ing which the Congress has been in existence, its size and the scope of its work have grown and evolved. The business of enacting legislation has become a full-time affair not only for the Members of the Senate and the House of Representatives, but for the many staff, in various capacities, who enable Congress to do its work with some measure of efficiency. Chief among those staff are those who advise the Members and draft the actual letter of the law: the talented lawyers in the Office of Legislative Counsel.

On July 14, one of those lawyers, Mr. Robert C. Louthian, Jr., will mark the 40th anniversary of the beginning of his service in the Office of Legislative Counsel.

A native of Roanoke, VA, Bob Louthian attended the public schools in that city. Shortly after his graduation from high school, he joined the U.S. Navy and was dispatched to active duty in the Pacific theater during the Second World War. Upon completion of his Navy service, he enrolled in Roanoke College, where he earned a B.S. in economics in 1949. He pursued his legal education at my alma mater, Washington and Lee University, receiving his LL.B. in 1952. During his time at W&L, he served on the staff of the Washington and Lee Law Review, and was elected to the Order of the Coif in recognition of his excellent academic record.

Mr. Louthian came to the Senate immediately after law school. He was hired as a law assistant in the Office of Legislative Counsel on July 14, 1952; on July 15, 1954, he was promoted to assistant counsel; and on July 1, 1973, he was designated as a senior counsel.

During his career in the Legislative Counsel's Office, Bob has worked in legislative fields as diverse as Indian affairs and matters related to the District of Columbia. In addition, he has handled matters under the jurisdiction of the Committee on Rules and Administration, on which I serve, and on natural resources issues with the Committee on Energy and Natural Resources. Most recently he has worked closely with the members and staff of the Committee on Commerce, Science, and Transportation. Bob also serves as the Office of Legislative Counsel's senior advisor to Senate officers and agencies.

Mr. President, few careers in public service approach the breadth, not to mention the length, of Bob Louthian's record of distinguished service to the U.S. Senate. He is an outstanding American whose service has indeed been to the people of this Nation as much as to this body. His wise counsel has contributed to the well-being of our Nation and to the continuity and institutional memory of the Senate. I am particularly proud that he is a born and bred product of the great Commonwealth of Virginia. I salute and commend Bob Louthian for his demonstrated commitment to public service, and I look forward to continuing to work with him in the years ahead.

NOTCH CORRECTION LEGISLATION

Mr. PRESSLER. Mr. President, the Social Security notch problem has been debated for 10 years with little success. Congress has fallen short of the expectations of our senior citizens. As we all know, the Social Security notch affects those Americans born between 1917 and 1921. Nine million retired Americans are adversely affected by this flawed benefits formula.

The Social Security notch was an unintentional error. Congress modified the benefit formula in the early 1970's. It was later discovered that this formula overcompensated beneficiaries. In 1977, further adjustments were made in the benefit formula. This resulted in the benefit disparity, termed the Social Security notch.

South Dakota has an estimated 34,000 notch babies. Conservative estimates indicate these individuals are penalized some $20 million a year. This clearly illustrates the need for correcting this injustice. During this session of Congress, I have received over 1,000 letters on this issue from senior citizens. These individuals desire a correction of the benefits disparity. The extra cash is needed by some of our poorest citizens. In fact, in my State, the average Social Security benefit is only $500.

The notch is a clear injustice to many Americans who have worked hard and done their best to save for their retirement years. After retiring, they learned that their Social Security retirement benefit is smaller than that received by individuals born before them.

As a cosponsor of S. 567, the Social Security Notch Adjustment Act of 1991, I urge my colleagues to act on this matter. This bill has been tied up in the Finance Committee for a decade without any final report to the full Senate. Correction of this problem is long overdue. With the cooperation and determination of the Finance Committee, we can resolve this issue.

As an advocate of a balanced budget who does not encourage increased Federal spending, I have researched carefully the budget impact of correcting the notch problem on the Social Security trust fund. S. 567 would cost about $4 billion in the first year after its enactment and less than $5 billion thereafter. The current Social Security trust fund surplus is estimated to be about $286 billion. This surplus is increasing by about $45 billion a year. The bottom line is that S. 567, the notch correction bill, would have minimal impact on the trust fund.

At a time when the economy is just beginning to turnaround, it would be a wise decision to put more money into the hands of consumers. Correcting the notch inequity would make more funds available to millions of Americans who represent a large percentage of the buying population. The expenditures of these Americans would help to transfer money back into the economy with little impact on the Federal Government.

Let us solve this problem now, and eliminate the unfairness of giving the notch babies lower Social Security benefits than they deserve. Enacting S. 567 surely would improve the lives of millions of Americans and strengthen the economy.

TRIBUTE TO DR. ARTHUR GEORGE GASTON

Mr. HEFLIN. Mr. President, I rise today to pay tribute to Dr. Arthur George Gaston, one of Alabama's most successful businessmen and esteemed citizens, upon the occasion of his 100th birthday coming up on July 4, 1992. It is entirely fitting that he was born on the anniversary of the founding of our great country, for he truly is "the American Dream" personified.

It is grand understatement to say that Dr. A.G. Gaston is one of Birmingham's and Alabama's most distinguished and prominent citizens. He is nationally known for his "rags-to-riches" story, and for his lifetime of service to his fellow man and to his community's business sector. He has helped countless young people obtain an education, supported numerous civic causes, and inspired several generations of young Alabamians to achieve great things through hard work, perseverance, and a commitment to life-long learning.

During the divisive racial tension that rocked Birmingham many years ago, Dr. Gaston stood tall with his beliefs in equal justice under the law in many ways, including providing bail for many jailed civil rights leaders. However, he constantly advocated nonviolence and on proper occasions his voice was one of moderation and calm. He said he never grew to hate those who perpetuated racism and violence. Instead his credo was: "Instead of getting mad, get smart." In wake of the turbulence that took place in Los Angeles recently, America needs similar voices of moderation and calm, Dr. Gaston recognized long ago that only through knowledge, awareness, education and mutual cooperation at all levels, do we move forward to experience the fulfillment of the American dream of the brotherhood of man and the Fatherhood of God.

Mr. President, Dr. A.G. Gaston is a remarkable role model for all of us. I proudly join all of his loving family, close friends, and admiring associates in extending my best wishes for a happy and joyous birthday. I was honored to have been selected to serve on the dinner committee for his gala birthday celebration to take place Friday evening, July 3.

The 100th anniversary of Dr. Gaston's birth in Demopolis, AL, is a time to reflect upon his incredible life of achievement and of improving the lives of those around him. Like few others, he has earned a unique place in history.

The Birmingham news recently carried an article on the life and work of Dr. Gaston. I ask unanimous consent that the text to that article be included in the RECORD immediately following my remarks.

GASTON TO TURN 100 BY DOING FOR OTHERS

(By Ingrid Kindred)

Birmingham businessman Arthur George Gaston could well afford to celebrate his upcoming 100th birthday in any way he chooses.

Born on the Fourth of July, the American success story and Birmingham legend has decided to celebrate much the way he made his fortune, by doing something to help others.

On Friday night at the Birmingham-Jefferson Civic Center, national celebrities, community well-wishers, relatives and friends will salute Gaston at a gala black-tie birthday banquet in his honor.

Instead of bringing him personal gifts, they will be donating thousands of dollars to Gaston's favorite charity, the A.G. Gaston Boys and Girls Club Inc., which he founded as a boys' club in 1966.

"The Lord has seen fit to let me live to this age for a purpose and it is my hope that I have served Him and my people as He wanted me to," Gaston said. "I have lived a long life. I have received many blessings."

Gaston, born in Demopolis on July 4, 1892, came to Birmingham at age 8 with his mother. He received his only earned diploma from Carrie A. Tuggle Institute, but affectionately is called "Dr." Gaston because of more than 10 honorary doctorate degrees received from Tuskegee University and other schools, including Monrovia College and Industrial Institute in Liberia.

He served in the Army before and during World War I and worked for Tennessee Coal & Iron Co. (U.S. Steel's predecessor) in the Westfield community of Jefferson County.

FIRST BUSINESS

It was while working there that he started his first business, the Booker T. Washington Burial Society. The company accepted family memberships, and guaranteed death benefits and proper burial to its members.

From that grew the Booker T. Washington Insurance Co. and Smith & Gaston funeral directors, which also was named for the father of Gaston's first wife, the late Creola Smith Gaston.

His second wife, Minnie Gardner Gaston, was longtime director of the Booker T. Washington Business College, which he founded in 1939. The college closed in 1987.

Those businesses, and most others founded by Gaston, were started with an eye on filling service needs in the black community, rather than for big profits, Gaston said.

By successfully filling needs, Gaston said, he "accidentally" became rich. He once was known as "the richest black man in America," but abhors portrayals of himself as a "black millionaire."

"My name is not 'A.G. Gaston Millionaire,'" he said in 1982, just prior to his 90th birthday. "There are a lot of folks in this town with as much or more money than I have, and you never hear them referred to as 'millionaire.'"

His companies have included New Grace Hill Cemeteries, Inc., the A.G. Gaston Motel, Citizens Federal Savings & Loan Association, BTW Federal Credit Union, Vulcan Realty and Investment Corp., A.G. Gaston Home for Senior Citizens, WENN/WAGG Radio, Zion Memorial Gardens and the A.G. Gaston Construction Co.

Gaston sold off several of the companies over the years. In 1987 he sold the $34 million stock of all companies under the Booker T. Washington umbrella to employees for $3.4 million. Companies under the BTW umbrella had more than $24 million in revenue last year, according to Black Enterprise magazine, which honored Gaston in its June issue as its "Entrepreneur of the Century."

STILL GOES TO WORK

Gaston remains chairman of the board of Citizens Federal (now Savings Bank). Although confined to a wheelchair due to a leg amputation in 1990, Gaston goes to church on Sundays and still can be found working in his office several hours a day on most Mondays through Saturdays.

"Sunday is the only day when he is not here. His mind is as clear as mine," said Kirkwood R. Balton, a BTW insurance company executive who has worked for Gaston's enterprises for 33 years.

Balton, who also is president of the Gaston Boys and Girls Club, said Gaston agreed to publicly celebrate his 100th birthday on the condition that it benefits the Boys and Girls Club.

"Beyond giving is money, Dr. Gaston has given of himself to the club," Balton said. "Through the years he has visited, counseled and played games, including table tennis, with those boys. This was in order for him to have an identity with them and they with him, which has been an influence on a lot of lives."

Gaston and wife Minnie—both recently ill and hospitalized—contributed $300,000 for the Boys and Girls Club to move from its longtime base at Seventh Avenue and 14th Street North to a new site at 2900 South Park Drive SW near Five Points West.

OPEN HOUSE AT CLUB

An 11 a.m. public ribbon-cutting ceremony, and open house and family fun events from 10 a.m. to 2 p.m. will be at the club Friday.

Proceeds from the birthday bash will go toward a $500,000 capital drive to retire the debt and complete renovations of the new Boys and Girls Club facility. Part of the money also will be used for an educational endowment fund for the club.

Jesse Jackson, Black Enterprise Publisher Earl Graves, actor Ossie Davis, and his wife, actress Ruby Dee, state and local political business and civic leaders are expected to attend the Gaston birthday celebration Friday night.

Bruno's Inc. Chairman Emeritus, Joe Bruno is honorary chairman of the dinner. Alabama Power Co. President Elmer Harris and Balton are co-chairmen.

Dinner tickets at $100 each are available by contacting Sylvia Joyner at Booker T. Washington Insurance Co. at 328-5454.

THE NATIONAL SERVICE INITIATIVE WASHINGTON STATE AWARDEES

Mr. GORTON. Mr. President, community service is a task that deserves more recognition than it presently receives. Our Nation's strength lies in the willingness of the American people to give of themselves to help others. I would thus like to take a few moments to recognize the dedication of several individuals who have helped to maintain excellence in America's communities.

President Bush, in establishing the National Service Initiative, has challenged Government employees and contractors to volunteer some of their time to community service. Six of my constituents recently received an award from the Department of Energy under this program. It is an award to commend outstanding achievement in public service. I am proud to announce the recipients' names and the contributions that they have made to their communities.

Oscar A. Armendariz is an area economist with the Upper Columbia area, power management division, at the Bonneville Power Administration. Oscar sits on the Board of Directors for numerous professional organizations. In these capacities, Oscar has devoted much of his time toward mentoring youth in the areas of math, engineering, and science. Oscar is also active in many community youth activities.

Anna V. Beard-Taylor is a mechanical engineer with the Operations Division at the Richland operations office. Anna has a deep commitment to work for the betterment of mankind. Her focus supports youth, minorities, and equal opportunity, she has coordinated clothing drives, food drives, and mentoring activities for numerous organizations including the Urban League, Save-a-Child, and the Jefferson Street Community Center.

Daryl D. Green is a safety engineer with the Technical Support Division at the Richland field office. Since January 1990, when he began the Greater Faith Baptist Church tutoring program, Daryl has helped an average of 34 students each semester from the tri-cities area. The program, which is held every Tuesday, assists students in the areas of math, science, and other major subjects. The program also brings private business and the Government together to address education problems by using employees from each sector.

Connie D. O'Neil is a secretary with the Site Infrastructure Division at the Richland field office. Connie has provided volunteer-community service in support of the Jerry Lewis Telethon since its inception by serving as the Tri-Cities Telethon coordinator for 24 years. Because of her outstanding work, each year's receipts have surpassed those of the past year. By leading by example many volunteers return each year.

Marji Parker is a grants specialist with the Procurement Division at the Richland field office. Margie's exceptional record of volunteer community service spans a 35-year period. During this time she has committed her spare time to serve many organizations in various capacities, including serving as chairperson of the National Contract

Management Association Scholarship Committee, Den Mother for the Boy Scouts of America, serving on the Council of the Children's Home Society, and serving on the Board of Trustees for Columbia Basin College.

Jacqueine E. Bond is a group leader with the Instrument Calibration and Evaluation Group/Health Physics Department at the Battelle, Pacific Northwest Laboratory. Jackie's volunteer community service has included serving as president of the Benton-Franklin chapter of the NAACP for the past 4 years and a member of the board of the Columbia Basin Minority Economic Development Association for the past 3 years.

Again I would like to congratulate these six outstanding examples of positive community involvement. I hope that others take charge and follow in the footsteps of these fine citizens.

TRIBUTE TO DR. JAMES A. PITTMAN

Mr. HEFLIN. Mr. President, effective June 30, Dr. James A. Pittman retired from his position as dean of the University of Alabama School of Medicine. His 19 years on the job have benefited the medical community in Birmingham—indeed all of Alabama—immensely, not to mention the countless patients who have come to the University Hospital complex seeking quality and professional care. His outstanding leadership abilities and accomplishments are evidenced by the prestigious reputation that Alabama's medical school currently enjoys.

Last spring, U.S. News & World Report ranked it the No. 1 up and coming medical school in the Nation. The same publication, in its June 15 edition, singled out the University of Alabama Hospital in Birmingham as one of the best in the Nation, and among the top seven in the field of rheumatology. Dr. Pittman deserves much credit for the accolades the school and hospital are deservedly receiving.

Originally, James Pittman thought he would become a Presbyterian minister. But while attending Davidson College, he found that his true talents and career interests included science, especially biology. He began studying and working in Boston, Paris, the National Institutes of Health, and the Veterans Administration in Washington, DC, Oak Ridge, TN, and the University of Alabama in Birmingham, where he was chief resident. His specialties were internal medicine and endocrinology.

Dr. Pittman is described by many of his friends as a man with great honesty and enthusiasm, an amazing intellect, quick wit, and a tremendous interest in people, science, and books. He is also known as a positive thinker with an excellent imagination and the ability to carry through long-range plans. Above all, he has always had the medical school's best interest at heart.

Even though Dr. Pittman has retired from his job, he has not resigned from his work. He plans to spend a month this summer in Newfoundland, Canada, where he was an intern. He plans to spend the upcoming school year as a visiting professor at Harvard University, his alma mater.

It is my pleasure to congratulate and thank Dr. James Pittman for his many years of service to the medical profession, particularly for his contributions to the University of Alabama School of Medicine. More than anyone else, he has worked tirelessly to make the medical school a source of pride for our State. I wish him the very best in all of his future endeavors.

I ask unanimous consent that a Birmingham News article detailing Dr. Pittman's life and work be included in the RECORD following my remarks.

[From the Birmingham News]

SANDS AREN'T RUNNING OUT ON PITTMAN

(By Betsy Butgereit)

So, Medical School Dean James A Pittman Jr. has UAB President Scottie McCallum 5,000 feet above Lake Logan Martin, flipping through some stunt maneuvers in Pittman's 1940s vintage biplane, when . . .

The canvas rips off the left wing.

After a few anxious moments, they land safely and scurry to a UAB event. There, one of McCallum's fellow church members comments, "Brother Scottie, we didn't see you in church today."

Before McCallam can respond, Pittman pipes in, "Don't worry. He was praying."

That was June 1978. McCallum hasn't flown with Pittman again, but the University of Alabama at Birmingham's president might be praying again this week—for someone to step into the void the witty, well-respected Pittman leaves when he steps down as dean Tuesday, after 19 years in the job.

"I don't think you replace Jim Pittman," McCallum said. "I think you identify a successor who one hopes will have the imagination and the desire to keep the momentum going that's been started by Jim."

Pittman, 65, is adamant he's not retiring, just resigning. He plans to spend a month this summer in Newfoundland, Canada, retracing the steps he left as a young student there and learning more about the Canadian national medical system.

Then, it's on to Harvard, where he earned his medical degree, for a school year as a visiting professor.

"I'm going to try to get in touch with medicine again, find out what's going on," Pittman says.

As if he's been on Mars for the past 19 years.

MINISTRY FIRST CHOICE

Pittman got into medicine the hard way, through religion: The Orlando, Fla., native, who birds, airplanes and motorcycles, planned to be a Presbyterian minister. He fell into biology and science at Davidson College.

"His first scientific paper was the speed of the common loon in full flight, and he got that information buy chasing it in an airplane," recalls S. Richardson Hill, the former UAB president who hired Pittman.

Pittman's life in the cloth ended shortly after a Davidson Sunday school teacher discovered his scientific leanings.

"If you believe in evolution, you are going straight to hell!" the teacher warned him. Pittman decided to be a medical missionary.

That interest took him to rustic Newfoundland for the summer before his last year in med school. He kept an evocative journal of his adventures, which include such gems as a patient singing, "Enjoy yourself, it's later than you think," while Pittman is trying to save another patient form pneumonia.

He never became a medical missionary, studying and working instead in Boston, Paris, the National Institutes of Health and the Veterans Administration in Washington, D.C., Oak Ridge, Tenn, and UAB, where he was chief resident.

He even met the famed Dr. Albert Schweitzer in Africa in 1957.

He considered several specialties, but settled on internal medicine and endocrinology.

"Medicine is the ultimate in human relations," Pittman says. "It just seemed like the whole point of medicine was to determine the diagnosis, to figure out what was wrong and try to make them well."

A MAN WHO LOVES LIFE

Some of the delights of knowing Jim Pittman, say his friends and colleagues, are knowing a man with great honesty and enthusiasm, an amazing intellect, quick wit and tremendous interest in people, science and books.

"He certainly loves life more than anyone I know," said Dr. Gail H. Cassell, chairman of UAB's department of microbiology. "He's one of the best-read people. You rarely find a subject that he doesn't know anything about."

It's common knowledge at UAB that few people leave his office without a book or a reprint of some article he likes.

"He's an excellent customer, probably my biggest," says Allen Shaffer, owner of Smith & Hardwick Bookstore in Forest Park.

Longtime friend Hall Thompson says, "He keeps sending me all these books all the time and telling me I don't read them, and it's the truth. I don't. But he keeps trying to educate me."

McCallum, who's also a good friend of Pittman, says he's starting to wonder if there's some unspoken message in the books Pittman sends him.

"Maybe he's trying to tell me to do a better job," McCallum says.

WHEN THE SAND RUNS OUT

What his friends classify as charming characteristics of a medical Renaissance man, Pittman dismisses as a lack of focus.

"I get diverted," he says, "I don't have any power of concentration. My attention span is too short."

He makes that pay off for him. He has been known to put an hourglass in the middle of a conference table, the clear inference that the meeting is over when the sand runs out.

He also has a small Pinocchio doll he sometimes puts on a conference table, another clear inference.

He's had magnets attached to the doors of his office and his conference room. With a touch of a button from his seat, he can shut the doors so tardy deans can't just slip in.

Pittman leaves a school that his colleagues say reflects his energetic personality.

"The faculty also reflects his personality," says Dr. Arnold G. Diethelm, chairman of the school's department of surgery.

"He's a very positive thinker who has excellent imagination and the ability to carry through long-range plans. He's absolutely honest with all the faculty, and he's as fair

with the chairmen of the departments as with assistant professors. Above all, he always has the medical school's best interests in his heart."

Pittman doesn't hire people like himself, Diethelm said. "He creates an atmosphere so that people become that way," Diethelm said.

His colleagues say he's built the faculty by recruiting the best people, insisting on excellence and tnriving on diversity.

W. Mitchell Sams Jr., chairman of the department of dermatology, describes in a letter how Pittman wooed his family.

Sams' daughter didn't want to move to Birmingham: Pittman found out she like ballet.

When the family came to visit, Pittman arranged for the girl to tour various ballet schools here. She was so impressed, she moved to Birmingham before her family did to start school.

A TALE OF ROMANCE

Ask Pittman how he met his wife, Dr. Constance Shen Pittman, who specializes in thyroid disease, as does Dean Pittman.

"Do you want the good story or the real story?" he'll ask.

The good story: He's flying over Szechuan, China, in World War II when a zero comes out of the sun and blasts him. The plane goes down, but he walks out of the wreckage. He sees this shack nearby, walks in, and there she is.

The real story: They met while he was at Harvard and she at Wellesley College. Sparks didn't fly.

"She didn't seem to have the income potential as she did when she was in medical school," he jokes.

They met again in Boston, where both were working. They married in 1955 and have two sons, Clinton, a law student at Vanderbilt, and John, a Boston banker.

Pittman worries his wife isn't getting enough credit for her role in his life.

She sees patients and maintains a lab at UAB that has gotten funding for 33 years. She is principal author on many scientific papers in which he plays a minor role. She recently was president of the American Thyroid Association.

All the Pittman men are adventurers, into planes and motorcycles and other such pursuits. At a recent party honoring Pittman, someone asked Connie Pittman how she coped with that.

"I go to church and pray for them," she said.

LOVED FOR HIS QUIRKS

One of the things people like best about Pittman is his quirks:

He insists that the most obvious thing he's done for the med school is get everybody to were white coats.

He's known for his outspoken opinions.

"I'm too old to give a durn anymore," Pittman says.

He has sent his friends, all 1,000 on the list, the same Christmas card for 42 years.

It features a Latin passage, which translates roughly into, "Behind all the pain in life, there's joy." Take joy, says high school pal Nancy Ryle of Marietta, Ga.

Pittman delights in challenging people to fly loop-de-loops with him, in his Stearman biplane.

He took up flying as a teenager, when his parents asked him to forswear motorcycles after a friend was killed on one.

Pittman requires anyone who gets sick from the aerobatics to clean up his own mess when they get back to the ground.

He once got a comeuppance of sorts from young Shane Kearney, son of a UAB colleague. On a day when Pittman was taking children up, Shane wanted badly to go. Pittman usually requires the children be older and bigger, but the 9-or-so-year-old boy was so disappointed, Pittman relented.

Pittman relented.

Pittman did a routine of loops and rolls, then went into a spin with the plane's nose aimed at the ground. When he pulled the plane back up, be couldn't see the child. He ducked down to look under the seat. No child. He looked over the plane's edge. No parachute.

The child had fallen out and didn't pull the parachute ripcord, Pittman feared.

"It was the worst feeling I've ever had," he said.

Just as he was planning how to break the news, the child's head popped up in the seat. The G-forces of the plane spinning down had crushed him into his seat and it took him a minute to disentangle.

PITTMAN LOSES A BET

Pittman this week loses a bet with a fellow med school dean. University of New Mexico's Leonard M. Napolitano, who's been dean for 20 years. For years, Pittman has been threatening to unseat the record-holder.

Napolitano, 62, denies he is gloating this week.

While Pittman insists he will miss the bustling activity of UAB, friends and co-workers doubt he can stay away long.

"I just know you are not constitutionally equipped to rest on your laurels for very long," Richardson wrote, one of an avalanche of letters from friends and co-workers.

They included fond memories summations of his characters, and eloquent odes.

Perhaps Gloria Howton, the university's former public relations director, put it best and simplest:

"Jim, you may have been a headache, but you were never a bore" she wrote.

THE FUND FOR DEMOCRACY AND DEVELOPMENT

Mr. BIDEN. Mr. President, over the past year a broad array of private, American organizations have made great, and largely successful, efforts to respond to the dramatic changes in the former Soviet Union. Groups across the Nation have tapped into the United States' can-do spirit and the finest American values of charity and compassion by providing humanitarian relief to the peoples of the new Slavic and Eurasian nations.

Even as the administration was only slowly coming to the realization last winter that humanitarian aid was needed, thousands of individuals and scores of organizations were already selflessly giving their money, time and energy to help former Soviet citizens.

Today, as the Senate proceeds with work on the Freedom Support Act, my hat is off to these many Americans who so quickly and generously responded to the needs of the Commonwealth nations. While some in Congress may debate this Nation's willingness to provide foreign aid, there should be no question of the personal beneficence of the American people when others are in need, whether the needy are here at home or beyond our shores.

Today, Mr. President, I want to pay special tribute to the extraordinary contributions of one particular organization in this field. That organization, the Fund for Democracy and Development, has led the way in organizing and facilitating the transport of assistance to the Commonwealth nations.

Dozens of schools, churches, synagogues, community clubs, and other groups in the United States are enthusiastically collecting canned food, medical supplies and other goods for donation to the 12 new independent States. Once they collect these goods, however, the groups usually have no means to ship them abroad. This is where the fund steps in. Through a national network, the fund provides financial and logistical support for the transport of contributions to the former Soviet Union. According to the fund, more than 200 forty-foot containers of donated goods have been delivered to people throughout the Commonwealth countries in the past few months with the fund's help.

To carry out this important work, the fund matches donors with recipients, develops detailed distribution plans, provides shipping containers, arranges for inland U.S. transportation, shipment to the Commonwealth nations, and entry into the recipient country, monitors container movement, and notifies the donor after the goods reach their final destination.

In other words, the Fund for Democracy and Development is the critical link between those in need and those able to give. Without their diligent work, we could only guess at how much of the humanitarian relief offered by Americans would never arrive at its destination.

In view of these accomplishments, I not only want to reiterate my esteem for the Fund for Democracy and Development, but also to suggest to the administration that the fund be viewed as an excellent source of private sector advice and assistance. The fund has already proven itself a capable partner of the Federal Government in its shipment efforts, which were carried out in coordination with the Department of State. I urge the administration to continue to regard the fund as an outstanding colleague in providing humanitarian aid. And as the fund is now developing assistance programs in other areas, I hope the administration will consult the fund for ideas and advice as the United States' aid package is broadened.

In the meantime, I once again want to offer my congratulations to the Fund for Democracy and Development.

SALUTE TO DR. DRYGAS

Mr. WOFFORD. Mr. President, it is with pleasure that I recognize and sa-

lute Dr. Miroslaw Drygas, Poland's Head of Extension Service Section, Ministry for Agriculture and Food Economy. Dr. Drygas' responsibilities include extension service and agricultural education for all of Poland. Dr. Drygas has displayed a clear vision and appreciation of the beginning of a new era in Polish agriculture. He understands the importance of moving from a centralized, closed command agricultural system to an open market system. Dr. Drygas firmly believes that the future prosperity of Poland and the preservation of its fledgling democracy depends on improving market conditions for Polish agricultural goods.

Dr. Drygas has shown strong support for agricultural exchange programs between the United States Department of Agriculture and the Polish agricultural community. Among the programs are on-site studies by United States needs assessment teams to determine the changes necessary to move Poland's agricultural industry into a competitive position with world markets.

Several teams from Penn State University College of Agricultural Sciences, headed by Dr. Donald E. Evans, have participated in the program. The Penn State teams are working to help Polish farmers to understand and participate in an open market economy, improve water management, assess areas of improvement in agricultural education and conduct a review of agricultural technical and vocational schools in Poland.

Again, I want to salute Dr. Drygas for his commitment to moving Polish agricultural institutions forward and commend the Pennsylvanians who have been so helpful in this effort to move Poland further along the road to democracy and a free market economy.

SPACE CRYSTALLOGRAPHY

Mr. HEFLIN. Mr. President, I rise before you today to discuss new, exciting technology that is being used right now, 160 miles above our heads. This technology, protein crystallography, seems destined to revolutionize biomedical and agricultural research.

Proteins are one of the basic substances that animals and plants need to grow, reproduce, and resist disease. Understanding these substances and the way they react is an essential first step creating new medicines and agricultural products. Because individual protein molecules are too small to see, scientists have begun to grow protein crystals to learn about their function and structure. To determine the structure of individual protein molecules, however, scientist need crystals far more perfect than those that can be grown on earth.

NASA has begun an ambitious program to grow these crystals in space. The extremely low gravity and controlled environment the space shuttle operates in provides near perfect conditions for these experiements. Protein crystal growth experiments are being flown in the mid-deck of the space shuttle. They currently consist of approximately 60 crystal growth chambers, each with a different concentration of protein solution. Upon return to earth, the newly formed crystals are analyzed using x-ray diffraction and then modeled on computers to create three dimensional images. Studying these images, scientists are better able to understand the interaction of these complex molecules, and use this knowledge to engineer new drugs and agricultural products.

Mr. President, I am proud to say that this revoluntary new research is being headed up by the Center for Macromolecular Crystallography [CMC], a unit of the University of Alabama at Birmingham. This was one of the first five of NASA's Centers for Commercial Development of Space established in 1985. Among its most recent achievements is the determination of the three dimensional structure of an enzyme that shows promising potential in the design of cancer and AIDS chemotherapy and the suppression of the human immune system during transplants.

Right now above our heads, a scientist from the University of Alabama in Birmingham is in the space shuttle *Columbia* performing crystallography experiments. This scientist, Dr. Lawrence J. DeLucas, has the distinction of being the first of what I hope will be many crystallographers in space. I salute both his daring and his dedication to the advancement of human knowledge. I am certain his mission will be a success, and I promise him now that I will fight to see that his work receives continued support from this Congress.

Mr. President, I must say that there are some problems with using the shuttle for performing crystallography experiments. First, due to limited space and equipment on the shuttle, only a small number of experiments may be performed on any given mission. This problem is compounded by the difficulty in predicting the proper solution concentration that will result in accelerated crystal growth. The most serious limitation of the shuttle is, however, the relatively short period of time it spends in space. For example the current mission is scheduled to last thirteen days, which strictly limits the types of protein crystals that can be grown. Growing crystals is a time consuming procedure and some promising proteins take months to grow in the best of conditions. If we are to pursue this technology to its limit, we need a research platform permanently stationed in space, we need the space station.

In the crucial votes to come, I hope my colleagues that support high-tech research like space crystallography fully realize that this work cannot grow to its full potential without a permanently manned platform in space. I, therefore, urge them to join me in support of space station *Freedom*.

Thank you, Mr. President.

FINAL PASSAGE OF THE GOVERNMENT-SPONSORED ENTERPRISES BILL

Mr. HATFIELD. Mr. President, during consideration of the Government-sponsored enterprises bill, several amendments were adopted exempting municipalities from liability for the cleanup of hazardous waste sites under Superfund.

Currently under the Superfund Program, those who contribute hazardous waste to disposal sites must share in the costs associated with cleanup. Often, the manner in which clean up costs are distributed places an undue burden on those who have contributed little hazardous waste to a site. Although this is an extremely valid concern of many municipalities, I fear that exempting them from Superfund liability at this time, on this bill, will only place an added burden on the Congress to justify why others are not also exempt.

There may be a better method of allocating costs associated with the clean up of Superfund sites, but I do not feel Congress should decide these matters through quick fix amendments on unrelated pieces of legislation. Rather, the Congress should thoroughly discuss this, and other problems, with the Superfund Program in the proper forum—Superfund reauthorization legislation in the 103d Congress.

Despite these concerns, and my subsequent vote against the municipality exemption amendment, I supported final passage of the GSE bill. This bill takes an important step toward ensuring the safety and soundness of the Federal National Mortgage Corporation [Fannie Mae] and the Federal Home Loan Mortgage Corporation [Freddie Mac], organizations that play a key role in expanding funds available for housing in this country. I hope that the Superfund issues will be addressed in conference with the House and ultimately decided during next year's debate on the reauthorization of Superfund.

FEDERAL AND STATE BUDGET PRACTICES

Mr. BIDEN. Mr. President, as Chairman of the Judiciary Committee, I voted last year to further debate on the issue of Federal deficits by sending a balanced budget amendment to the Constitution to the Senate. At that time, however, I noted several problems with the proposed amendment.

I argued that the amendment could provide grounds for an unintended ex-

pansion of the President's impoundment authority. I also noted that it lacks enforcement provisions; ambiguity about enforcement will throw inevitable conflicts over spending and taxing legislation into the Federal court system. The result of these problems, if unaddressed, could be a fundamental shift in the separation of powers that is the core of our constitutional Government.

Further, Mr. President, I argued that in its current form, the amendment lacks sufficient flexibility to deal with economic emergencies, such as the recent recession. Last, but far from least, I noted that this amendment would put Social Security and other trust funds within the constitutional definition of the budget that is to be balanced.

Today, however, in the spirit of continuing debate on this important question, I want to address another issue raised in our recent discussions. Mr. President, we have been repeatedly told by those who favor a balanced budget constitutional amendment that this historic step is not the bold experiment it seems to be. On the contrary, they argue, virtually all of the States in our country already operate quite well under similar constraints.

Unfortunately, Mr. President, there is no simple lesson from the budget practices of the States that will guarantee benign consequences from a constitutional requirement to restrict annual Federal expenditures to annual Federal revenues. In fact, the lesson from the States is precisely the opposite of that claimed by proponents of a balanced budget constitutional amendment.

Mr. President, all of the States consistently use debt to fund essential operations. While most States have some form of statutory or constitutional budget restrictions, State debt has grown faster than the debt of the Federal Government.

In fact, there is no statistical difference between those States that attempt to constrain their budgets constitutionally and those that use supposedly weaker statutory rules. Both make use of borrowing for essential Government services. The argument that we must amend the Federal Constitution to balance the budget cannot be based on State experience: At the State level, constitutional restrictions carry no more weight than statutory restrictions. And neither device, Mr. President, has kept State debt from growing faster than Federal debt.

The Federal Reserve reports that Federal debt has grown by 13 percent over the last 40 years. However, the States—the alleged models of fiscal rectitude that guarantee the success of a Federal balanced budget amendment—have increased their debt by 28 percent, more than twice the Federal rate.

These facts flatly contradict the claim that balanced budget requirements have successfully prevented the use of debt at the State level. The facts also undermine the assumption that a constitutional prohibition on borrowing for any policy objective will improve both constitutional budgeting and our Nation's economy.

Mr. President, every Member of this Senate has genuine concern over the mountain of debt our Government has piled up in recent years. Frustration and anger over our inability to reduce this debt has fostered strong support for a constitutional amendment requiring a balanced budget. I am among those who believe that we must enact fundamental changes to our existing budget procedures and laws to reduce our deficits and the national debt that they add to every year.

However, as we contemplate one possible response—the historic step of amending the Constitution of the United States—it is our duty to proceed on the basis of facts and logic, not misleading generalizations or wishful thinking.

How is it possible that States have grown increasingly dependent on the use of debt to finance important categories of Government activity, while operating under the apparent constraints of balanced budget requirements?

To begin, Mr. President, it is not the case, as is so often claimed, that virtually all of the States are bound by constitutional requirements to balance their budgets. Nineteen States have no constitutional requirement that the legislature pass a balanced budget. Twenty-six States have no constitutional provision that the Governor must sign a balanced budget. There is legal silence in 27 States as to whether the Government may carry over a deficit from one year to the next.

Further, no State balanced budget requirements, statutory or constitutional, however phrased, rule out the use of debt for funding capital investments. The balanced budget amendment now before us explicitly rules out the use of debt for any purpose, contrary to the practices of virtually every State in our Nation.

What States balance is their operating budgets, not the all-encompassing definition of receipts and expenditures covered by the proposed constitutional amendments. So, on the most basic comparison, we are talking about apples and oranges in balanced budget requirements.

Further, States vary widely in their definition of capital and operating budgets: Connecticut, for example, includes 72 percent of its total expenditures in its operating budget; Wyoming, on the other hand, includes only 21 percent. My own State of Delaware includes approximately 55 percent of total annual State government expenditures in its operating budget; the rest is financed through bonding authority and trust funds.

Nationally, the average State in our country considers approximately half of total expenditures to be on its operating budget; the remaining half is not considered to be under whatever balanced budget requirements may apply, and is paid for by public borrowing.

Much of this borrowing has been used to fund essential capital projects—roads, bridges, water systems, and dock facilities, to name a few examples—that are the public foundations of our free enterprise economy. Unfortunately, arguments that we should follow the supposed lead of the States in establishing balanced budget requirements do not suggest that we also adopt the actual budget practices of State governments and permit the use of debt for the construction and rehabilitation of essential public investments.

Further, Mr. President, there are profound differences between the duties and responsibilities of the Federal Government and those of the individual States. National defense, stabilization of the national economy, disaster assistance, and Federal insurance programs, all create demands on Federal resources that States simply do not face.

The States rely on the Federal Government for what we call countercyclical fiscal policy. These are policies—such as unemployment insurance, and public works programs that the current administration has enthusiastically endorsed—that counteract trends in the business cycle. These types of policies can help to reduce both the recessions that waste our human and technological resources, and the inflationary booms that sap the value of our citizens' paychecks.

But States, acting under the constraints on their operating budgets, are forced to respond to recessions by cutting spending and increasing taxes. It is precisely because State governments cut spending and raise taxes in recessions that we in the Federal Government should be wary of proposals to relinquish our ability to counteract both business cycles and those State budget practices that can deepen and prolong economic downturns.

Mr. President, other Federal programs in addition to antirecession efforts will be harmed by simplistically applying a State-level budget perspective to Federal activities.

Federal insurance programs—whether for bank deposits or for natural disasters such as floods or droughts—provide important safeguards and incentives for activities deemed worthy by the Federal Government. These uniquely national responsibilities entail liabilities whose timing cannot be predicted with any certainty.

Under the proposed balanced budget amendment, the Federal Government would have to pay cash out of current receipts to cover the recent losses, for

example, of the savings and loan industry, wreaking havoc on established responsibilities from one end of the budget to the other. Programs would be cut not because they failed to produce needed benefits commensurate with their costs, the best test of public policy. Instead, they would be cut because, perhaps, of an increase in oil prices or economic recessions among our trading partners, that could result in a slowdown in our domestic economy.

Or, programs could be cut because of a failure in a federally insured program such as the banking or savings and loan system, or even because of natural disasters such as droughts or floods that create unanticipated demands on available Federal funds. Prohibited from borrowing for unforeseen contingencies, we would disrupt established programs, sacrificing consistent and efficient Government operations for an abstract ideal.

On the other hand, we may choose not to cut spending in response to unforeseen events—including the drop in Government revenues that comes with economic recession. In that case, significant tax increases would be required to meet our obligations. But sizable tax increases in response to largely uncontrollable or unforeseeable events would disrupt the plans of citizens and businesses that have a right to expect a stable environment for economic activity.

All economists agree that an uncertain tax environment weakens the incentive to make the long-term investments our economy must have if we are to meet the demands of the new international economy. Such tax increases would also add an increased burden to our economy in recession, reinforcing, not counterbalancing, swings in the business cycle.

Finally, Mr. President, a universal practice of State governments is the establishment of agencies with bonding authority: Highway and water departments, for example. this means of evading State budget restrictions has resulted in fragmentation of Government authority among multiple agencies with the power to issue bonds for long-term spending priorities. At the Federal level, this potential response to a balanced budget amendment would mean the proliferation of unelected bureaucracies, further blurring the responsibility for our country's spending and taxing priorities.

Mr. President, whatever my colleagues may believe about the merits of a balanced budget constitutional amendment, I hope our consideration of such proposals will be based on the facts of State budget process and the very real differences between State and Federal responsibilities. A constitutional amendment is a step that should not be taken lightly, or as a matter of venting passing frustration. The questions I have raised today need responsible, credible answers before we take such a profound step.

One of the greatest threats to our long-term economic health and to the efficient functioning of our democratic institutions is our continuing liability to match our spending with our income. But as we wrestle with this issue, particularly as we contemplate the profound step of amending our Constitution, we must seek solutions that accomplish our goals.

Mr. President, there are arguments for a balanced budget amendment that deserve our attention and our careful consideration. But we should not base such an important decision on misunderstood and inappropriate comparisons with State budget practices.

AN AMERICAN AGENDA FOR THE NEW WORLD ORDER C. ORGANIZING FOR COLLECTIVE SECURITY D. LAUNCHING AN ECONOMIC-ENVIRONMENTAL REVOLUTION

Mr. BIDEN. Mr. President, in two previous addresses on the new world order, I began by placing this concept in historical perspective and then proposed a four-part agenda that I believe this Nation must pursue in order to realize the full potential inherent in that momentous phrase.

It is my contention that we must look to history for inspiration in this task: To the vision of Woodrow Wilson and the subsequent achievements of Presidents Roosevelt and Truman in laying the groundwork for fulfillment of the Wilsonian vision.

It is, I believe, the duty of this generation of Americans to complete the task that Woodrow Wilson began.

Today, I shall describe the third and fourth parts of America's agenda for a new world order: organizing for collective military security, and launching a worldwide economic-environmental revolution.

In advancing, on a new world order agenda, toward an expanded commitment to the collective use of armed force, where necessary.

We have two, related avenues for progress.

The first avenue involves a new role for NATO; the second, a more regularized exercise of the enforcement power of the United Nations Security Council.

The collapse of the Soviet empire would by itself require that we reexamine NATO's premises; the Atlantic alliance was created to deter a threat that no longer exists.

But this task is given urgency by the endemic violence now scarring the European landscape.

How do we prevent such conflicts?

And how do we respond, should they erupt?

By inviting the former states of the Warsaw Pact into a new North Atlantic cooperation council—the so-called NAC–C.

NATO has wisely moved beyond the cold war to create an all-European consultative body that can play a useful educational and advisory role on matters of security.

But consultation is not enough.

NATO's integrated planning and command structure constitutes an asset unique in the world.

Of all the world's multinational institutions—a veritable alphabet soup—only NATO has the ability to bring coordinated, multinational military force to bear.

But if this asset is to be relevant to post-cold war realities, it must be reoriented to serve the current security interests of alliance members.

Militarily, NATO has not yet adapted to the post-cold war era. Even as it now develops a new strategy that will accommodate reduced force levels, its military orientation remains unchanged: It remains the defense of allied territory against direct attack.

This military posture is an anachronism.

Instead of tiptoeing toward a revised mandate, NATO should make a great leap forward—by adopting peacekeeping outside NATO territory as a formal alliance mission.

Two steps are essential: First, alliance political leaders must task NATO's military commanders to undertake the requisite preparations in both planning and force reconfiguration, second, alliance members must agree on a new political framework under which forces would be committed.

Ideally, this framework will provide that NATO assets would be used if requested by either of two legitimate political authorities—the U.N. Security Council, or the Conference on Security and Cooperation in Europe [CSCE].

It should not be NATO's aspiration to become the world's police force.

But NATO does offer, uniquely, what in some circumstances may be crucial:

A core of military forces that can act rapidly, cohesively, and with considerable power.

If NATO can not summon the will and solidarity to perform this function, then the question must soon arise, in this body and among the American people:

What further role is there for the North Atlantic Alliance?

Unfortunately, for some months now, the Bush administration has allowed itself to be diverted by a comparatively petty concern—arising from the initiative of France and Germany to form a small Euro-force.

Over time, military cooperation between these two historic rivals could conceivably provide the core for an independent all-European security force, no longer reliant upon the United States to provide the cement for collective defense.

But why the Bush administration regards this as an alarming specter can be explained only by postulating that the administration has little concept of historic change.

There are two possibilities: either the Franco-German initiative will fizzle, as have all previous attempts to breathe life into west European security cooperation;

Or such efforts will finally, in the post-cold war era, bear fruit.

But even if all-European defense cooperation does succeed, it will evolve only slowly—and only as West European leaders and publics reach a conclusion they are not yet even close to reaching:

That Europe would be better off relying on Germany and France—without the United States—for leadership in collective defense.

Meanwhile, far more urgent and serious business lies in rendering NATO relevant to real needs in the immediate post-cold-war period.

The United States remains the leader of the alliance and should act like it.

A transformation is required, and the Bush administration has not yet supplied the leadership to accomplish it.

In Europe under CSCE auspices, or worldwide under the auspices of the U.N. Security Council, NATO forces should henceforth be available for peacekeeping or intervention when either of those political authorities, in which our own voice will be prominent, has reached a collective determination to act.

The second avenue toward expanded readiness for collective military action is to equip the U.N. Security Council to exercise the police and enforcement powers set forth in the U.N. Charter—but rarely used.

Progress on this avenue involves changes in membership and in the availability of forces.

A reordering of the Security Council—the most prestigious and potent of U.N. organs—is necessary because the present structure of permanent membership—America, Britain, France, Russia, and China—reflects the outcome on the battlefield of World War II and is as outdated as NATO's current security posture.

Since then, Japan has become an economic superpower and Germany the dominant power in a unifying European community that did not then even exist.

From a global perspective, these nations, together with the United States, are now the leading powers of the industrialized north.

India, a colony when the second world war ended, is now the world's largest democratic state and—with one-sixth of all humanity—the leading voice of the scores of less-developed nations that comprise the south.

The absence of such countries from the organ embodying the U.N.'s most solemn responsibilities has become an unacceptable anomaly in an organization we must seek to empower.

In the 1990's and beyond, economic strength and political leadership will be the currency of power in a world no longer divided by ideology but still plagued by real and pressing problems of security—problems encompassing poverty, ethnic conflict, migration, disease, environmental degradation, as well as an age-old source: human aggression.

The U.N. Security Council must reflect the reality of world power and the reality of world problems; it must comprise those countries with the resources—both material and human—to address the full range of global security concerns.

Negotiation of membership changes will be arduous; but the clear goal will be to reconcile two objectives:

Enhancing the Security Council's stature through a broadened membership, while avoiding the chronic stalemate that could result from increased participation.

The very process of membership change can also be used to promote an objective central to our new strategy of containment.

At present, as it happens, the five permanent members of the Security Council are the world's five acknowledged nuclear powers.

Yet nuclear weapons—as the case of the now-defunct Soviet Union demonstrates—confer power in only the most limited sense.

As this permanent membership is broadened to include such non-nuclear states as Japan and Germany—and border-line nuclear states such as India—the delegitimization of nuclear arms should be made a formal and affirmative policy.

The price of new membership on the U.N. Security Council should be an unconditional pledge to remain or become non-nuclear.

With this policy, we accomplish two objectives simultaneously: modernizing the Security Council's membership and further demonetizing nuclear weapons as the currency of international power.

In the case of Japan and Germany, this will entail only the perpetuation of existing policy and treaty commitments. For India, it would mean acceding to the Nuclear Non-Proliferation Treaty, accepting rigorous international inspection of its nuclear facilities, and giving up an ambiguous status that has, in reality, provided little benefit to that nation and entailed much risk.

The inclusion of Germany, Japan and India as permanent non-nuclear members of the Security Council would validate new conceptions of power in the post-cold war world.

India's membership under the non-nuclear condition would have the additional advantage of ending south Asia's dangerous nuclear arms race, since Pakistan has already agreed to sign the NPT if India will so agree. India's accession to the Security Council could thereby become a catalyst for progress on security problems that have plagued, and squandered the resources, of the Indian subcontinent.

These nations and others deserve a place in the U.N. commensurate with their size and significance, and the process of reorganization can confirm and uphold larger aims.

Catalyzing this transition will require the good offices—and the sustained leadership—of the United States. Rather than holding back, in the style of the Bush administration, America should initiate this change—with a sense of magnanimity and purpose befitting the U.N.'s predominant power.

A more pressing need, on which we should act without awaiting the negotiation of membership change, is to further empower the Security Council through the standing availability of military forces.

One remarkable development of recent years—a true precursor of the new world order—is the U.N.'s active and competent role in fostering the settlement of conflicts in Namibia, Angola, Western Sahara, El Salvador, and Cambodia.

This momentum in collective action must be sustained, and its purpose widened to include combat interventions where principle and justice warrant.

As well as blue helmets to preside over cease-fires, actual combat units should be at the Security Council's disposal—and not merely on an ad hoc basis where the process of assembling a consensus, followed by troop commitments, may be too slow to meet urgent need.

The coalition-building process that proved successful in the Gulf War does not constitute an adequate paradigm for all interventions the U.N. may deem necessary.

Future crises may require greater speed, and we should strive to create circumstances that do not impose upon the United States the onus either to act unilaterally, or to galvanize a U.N. action in which we supply the preponderance of military power.

It was precisely this preference that Pentagon planners exhibited in the recent strategy document that envisaged, with some relish, the exercise of worldwide American military hegemony in the post-cold war era.

Once leaked, this concept—which I dubbed "America as globo-cop"—was repudiated by the Bush administration as an embarrassment.

But in truth, the unilateralist mindset continues to blind this administration to our new and expensive opportunity to involve other nations more fully and systematically in international security.

To realize the full potential of collective security, we must divest ourselves of the vainglorious dream of a pax Americana—and look instead for a means to regularize swift, multinational decision and response.

The mechanism to achieve this lies—unused—in article 43 of the United Nations Charter, which provides that:

All members undertake to make available to the Security Council, on its call and in accordance with a special agreement or agreements, armed forces . . . necessary for the purpose of maintaining international peace and security.

Article 43 provides that the agreement or agreements shall be negotiated as soon as possible. But for 47 years that condition was not met: the cold war polarization that beset the United Nations made it impossible for such force commitments to be negotiated.

The agreements envisaged by the U.N. founders—under which nations would designate specific units to be available to the Security Council—have never been made.

Article 43, at present, is a promise unfulfilled. The time has come: the United States, in conjunction with other key nations, should now designate forces under article 43 of the United Nations Charter.

Let it be underscored, for all who would quaver at this proposal, that such action does not require a leap of faith: it does not mean the entrusting of American security—or the entrusting of American troops—to a collective body of questionable reliability.

The assignment of United States and other forces to the United Nations means only that specifically designated troop units are committed,

First, to participate in advance planning for coordinated use, and second, to be available for action pursuant to a U.N. Security Council decision to which the United States itself must be a party.

If deployed under U.N. auspices, a designated American unit or units—a force that might number some 3,000–8,000 troops—would be used only in conjunction with other forces—and for a purpose agreed to by the United States as a leading member of the Security Council.

The essence of such an arrangement is not to increase the probability of American casualties in combat.

On the contrary, our purpose in proceeding under article 43 is to build multilateral institutions in which collective force can be reliably used without constant dependence on American Armed Forces.

The United States would designate forces under an article 43 agreement only if it entailed similar and substantial commitments by other powers.

Thus, by designating a relatively small contingent of American forces, we would draw other nations into obligations of military responsibility.

In sum, the assignment to the U.N. Security Council of American and other military units would enhance one valuable instrument of American foreign policy—that is, participation in collective military action—without increasing the overall risk to American forces and without the slightest detriment to our ability to act alone if necessary.

Stated conversely, if we do not move to realize the potential of collective action under article 43, we consign ourselves to future dependency on the kind of ad hoc, American-led response that characterized the Gulf war.

That model may be attractive to some, in that it gives us primacy of place. But in my view, it is unfair, unnecessary, and unwise.

Article 43 represents a means by which the United States can enhance the efficacy of collective security while reducing the likelihood that future crises will compel the men and women of the American Armed Forces to bear a disproportionate burden in collective security. To encourage negotiation of article 43 commitments by the United States and other powers, I will this week introduce the collective security participation resolution.

This joint resolution would affirm congressional support for the consummation of an article 43 agreement; and it would reaffirm the intent of Congress expressed in the United Nations Participation Act of 1945, in three important respects: first, an article 43 agreement shall be subject to the approval of the Congress by appropriate act or joint resolution. Second, the President shall not be deemed to require [further] authorization of the Congress to make available to the Security Council on its call the military units designated in the agreement. Third, this authorization may not be construed as authorization to use forces in addition to those forces designated.

Clearly, the enactment of this measure would be only a first step. But it is intended—and I believe it could serve—to create momentum.

What the collective security participation resolution would signify is congressional acceptance, in advance of any article 43 negotiation, of the premise of article 43: that the major powers should be positioned to act, without further delay, once the U.N. Security Council has achieved a consensus to use predesignated forces.

As a dedicated defender of the war power as a shared constitutional power, I stress that this arrangement, if achieved, would not represent an abdication by Congress of its responsibilities.

Rather, it would be a judicious congressional exercise of the war power: the delineation by statute of conditions under which the President has limited authority to use force.

Enactment of the collective security participation resolution, while not necessary as a matter of legal technicality, would be valuable as a matter of political reality.

For four decades—beginning with the Korean war and extending through the Vietnam war to the gulf war—we have engaged in an agonizing constitutional struggle over the war power.

Against that background of chronic dispute, in which I myself have been a dedicated participant, I believe it important that the Congress of today render a modern affirmation concerning the war power: By endorsing a principle of collective security—and the mechanism to carry it out—that the founders of the United Nations and the Congress of 1945 were prepared to affirm nearly half a century ago.

By doing so, we can encourage presidential initiative within the United Nations and provide a solid footing for American leadership in strengthening the U.N. as an instrument of collective security.

By enacting the collective security participation resolution, Congress would affirm its support for a sound article 43 agreement as integral to a serious American agenda for a new world order.

The potential value of enhanced institutional preparedness for collective military action is underscored by the ongoing disaster in Yugoslavia.

There, a barbarism unexpected in modern Europe has unfolded in the face of outside disbelief and a growing recognition of the world's unreadiness, even after the Gulf war, to act decisively with collective military force.

For some months, Western nations—all in hope of minimizing the violence—disagreed on the tactics of whether and when to recognize the former Yugoslav Republics as they declared independence. But this disagreement has now been replaced by common horror at the wanton brutalities being inflicted by Serbian forces.

Were the U.N. Security Council or the CSCE adequately equipped, both by political disposition and the ready availability of military forces, the question of intervention could now be addressed on its merits, without the impediment of massive institutional complexity.

The question of intervention in Yugoslavia instructs us: If our multinational bodies are to act when needed, we must first prepare them to act.

If we are to find any gain from the tragedy of Yugoslavia, it must be in the momentum it provides in moving us more swiftly down both paths of expanded commitment to collective military action—

The formal adoption by NATO of a peacekeeping and intervention role, and a more formal commitment by key U.N. members to military action under the auspices of the United Nations Security Council.

Just as Neville Chamberlain's trip to Munich in 1938 stands as a permanent warning of the futility of appeasement, the unabated slaughter in Bosnia offers a new lesson: If we do not prepare for collective action, the end of the cold war could usher in not a new world order but an era of endless interethnic bloodletting.

American leadership to achieve this expanded commitment to collective security will serve, together a new strategy of weapons containment, to complete the military dimension of our new world order agenda.

The fourth part of America's agenda for a new world order encompasses all we must do in the Herculean task of sustaining and broadening mankind's prosperity while preserving the global environment.

The two elements of this task are related: first, to maintain and further perfect the system of open world trade; second, to infuse this system with revolutionary new priorities—developmental and environmental—reflecting the global opportunities and perils we clearly foresee already in the 1990's and beyond.

The world system of free trade—though we have come to take it for granted, perceiving mainly its flaws—is among the salient achievements of the postwar era, embodying a lesson learned harshly during the downward spiral of protectionism in the 1930's.

America's bedrock economic task today, as the world's leader and leading trader, is to preserve this system and mold it wisely, as the key to prosperity for ourselves and our allies and as the lifeline for growth in the developing world.

This task centers on the most ambitious trade negotiations ever undertaken: the current phase of GATT talks, known as the Uruguay round.

Trade experts project that, if successful, the Uruguay round will increase world output and demand by $5 trillion over the next decade. That equates to $500 billion per year, or $100 annually for every man, woman, and child on the planet.

Our aim in these negotiations—in defense of United States interests as well as broader principles—is to open new markets to American producers and to American service industries such as banking and insurance.

This objective entails the continuing toil of determined diplomacy—to identify and eliminate unfair trade practices, whether they be discriminatory barriers to our exports or services, or illegal subsidies to foreign goods competing with our own.

The highest American priority is the domestic market of Japan. In the GATT and in direct bilateral negotiations that must be as candid as may prove necessary, we must weed out the welter of nontariff barriers facing Americans and others who wish to export to a large Japanese market that is permeated with impediments to penetration.

A priority only slightly subordinate is the European Community. There we must continue to fight the excessive barriers and subsidies that protect and over-incentivize European agriculture; and we must ensure that the final stage of economic unification—the internal tariff elimination and regulatory harmonization known as EC-92—does not yield, in any industry, a "fortress Europe" impregnable to those outside.

A GATT objective of longer-term priority is to incorporate the emerging nations of the former Soviet empire fully into the GATT system, thereby opening Western markets to their products and quickening the pace of Western investment in their industries.

Our simultaneous task, in continuing to open markets, is to complete work on a regional trade pact—the North American Free-Trade Agreement—that would create our own common market with Canada and Mexico.

All three parties can gain—but only with stipulations on Mexican wage rates and environmental standards that ensure against a rush of northern industry to the south.

No principle of efficiency would be served by abetting the rise of a low-wage pollution belt across the Mexican border.

Soundly conducted, these trade negotiations can benefit the United States and all other parties at once—a philosophy the Bush administration correctly affirms.

Where danger lies is in the Bush administration's excessive dedication to the principle of laissez-faire. Not only is the administration committed to noninterference in the world trade, it has exhibited precisely the same ideological commitment to noninterference in the full range of issues in American domestic policy—issues that bear directly on improving American competitiveness in the free trade system.

A principle wisely applied in one realm has yielded a vacuum of leadership in another, and the two do not stand alone. Free trade is dependent on public support for free trade, and public support for free trade is dependent on public confidence in free trade.

Today the American people have grown acutely aware of the decline in our educational standards, our industries, and our cities, and they discern quite clearly that the Bush administration lacks any strategic plan whatsoever: either to correct these deficiencies—or to promote American competitiveness in the world economy in the years ahead.

We have national deficits in budget and trade; we have a national deficit in investment in research, infrastructure, and human capital—and we have a national deficit in leadership to correct these fundamental shortcomings that are propelling us into a downward spiral.

By failing to inspire any confidence among the American people that our country will remain adequately competitive in the post-cold war period, and indeed by pandering to fears that it may not, the Bush administration has undermined American public support for the free trade system.

Until American confidence, American competitiveness, and the American trade balance are restored, not only will the United States remain in jeopardy as a stable society; so too will a global system of free trade that depends upon American leadership. But the Bush administration's pervasive laissez-faire philosophy—perhaps better described as pervasive inaction—is a liability not simply in maintaining open world trade.

More injurious still is the administration's determined resistance to performing America's crucial leadership role in reorienting world production and trade—to meet developmental and environmental needs that bear upon America's future and all of mankind's.

The hazards of the Bush administration's abdication of world leadership were on vivid display last month at the United Nations Conference on the Environment and Development—the Earth summit—in Rio de Janeiro.

The issues in Rio were as broad as this administration's horizons are narrow: the effect of man on Earth, and the ability of man to rescue himself from the adverse consequences of his own creativity—and fecundity.

Through the centuries, both religion and hope have led us to expect that the marvelous web of life—the interaction of living beings with land, air, and water—is infinitely resilient and immune to the meager actions of man. This comforting myth has been shattered forever.

Scientists now know—and citizens of the world are beginning to understand—that mankind rivals the great forces of nature as an agent of global change. A great realization has dawned worldwide that manmade changes, in their aggregate, are profoundly perilous for man himself.

The President, and his apologists take refuge in the contention that the ambiguities of scientific evidence render predictions uncertain. But as the world's leaders gathered in Rio were quick to understand, the President's sophistry was a mask for his courting of domestic corporate and ideological interests: Corporate interests averse to the very idea of environmental rules, and ideological interests possessed of a visceral disdain for their own countrymen, and others in the world, called environmentalists.

The Environment Minister of Germany put it candidly in stating that the Bush administration, in its search

for politically divisive themes, appears determined to find a new "ism" to replace the bogeyman of communism, and has apparently alighted on the idea of "ecolo-gism" as the new menace against which it will courageously take its stand.

H.L. Mencken, a seasoned cynic who could have learned still more from the Bush administration, said that the whole purpose of politics is to keep the electorate riled up by imaginary hobgoblins.

The Bush administration's new "hobgoblins' are Third World bureaucrats who would pick our Nation's pocket while regulating us into poverty. Someday, perhaps in retirement, the President may wish to contemplate just how other leaders—great American presidents and current leaders from the world's other prosperous nations—have managed to govern without such phony demons.

The great linkage under discussion in Rio—explicit in the name of the Conference and implicit in all that was said—is the connection between world development and the environment.

The unifying principle is sustainability: the imperative that future economic growth in all countries be conducted in a manner that can be sustained within limits imposed by the Earth's environment. This imperative derives from truths that are not under scientific dispute and cannot be dismissed even by the most irresponsible political leaders:

The Earth's population, which has doubled in my lifetime, will double again in the lifetime of my children. This trend cannot be sustained.

The Earth's forests, great engines of the biosphere and bounteous as sanctuaries for plant and animal life of incalculable value, and fast disappearing. This trend cannot be sustained.

The Earth's oceans are rapidly becoming fouled by a ceaseless flow of human garbage that is poisoning all sea-life, and fish not yet poisoned are being harvested from the seas more quickly than they can reproduce. These trends cannot be sustained.

The Earth's supply of fresh water, only one drop for each gallon of salt water and crucial to man and many other species, is declining. This trend cannot be sustained.

The Earth's diversity of life—animal and plant life in its multitudinous forms—is being extinguished at a rate that will see the disappearance of one-fourth of all species within the next 40 years. This trend cannot not be sustained.

The stratosphere above the Earth continues to accumulate tons of man-made carbon gases that will inevitably, and perhaps disastrously, affect the entire global climate. This trend cannot be sustained.

These trends appear inexorable, but they are not.

Someday they will end—the only question is how.

Will they end through man's rational containment and redirection of his own activities? Or will they end in human catastrophe beyond our current imagination? This was the question under discussion in Rio de Janeiro—in an unprecedented global forum that constituted the largest assemblage of world leaders in human history.

To this assemblage the Bush administration brought little but braggadocio and contempt. In Rio, the President of the United States uttered two truths—but both in a perverse context. His presentation gave new meaning to a century-old observation by William James, the venerable American philosopher: "There is no worse lie," said James, "than a truth misunderstood."

The first truth recited by the President, who deployed it as an excuse for withholding support for global action, is the record of American environmental achievement over the last two decades. This record, although flawed by the world's highest rate of carbon emissions into the atmosphere, is indeed substantial.

But our attainments center on domestic pollution control—the clean-up of America's air, water, and toxic waste—actions that support current global imperatives but, even if emulated by all nations—will be insufficient to prevent catastrophe. America's record demonstrates that individual nations can take concerted action.

What the President refused to accept was the need to establish obligations among all nations to take not only the first steps that America has helped to pioneer but the many more steps required if we are to curb national actions with severely adverse global consequences.

The second truth articulated by the President was the connection between environmental protection and economic growth—a fact also undisputed, since this was the very theme of the Earth summit. But here Mr. Bush took truth—and turned it on its head.

In the implied demonology described by our President, the choice is between the environment and growth, which he caricatured by portraying the issue as "jobs." But this is a false choice. The real truth, undistorted—is that we can not continue economic growth—in America or in a developing world desperate to advance out of poverty—without reorienting the process of growth to encompass environmental protection. Growth can continue only if it is sustainable—this is a tautology that must become the guiding principle of America's domestic and international economic policy.

If Rio generated despair, it was because the President of the United States—alone among the major participants there—appeared not to understand and accept this principle.

A common and pertinent observation about the Rio Conference was the failure of the conferees to come to grips with the overwhelming issue of world population. The reasons for this are not obscure and reflect genuine political impediments rather than hypocrisy.

Although all concerned recognize the burgeoning of human numbers as a fundamental source of global poverty and environmental degradation, efforts to limit population growth run afoul—as Americans themselves are well aware—of deep-seated religious, cultural, and ideological belief.

What cannot be disputed is the inevitability of dramatic change in human patterns of procreation in the decades ahead. This will occur in one of three ways: As a result of catastrophe involving enormous misery, through Draconian measures imposed by societies, or—the one palatable possibility—by a voluntary change in human behavior.

By all past evidence of human conduct, a noncoercive behavior change—a voluntary stabilization of human numbers—occurs only in societies that are developed. Whereas poverty yields multiplying numbers as families try to grow to survive, prosperity yields population stability. Therefore, the single scenario not horrible to contemplate entails development as the key to limiting the inexorable growth in global population.

But if economies must grow in order for populations to stabilize, the necessity of an economic-environmental revolution is underscored, for if the billions of people in the Third World follow the development path of the millions in the first world, emulating our patterns of resource exploitation and pollution, the Earth will fast approach the threshold of uninhability.

Thus, the question of population carries us back immediately to the necessity of sustainable economic growth and the environmental concerns that go with it.

In assessing the Bush administration's debacle in Rio, historians are likely to conclude what already seems apparent: that the blunder was both tactical and strategic.

Tactically, there was little need for the administration's negativism on the two major treaties awaiting signature.

The treaty the President insisted on weakening—designed to protect the global climate through limits on the emission of greenhouse gases—contained targets and timetables that the United States is very likely to meet even without a treaty obligation.

Thus, the President's achievement in eliminating obligatory targets and timetables consisted primarily in relieving all other nations of what would have been a strict and immensely valuable commitment.

Similarly, on the treaty designed to slow the extinction of diverse animal

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and plant life, there was scant need on the merits for the President's ostentatious refusal to sign.

The treaty's pledge to support biodiversity, and its mandate that biotechnology companies share the proceeds of genetic wealth with the countries in which they find it, was sufficiently flexible that all other major nations found it possible to join. Only the United States, with the White House plainly in search of an us versus them confrontation, withheld support.

But the administration's strategic failure in Rio de Janeiro was even more pronounced.

The climate and biodiversity treaties will go into effect, and eventually a more enlightened administration will seek to recover the ground lost by President Bush in Rio.

But in the meantime, the President will have foregone a singular opportunity—not only to help reorient the world economy but also to educate the American people as to a new and promising role they may play within it.

The President wished to convey to his political constituency that he was, in effect, saving the American economy from an unpleasant dose of castor oil.

But in truth—a truth the American people are fully capable of grasping—environmentally sound technology holds great promise for the American economy.

There is, first, the underlying principle that the adoption of more energy-efficient technologies will eventually render all American industry more competitive.

But beyond that principle is the vast industry of environmental technology itself—technology in which the United States is already a world leader.

As the world makes its necessary turn toward the use of such technology, America is well positioned to dominate this exponentially expanding global market.

In Western Europe alone, the market for environmental services in which the United States is a world leader—air pollution control, water treatment, waste management, and ground decontamination—is expected to approach $200 billion per year within this decade.

Already, European industries in need of services are turning to American firms that have established themselves on this technology's cutting edge.

A visionary American President would not be rejecting the advent of an economic-environmental revolution.

He would be promoting the revolution, as a world need and an American economic opportunity.

In allowing himself to be eclipsed at the Earth summit, even by allied leaders who tried not do so, the President seemed oblivious to the competitive implications of the global revolution for which the Earth summit will be the launching pad, with or without the Bush administration.

When the Japanese Government pledged generous levels of global environmental assistance, did the President comprehend that this pledge not only boosted Japan's diplomatic stature—but that the assistance itself will boost Japanese industries in competition with our own for an enormously lucrative global market?

In contrast to the President's cramped and narrow view of environmentalism, the American people must take the broadest possible view, recognizing that the needs of the future environmentally can be the wave of the future economically.

For the United States, it should become a paramount priority, pervading all future trade and assistance policy, to promote American environmental technologies and services around the world.

To that end, I will introduce the Environmental Aid and Trade Act—legislation designed to establish this priority in the organizational structure, and actions, of every Federal agency involved in U.S. trade and aid: the Department of Commerce, the Agency for International Development, the Trade and Development program, the Export-Import Bank, and the Overseas Private Investment Corporation.

Our own prosperity and environment, and the world's will be the beneficiaries of such a concerted American strategy.

By no means does an emphasis on technology suggest that current planetary trends are susceptible to an easy fix.

As human numbers explode, pressing hard already against earthly limits, we have every reason to be sober.

In the face of current global statistics and projections, even an inveterate optimist could easily conclude that our own generation, or at best our children's, will be the last on this planet to enjoy the natural magnificience—and munificence—we have known.

But it is not our need to choose between optimism and pessimism—in what we must begin to regard as a race to save our planet.

What is necessary is to choose action over denial.

Only a fool—or a national leadership out of touch with all reality—could be persuaded that these problems will solve themselves.

At this moment of deep disappointment among many Americans—an overall disappointment at the failure of their national leadership and a specific disappointment at the President's abject failure to lead at a world summit of historic import—Americans may find value in the words of one of their great authors.

As William Faulkner accepted the 1949 Nobel Prize for literature, just as America had assumed world leadership of a renewed quest for Wilsonian cooperation, he spoke of the ultimate fate of mankind:

It is easy enough to say that man is immortal simply because he will endure:

That when the last dingdong of doom has clanged and faded from the last worthless rock hanging tideless in the last red and dying evening,

That even then there will still be one more sound: That of his puny inexhaustible voice, still talking.

I refuse to accept this. I believe that man will not merely endure: He will prevail.

He is immortal, not because he alone among creatures has an inexhaustible voice,

But because he has a soul, a spirit capable of compassion and sacrifice and endurance.

Today the American people are challenged, as much as at any moment in their history, to summon the spirit of which William Faulkner spoke.

In revitalizing our own society, as by a looming environmental crisis, we are challenged to endure and to prevail.

Our task in achieving a sustainable prosperity for mankind requires a revolution in human thought—and deed.

We need, first, a worldwide consensus on a revolutionary new direction, a consensus of which America must be a part; and the world must then act on that consensus, with America in the lead. In this—indeed, in all four parts of America's new world order agenda—the gap between what the Bush administration is doing and what we need to do is monumental.

To outline an American agenda directed at cementing the foundation for—and erecting—a new world order in the 1990's and beyond is to see both the compelling promise of the concept and the sad vacuity of the present administration's professed support for it.

It has for some time been taken as a given that the Bush administration's strong suit is foreign policy.

But mere acquaintance with foreign leaders, accompanied by stasis in the realm of action, is not a foreign policy.

Indeed, if the criterion of a sound foreign policy is that it comprise coherent initiatives and responses in the world arena—directed at promoting well-conceived national interests—then the Bush administration is perilously close to being without a foreign policy.

President Bush began his administration with the homily that America has more will than wallet.

But this administration has demonstrated that its limitation is quite the reverse.

We are a wealthy and gifted Nation, in danger of squandering its human and material resources, and abdicating our duty to lead the world, because of a failure of our national leadership to galvanize our national will.

With the imperatives now building around us, we can no longer afford an American foreign policy of denial and drift.

Taken together, the five legislative measures I am offering to support America's new world order agenda can, I am confident, be an asset to an activist President.

But no legislation can substitute for the Presidential leadership so urgently

required if America is now to fulfill the role history offers.

As we look back on the century now ending, and all of its dazzling change, we see three events to which I would attach surprising significance: the great war, the Holocaust, and the collapse of the totalitarian idea.

The great war shattered what the Austrian dramatist and philosopher Stefan Zweig, called "the world of yesterday"—but opened new horizons for democracy and collective responsibility.

The Holocaust, wrought by the deadly combination of human evil and human neglect, demonstrated the bottomless horror into which mankind might fall if it failed to accept the challenge—and realize the opportunities—to which Woodrow Wilson had given eloquent voice.

Now, as the century nears its close, the near-universal repudiation of the totalitarian idea has removed the last great obstacle to the Wilsonian vision.

The paramount question facing us today, as Americans in an interdependent world, is whether we will seize our opportunity—or fall prey again to the same lapse of vision, judgment, and will to which this Nation succumbed some 70 years ago.

Next year a new memorial—the Holocaust Memorial Museum—will open in our Nation's Capital.

It is rising now, just across the Tidal Basin from the sublimely beautiful memorial to the author of the Declaration of Independence—and just steps from the great obelisk honoring our first President.

Some will question why the Mall in Washington should be the site for the formal remembrance of a barbarism half a world away.

For me there is a good answer.

This new memorial will join with those around it as an abiding caution against neglect—a trenchant warning that the ideals of America's founders, which have inspired the world, have no earthly hold except in the courage of each generation to protect and maintain a society in which those ideals can flourish.

It will stand, too, but its presence here, as an affirmation that America has accepted Woodrow Wilson's recognition that the task of upholding a civilization based on those ideals—requires of us, in the 20th century and beyond, a commitment to world leadership.

We confront today, in the 20th century's last decade, the monumental challenge of revitalizing our own Nation.

But to meet that challenge, we must bring an equal measure of determination to constructing the kind of new world order envisaged by our 28th President as the century began.

The Nobel Peace Prize awarded to President Wilson in 1919 has, for decades, been cloaked with tragic irony—a veil we can, at long last, remove by fulfilling his vision.

In our own interest, and mankind's, we must now advance with confidence and resolution on the path of world leadership that Woodrow Wilson recognized as America's great obligation.

Mr. FORD. 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. 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.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to executive session; that the Committee on Commerce, Science, and Transportation be discharged from further consideration of nomination of Ritajean H. Butterworth, to be a member of the Board of Directors of the Corporation of Public Broadcasting; that the nominee be placed on the executive calendar, and that the Senate then return to legislative session.

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

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order the Senate will resume legislative session.

DEPARTMENT OF ENERGY LABORATORY TECHNOLOGY PARTNERSHIP ACT

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar 499, S. 2566, the Department of Energy Laboratory Partnership Act; that the Governmental Affairs Committee amendment be agreed to, and the Energy Committee amendments be agreed to; that the bill, as amended, be deemed read the third time and passed, and the motion to reconsider laid upon the table; further that statements relating to this measure be placed in the RECORD at the appropriate place.

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

The Senate proceeded to consider the bill (S. 2566) to establish partnerships involving Department of Energy laboratories and educational institutions, industry, and other Federal agencies, for purposes of development and application of technologies critical to national security and scientific and technological competitiveness, which had been reported from the Committee on Energy and Natural Resources, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italics.)

S. 2566

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 "Department of Energy Laboratory Technology Partnership Act of 1992".

SEC. 2. FINDINGS, PURPOSES, AND DEFINITIONS.

(a) FINDINGS.—Congress finds that—

(1) the United States Department of Energy has developed excellent scientific and technical capabilities at its laboratories and has assisted in the development of such capabilities at educational institutions with which it has been associated;

(2) the Department's laboratories have contributed significantly to the national security for almost fifty years through nuclear weapons research, development and testing;

(3) the Department's laboratories have contributed significantly to the nation's preeminence in basic research with innovative fundamental and interdisciplinary research programs and national user research facilities;

(4) the Department's laboratories have contributed significantly to the development of energy technologies and other important commercial technologies;

(5) recent domestic and international development make it imperative that the capabilities of the laboratories be strengthened and the interaction of the laboratories with industry and educational institutions be expanded;

(6) the United States must maintain a leadership role in the development and application of technologies that are critical to national security and must exercise a leadership role in the development and application of technologies that are critical to economic prosperity; and

(7) there are formidable challenges facing the United States that the Department's laboratories can address, including—

(A) development of technologies to provide adequate supplies of clean, dependable, and affordable energy;

(B) understanding changes to the environment, especially those associated with energy supply, distribution, and use;

(C) development of improved processes to maintain and manage waste;

(D) promotion of international competitiveness and improvement of the exchange of technology among industry, the academic community, and government; and

(E) the need to facilitate greater application of dual-use military and commercial technologies.

(b) PURPOSES.—The purposes of this Act are—

(1) to utilize more effectively the research and development capabilities of departmental laboratories by fostering new partnerships between such laboratories and—

(A) industry, to provide market orientation to the Department's programs and to ensure the timely commercialization of technology;

(B) educational institutions, to provide for mutual benefit from scientific and technological advances and to optimize the use of the facilities of the departmental laboratories; and

(C) other Federal agencies, to address shared missions;

(2) to maximize the effectiveness of the resources of each participant in these partnerships, to reduce the risk inherent in long-term investments in technology development, and to provide continued support for the core competencies developed by the departmental laboratories; and

(3) to improve the coordination of the research, development, and demonstration activities of departmental laboratories in support of basic research and critical national objectives, in support of economic competitiveness, and to address the formidable challenges facing the United States.

(c) DEFINITIONS.—For the purposes of this Act, the term—

(1) "core competency" means an area in which the Secretary determines a laboratory has developed expertise and demonstrated capabilities;

(2) "critical technology" means a technology identified in the National Critical Technologies Report;

(3) "Department" means the United States Department of Energy;

(4) "departmental laboratory" means a facility operated by or on behalf of the Department that would be considered a laboratory as that term is defined in section 12 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a(d)(2));

(5) "disadvantaged" means a socially or economically disadvantaged individual that would be considered disadvantaged as that term is defined in section 8(a) (5) and (6) of the Small Business Act (15 U.S.C. 637(a) (5) and (6));

(6) "educational institution" means a college, university, or elementary or secondary school. The term also includes any not-for-profit organization, which is dedicated to education, that would be exempt under section 501(a) of the Internal Revenue Code of 1986;

(7) "minority college or university" means a historically black college or university that would be considered a "part B institution" by section 322(2) of the Higher Education Act of 1965 (20 U.S.C. 1061(2)) or any other institution of higher education where enrollment includes a substantial percentage of students who are disadvantaged;

(8) "National Critical Technologies Report" means the biennial report on national critical technologies submitted to Congress by the President pursuant to section 603(d) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6683(d));

(9) "partnership" means an arrangement under which one or more departmental laboratories undertakes research, development, or demonstration activities for the mutual benefit of the partners in cooperation with one or more participants from among the following: an educational institution, private sector entity, State governmental entity, or other Federal agency; and

(10) "Secretary" means the Secretary of the Department of Energy;

SEC. 3. THE DEPARTMENT OF ENERGY PARTNERSHIP PROGRAM.

(a) LABORATORY-DIRECTED PARTNERSHIPS.—The departmental laboratories are authorized to enter into partnerships under any existing legal authority. The Secretary shall ensure, to the maximum extent practicable and desirable, that departmental laboratories enter into such partnerships. Each partnership shall establish goals and objectives for the partnership that are consistent with the purposes of this Act and establish a plan to achieve such goals and objectives.

(1) INDUSTRIAL PARTNERSHIPS.—In general, partnerships between departmental laboratories and industry shall be established for the purpose of developing the technologies in any of the areas identified in subsection (e) and shall be developed based on jointly set objectives that take advantage of the scientific and technical capabilities of the departmental laboratories. Such partnerships shall also provide protection for existing or jointly developed information and existing intellectual property rights while also ensuring the partners appropriate access to government-financed research results. In addition, such partnerships shall, to the maximum extent practicable—

(A) be cost-shared in accordance with guidelines developed by the Secretary;

(B) seek to provide greater accessibility to industry to the personnel, facilities, and capabilities of the departmental laboratories;

(C) seek to encourage the commercial application of technologies developed primarily for defense applications;

(D) seek to encourage, *but not be limited to*, the maintenance and continued development of the core competencies of the departmental laboratories; and

(E) seek to develop technologies that offer potential commercial value.

(2) EDUCATIONAL PARTNERSHIPS.—Partnerships between departmental laboratories and educational institutions shall be established for the purpose of developing the technologies in any of the areas identified in subsection (e). The Secretary shall provide the opportunity for graduate students to participate in partnerships and shall expand the opportunities for access to equipment and user facilities at departmental laboratories.

(3) AGENCY PARTNERSHIPS.—The Secretary shall, where appropriate, enter into memoranda of understanding with other Federal agencies for research, development, or demonstration at departmental laboratories in areas identified in subsection (e) that are related to the mission responsibilities of such agencies, including protection of the environment; development of technologies for high-performance computing, medical applications, transportation, manufacturing, and space applications; and development of other critical technologies.

(b) SECRETARY OF ENERGY PARTNERSHIPS.—In addition to the partnerships described in subsection (a), the Secretary is authorized and encouraged to establish Secretary of Energy Partnerships as he deems necessary or appropriate to carry out the purposes of this Act. Such partnerships shall be established for the purpose of developing technologies in any of the areas identified in subsection (e) and shall be established in accordance with the following requirements—

(1) SUBMISSION OF PROPOSALS.—Each proposal for the establishment of a Secretary of Energy Partnership shall be submitted to the Secretary.

(2) PARTICIPANTS.—Each Secretary of Energy Partnership shall be composed of one or more departmental laboratories and two or more participants from industry. Participants may also include educational institutions, other Federal agencies, State entities, or any other entities the Secretary considers appropriate.

(3) SELECTION CRITERIA.—The Secretary shall establish partnerships from among the proposals submitted pursuant to subsection (b)(1). In establishing any such partnership, the Secretary shall take into account—

(A) the extent to which the partnership demonstrates promise of achieving one or more of the purposes of this Act;

(B) the extent to which the partnership activities would be relevant to the Department's missions and to the missions of other Federal Government participants;

(C) the technical merit of the partnership's proposed program;

(D) the qualifications of the personnel who are to participate in the partnership;

(E) the potential for private sector investment in activities where such investment is otherwise lacking;

(F) the level of participation and financial commitment of the industry participants;

(G) the potential for commercial benefits from development of technologies in the areas listed in subsection (e);

(H) the potential for effective transfer of technology among the participants; and

(I) such other criteria as the Secretary may prescribe.

(c) PARTNERSHIP PREFERENCE.—A partnership that would be given preference under section 12 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a(c)(4)(B)) were it a cooperative research and development agreement shall be given similar preference for the purposes of this Act.

(d) MINORITY PARTNERSHIPS.—The Secretary shall encourage partnerships that involve minority colleges or universities and private sector entities owned or controlled by disadvantaged individuals.

(e) AREAS OF RESEARCH, DEVELOPMENT, AND DEMONSTRATION.—The partnerships entered into under the provisions of this Act may address research, development, and demonstration activities in those areas listed in the biennial National Critical Technologies Report or in any of the following areas:

(1) Energy efficiency, including efficiency in power generation, transmission, and utilization; *energy conservation technologies;* process technologies; and transportation.

(2) Energy supply, including alternative fuels; advanced forms of renewable energy; advanced clean coal technologies; coal liquefaction and synthetic fossil fuels; advanced oil and gas recovery; advanced nuclear reactor technologies; fusion technologies; biofuel technologies; electricity transmission, distribution, and storage; and energy forecasting.

(3) High-performance computing, including programs to develop and use new computer architectures such as large scale parallel computers, real-time visualization, powerful scientific workstations, high-speed networking, new computer software and algorithms; programs to develop advanced materials for the communication and computing industry such as new memories, optical switches or optical storage disks; programs to address complex scientific challenges such as understanding global climate change, hydrologic modeling, and fundamental combustion processes; and programs with other agencies and the private sector for the development and use of high-performance computer research networks.

(4) The environment, including global climate change; protection of ecological systems; environmental restoration and waste management; and development of technologies for biogeochemical dynamics, toxicology, remote sensing, biotechnology, risk analysis, and environmental assessment.

(5) Human health, including radiopharmaceutical and laser applications; mapping of the human genome; structural biology; development of technologies for nuclear and diagnostic medicine and radiation biology, *including cancer therapies*; and development of sensors, electronics and information systems to lower health care costs.

(6) Advanced manufacturing technologies, including laser technologies, robotics and intelligent machines; semiconductors, superconductors, microelectronics, photonics, optoelectronics, and advanced displays; x-ray lithography; sensor and process controls; and those technologies that may affect energy production, energy efficiency, environmental protection or waste minimization.

(7) Advanced materials, including materials that may increase efficiency in energy generation, conversion, transmission and use; synthesis and processing for improved and new materials; materials to promote waste minimization and environmental protection; and new and improved methods, techniques, and instruments to characterize and analyze properties of materials.

(8) Transportation technologies, including those that will improve the efficiency of and reduce the energy consumption and environmental impact associated with conventional transportation technologies.

(9) Space technologies, including space-based sensors for environmental monitoring, climate modeling, and radio-biological studies.

(10) Quality technologies, including reliability engineering, failure analysis, statistical process control, nondestructive testing and inspection techniques, concurrent engineering and design practices for reliability and testability used to ensure product and process quality specifications are met.

(11) Technologies listed in the annual defense critical technologies plan submitted to Congress by the Secretary of Defense pursuant to section 2522 of title 10, United States Code.

(12) Any other generic, precompetitive technology or other critical technology identified by the Secretary.

(f) EXCHANGES.—The Secretary shall encourage the exchange of scientists and engineers among departmental laboratories, educational institutions, industry, and other Federal agencies to facilitate the transfer of ideas and technology. In carrying out the requirements of this subsection, the Secretary shall provide for fellowships for personnel from departmental laboratories, industry, educational institutions and other Federal agencies.

(g) EDUCATION AND TRAINING.—The Secretary shall provide support for education and training to develop the personnel resources needed for future research, development, or demonstration in areas addressed by partnerships under this Act. The Secretary shall provide for partnerships, and strengthen and expand upon existing partnerships, to educate and train students and faculty in the areas identified in subsection (e), including environmental technologies and waste management.

(h) EVALUATION.—The Secretary shall develop mechanisms for evaluation of the accomplishments of the partnership program. The Secretary shall evaluate annually the performance and responsiveness of the departmental laboratories and program managers within the Department in carrying out the purposes of this Act.

(i) MANAGEMENT PLAN.—Within one hundred and eighty days of the date of enactment of this Act, and after consultation with the Laboratory Partnership Advisory Board established by section 4 *and the departmental laboratories*, the Secretary shall prepare and publish a management plan describing the Secretary's implementation of this Act. The plan shall be regularly updated and published not less than once every five years. Partnerships and other activities required by this Act may be pursued during preparation and publication of the management plan. The management plan shall—

(1) establish goals and priorities for the partnership program;

(2) establish mechanisms for coordination of partnerships with other research, development, and demonstration activities at departmental laboratories;

(3) establish mechanisms for the directors of the departmental laboratories to have input into the formulation and operation of the partnership program;

(4) establish mechanisms for coordination of partnerships pursued under this Act;

(5) establish policies to encourage industry and educational institutions to participate in the partnership program;

(6) establish procedures to facilitate collaboration between the departmental laboratories and other Federal agencies in areas of common interest or expertise;

(7) establish procedures to facilitate international cooperative activities involving scientists from government, industry, and the academic community;

(8) specify the extent to which the Department provides support for the research, development, or demonstration of technologies in the areas identified in subsection (e), specify the goals and objectives of the programs and activities that support these technologies, and provide a summary of the budgets for such programs and activities for the time period covered by the plan; and

(9) establish policies that encourage directors of departmental laboratories to include among their laboratory-directed research and development activities projects that will contribute to maintaining and extending the vitality of each laboratory's core competencies.

(j) REPORT.—The Secretary shall report to Congress two years after the date of enactment of this Act and biennially thereafter on the implementation of this Act. Such report shall evaluate—

(1) the progress in achieving the goals and purposes of the partnership program;

(2) the effect of the partnership program on the development and commercialization of technologies in the areas identified in subsection (e); and

(3) the progress in encouraging personnel exchanges as described in subsection (f).

SEC. 4. DEPARTMENT OF ENERGY LABORATORY ADVISORY BOARD.

(a) LABORATORY PARTNERSHIP ADVISORY BOARD.—The Secretary shall establish within the Department an advisory board to be known as the "Laboratory Partnership Advisory Board," which shall provide the Secretary with guidance on the implementation of this Act.

(b) COMPOSITION.—The membership of the Laboratory Partnership Advisory Board shall consist of prominent representatives from industry, educational institutions, Federal laboratories, and professional and technical societies in the United States who are qualified to provide the Secretary with advice and information on the partnership program.

(c) INPUT FROM DEPARTMENTAL LABORATORIES.—The Laboratory Partnership Advisory Board shall request comment and suggestions from departmental laboratories on the implementation of this Act.

(d) DUTIES.—The Laboratory Partnership Advisory Board shall provide the Secretary with advice and information on the Department's partnership program, including a periodic assessment of—

(1) the management plan required by section 3(i);

(2) the progress made in implementing the plan;

(3) any need to revise the plan; and

(4) any other issue related to the goals and purposes of this Act.

(e) USE OF EXISTING ADVISORY BOARDS.—Nothing in this section is intended to preclude the Secretary from utilizing existing advisory boards to achieve the purposes of this section.

SEC. 5. DEPARTMENT OF ENERGY MANAGEMENT.

(a) UNDER SECRETARIES.—(1) Section 202(a) of the Department of Energy Organization Act (42 U.S.C. 7132(a)) is amended by striking "Under Secretary" and inserting in its place "Under Secretaries".

(2) Section 202(b) of the Department of Energy Organization Act (42 U.S.C. 7132(b)) is amended to read as follows—

"(b) There shall be in the Department three Under Secretaries and a General Counsel, who shall be appointed *by the President*, by and with the advice and consent of the Senate, and who shall perform functions and duties the Secretary prescribes. The Under Secretaries shall be compensated at the rate for level III of the Executive Schedule under section 5314 of title 5, United States Code, and the General Counsel shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.".

(b) ASSISTANT SECRETARIES.—Section 203(a) of the Department of Energy Organization Act (42 U.S.C. 7133(a)) is amended by striking "eight Assistant Secretaries" and inserting in its place "eleven Assistant Secretaries".

SEC. 6. RECOMMENDATIONS REGARDING THE ESTABLISHMENT OF AN OFFICE OF TECHNOLOGY RESEARCH.

Within one hundred and eighty days of enactment of this Act, the Secretary shall transmit to Congress the Secretary's recommendations for the establishment of an office within the Department to support generic, precompetitive technology research considered critical for the future economic competitiveness of the United States. The recommendations shall address the organization of such an office, the scope of responsibility of such an office, and the appropriate funding level for such an office.

SEC. 7. AVLIS COMMERCIALIZATION.

(a) PREDEPLOYMENT CONTRACTOR.—Not later than 90 days after the date of enactment of this Act, the Secretary shall solicit proposals for a commercial predeployment contractor to conduct such activities as may be necessary to enable the Secretary or any successor to the Secretary's uranium enrichment enterprise to deploy a commercial uranium enrichment plant using the Atomic Vapor Laser Isotope Separation (AVLIS) technology. Such activities shall include:

(1) developing a transition plan for transferring the AVLIS program from research, development, and demonstration activities at the Lawrence Livermore National Laboratory to deployment of a commercial AVLIS production plant;

(2) confirming the technical performance of AVLIS technology;

(3) developing the economic and industrial assessments necessary for the Secretary or his successor to make a commercial decision whether to deploy AVLIS;

(4) providing an industrial perspective for the planning and execution of remaining demonstration program activities;

(5) completing feasibility and risk studies necessary for a commercial decision whether to deploy AVLIS, including financing options;

(b) ADDITIONAL ACTIVITIES.—Based upon the results of subsection (a), the Secretary may solicit additional proposals to complete the following activities:

(1) site selection, site characterization, and environmental documentation activities for a commercial AVLIS plant;

(2) engineering design of a production plant, developing a project schedule, and initiating operations planning;

(3) activities leading to obtaining necessary licenses from the Nuclear Regulatory Commission; and

(4) ensuring the successful integration of AVLIS technology into the commercial nuclear fuel cycle.

(c) REPORTS.—The Secretary shall submit to the Committee on Energy and Natural Resources of the United States Senate and to the Speaker of the House of Representatives a written report on the progress made toward the deployment of a commercial AVLIS production plant ninety days after the date of enactment of this act and each ninety days thereafter.

SEC. 8. MINORITY COLLEGE AND UNIVERSITY REPORT.

Within one year after the date of enactment of this provision, the Secretary of Energy shall submit to the Committee on Energy and Natural Resources of the United States Senate and to the United States House of Representatives a report addressing opportunities for minority colleges and universities to participate in programs and activities being carried out by the Department or the departmental laboratories. The Secretary shall consult with representatives of minority colleges and universities in preparing the report. Such report shall—

(a) describe current education and training programs being carried out by the Department or the departmental laboratories with respect to or in conjunction with minority colleges and universities in the areas of mathematics, science, and engineering;

(b) describe current research, development or demonstration programs involving the Department or the departmental laboratories and minority colleges and universities;

(c) describe funding levels for the programs referred to in subsection (a) and (b);

(d) identify ways for the Department or the departmental laboratories to assist minority colleges and universities in providing education and training in the fields of mathematics, science, and engineering;

(e) identify ways for the Department or the departmental laboratories to assist minority colleges and universities in entering into partnerships in the areas of research identified in section 3(e);

(f) address the need for and potential role of the Department or the departmental laboratories in providing minority colleges and universities:

(1) increased research opportunities for faculty and students;

(2) assistance in facility development and recruitment and curriculum enhancement and development; and

(3) laboratory instrumentation and equipment, including computer equipment, through purchase, loan, or other transfer;

(g) address the need for and potential role of the Department or departmental laboratories in providing funding and technical assistance for the development of infrastructure facilities, including buildings and laboratory facilities at minority colleges and universities; and

(h) make specific proposals and recommendations, together with estimates of necessary funding levels, for initiatives to be carried out by the Department or the departmental laboratories to assist minority colleges and universities in providing education and training in the areas of mathematics, science, and engineering, and in entering into partnerships with the Department or departmental laboratories.

SEC. 9. INTERNATIONAL FELLOWSHIP PROGRAM.

The Secretary shall establish a program to encourage scientists and engineers from departmental laboratories to serve as visiting scientists and engineers in the research facilities of foreign governments, educational institutions and industrial organizations. The Secretary shall provide the necessary support to carry out the program including fellowships, and assistance in placing the scientists and engineers in the foreign research facilities.

SEC. [7.] 10. CAREER PATH PROGRAM.

The Department of Energy Organization Act (42 U.S.C. 7101 et seq.) is amended—

(1) by inserting after section 625 the following new section:

"laboratory career path program.

"SEC. 626. (a) The Secretary shall establish a career path program under which the Secretary shall recruit employees of departmental laboratories to serve in positions in the Department.

"(b)(1) The post-Federal employment restrictions in section 27 of the Office of Federal Procurement Policy Act, and section 207 of title 18, United States Code, shall not apply to any employee recruited as part of the career path program while that person is employed at a departmental laboratory.

"(2) The Secretary shall exercise the waiver authorities of section 208(b) of title 18, United States Code, and section 602(c) of this Act to the fullest extent in order to facilitate the recruitment of individuals for the career path program, and such waiver authorities shall be available for this purpose.

"(3) The Secretary shall promulgate rules determining the extent to which section 27 of the Office of Federal Procurement Policy Act shall apply to negotiations or agreements regarding future employment between a career path employee recruited under subsection (a) and a Department contractor who operates a departmental laboratory.

"(4) In each case in which, after service in a position in the Department, a career path employee proposes to enter a position in a departmental laboratory, the Secretary, in consultation with the Director of the Office of Government Ethics, shall conduct an assessment of the duties anticipated in the new position in the laboratory. Based on this assessment, the Secretary shall impose such terms, conditions, or limitations on the activities of that employee in the new position in the departmental laboratory as the Secretary determines are necessary and appropriate to ensure in the context of laboratory service that the Government receives the integrity of service that the post-Federal employment restrictions referenced in this section are intended to achieve. Any individual who violates any term, condition, or limitation so imposed by the Secretary shall be subject to a civil penalty as assessed by the Secretary, not to exceed $10,000 for each violation."; and

(2) in section 608(d) (42 U.S.C. 7218(d)) by striking "title" and inserting "part".

SEC. [8.] 11. INTERPRETATION.

Nothing in this Act limits the use of existing technology transfer mechanisms available under other applicable law. The authority to enter into partnerships established pursuant to this Act supplements and does not supplant those existing technology transfer mechanisms.

And from the Committee on Governmental Affairs with an amendment on page 26, strike line 6, through and including line 4 on page 28, and insert the following:

SEC. 10. CAREER PATH PROGRAM.

(a) The Secretary shall establish a career path program under which the Secretary shall recruit employees of the National Laboratories to serve in positions in the Department.

(b) The Secretary may utilize the authorities in this section to carry out the career path program. In addition to these authorities, the Secretary may exercise the waiver authorities of section 208(b) of title 18, United States Code, and section 602(c) of the Department of Energy Organization Act, 42 U.S.C. section 7212(c).

(c) Section 207 of title 18, United States Code, is amended by inserting after subsection (j)(6) the following:

"(7) NATIONAL LABORATORIES.—(A) The restrictions, contained in subsections (a), (b), (c), and (d) shall not apply to an appearance or communication on behalf of, or advice or aid to, a facility described in subparagraph (B).

"(B) This paragraph applies to: Argonne National Laboratory, Brookhaven National Laboratory, Idaho National Engineering Laboratory, Lawrence Berkeley Laboratory, Lawrence Livermore National Laboratory, Los Alamos National Laboratory, Oak Ridge National Laboratory, Pacific Northwest National Laboratory, and Sandia National Laboratories."

(d) Section 27 of the Office of Federal Procurement Policy Act, 41 U.S.C. section 423, is amended by inserting after subsection (p) the following:

"(q) NATIONAL LABORATORIES.—(1) The restrictions on obtaining a recusal contained in paragraph (c)(2) and (c)(3) shall not apply to discussions of future employment or business opportunity between a procurement official and a competing contractor managing and operating a facility described in paragraph (3): *Provided*, That such discussions concern the employment of the procurement official at such facility.

"(2) The restrictions contained in paragraph (f)(1) shall not apply to activities performed on behalf of a facility described in paragraph (3).

"(3) This subsection applies to: Argonne National Laboratory, Brookhaven National Laboratory, Idaho National Engineering Laboratory, Lawrence Berkeley Laboratory, Lawrence Livermore National Laboratory, Los Alamos National Laboratory, Oak Ridge National Laboratory, Pacific Northwest National Laboratory, and Sandia National Laboratories."

Mr. DOMENICI. Mr. President, during the 1980's, the contributions Federal laboratories such as Los Alamos and Sandia could make outside their traditional defense mission were recognized as a valuable scientific and economic resource. Congress, recognizing this potential, passed legislation to facilitate the transfer of technology out of the laboratories. The Stevenson Wydler Act of 1980, the Federal Technology Transfer Act of 1986, and the National Competitive Technology Transfer Act of 1989 all served to lay the foundation for the labs to become engaged as active contributors to U.S. industry.

The term "partnership" embodies what technology transfer is about today. We are no longer simply trying to get added value out of technology produced in Federal labs. We are asking our labs to bring their full range of expertise to bear in helping industry to be more competitive and in improving our educational system. The legislation before us today would allow the Department of Energy's laboratories to fulfill this new role by increasing the labs' authority to enter into partner-

ship with industry, universities, and other Federal agencies.

The partnerships envisioned under this act expand upon a number of highly successful partnerships already underway at the national laboratories. One of the most prominent is the multimillion-dollar Advanced Battery Consortium in which Ford, Chrysler, and General Motors have teamed with Sandia laboratories for help in jointly developing the next generation of batteries to be used primarily in electric cars of the future.

The Advanced Battery Consortium is just the beginning. The labs can contribute ideas, innovations, and capabilities in energy efficiency, advanced computing, health-care, semiconductors, robotics, and transportation. Further, the manufacturing capabilities of the national laboratories can make our industry even more productive and even less polluting using processes such as environmentally conscious manufacturing.

This legislation also includes two important provisions to ensure that the Department of Energy is well suited to address new requirements. First, the legislation increases the number of Assistant Secretary of Energy positions to 11 from the present 8 and the number of Under Secretaries to 3 from the present 2. These additions are necessitated by the wide array of new activities and responsibilities in which the Department is engaging in these changing times. Second, this act establishes a Career Path Program that enables laboratory employees to provide a period of service within the Department without being constrained from subsequently returning to a position within the laboratory system. This provision in needed in order to facilitate direct and immediate access to laboratory personnel by the Department.

Last year, I introduced legislation, the Department of Energy Science and Technology Partnership Act, which served as an important framework for the bill being considered today. Since that time, I have worked closely with other members of the Energy and Natural Resources Committee, the Department of Energy, and our laboratories to ensure that this legislation truly addresses their needs. The laboratories are particularly enthusiastic about the opportunities offered by this bill. I look forward to its enactment in this Congress and am committed to that goal.

Mr. STEVENS. Mr. President, section 10 of S. 2566 as reported by the Energy Committee exempted participants in the newly created Career Path Program from postemployment restrictions in current law. This caused concern among members of the Governmental Affairs Committee and resulted in a sequential referral. I am pleased to tell my colleagues that a compromise has been reached which is reflected in the bill before us.

We recognized that National Laboratory employees by definition are private sector employees. However, because the Federal Government—the Department of Energy—directs and controls their work, they are in a unique situation. The Federal Government can benefit from their knowledge and experience at headquarters, but under current law their careers would be disadvantaged.

The Energy Committee attempted to address this problem by simply exempting Career Path Program participants from the postemployment restrictions of title 18 and the Office of Federal Procurement Policy Act. Instead, the Secretary of Energy would be required to impose restrictions.

It was this provision which created problems for the Governmental Affairs Committee—the committee of jurisdiction for conflict of interest laws—and the Office of Government Ethics. During the period of the sequential referral, all parties worked together to arrive at an acceptable compromise.

We have revised section 10 to address both technical and substantive concerns expressed by the committee and the Office of Government Ethics. As a result, section 10 now provides relief from postemployment restrictions for Career Path Program participants but narrowly restricts applicability to those who come from and return to the National Laboratories, which are specifically listed in the provision.

Mr. President, this cooperative effort has resulted in language which all parties can accept. I hope our colleagues will support this bill.

Mr. BINGAMAN. Mr. President, I am delighted to be an original cosponsor of the Department of Energy Technology Partnership Act. I commend the chairman of the Energy and Natural Resources Committee, Mr. JOHNSTON, and the ranking minority member, Mr. WALLOP, for their leadership in forging a broad bipartisan consensus on the need for action in this area.

As the Federal laboratories prepare for a rapidly changing world, it is essential that their future activities be focused on meeting a number of significant challenges facing this Nation. Many of these challenges are within the traditional purview of the DOE laboratories and many others can be readily addressed by the unique and extraordinary capabilities of the DOE laboratories. In passing this legislation, the Senate directs the Department of Energy and the DOE laboratories to focus on these challenges through new ties to industry.

It is well recognized, both nationally and internationally, that the Department of Energy does indeed possess unique and extraordinary capabilities in its laboratories. As Secretary Watkins has said so often, the DOE laboratories are the treasures—the crown jewels of the Department. They have successfully demonstrated that when tasked with clarity and urgency—as they were in the nuclear weapons and nuclear energy areas—they can be world-class producers.

Unfortunately, too often in the past the labs carried out their missions separate from the private sector. That may have been acceptable when the capabilities of the labs far exceeded those of the private sector. But today, the private sector can match the DOE laboratories in many areas of technology and have common interests in these technologies. To carry out their missions, which today are broadening into new areas such as environmental cleanup, the DOE labs must work with the private sector as never before and lab-industry partnerships can and must serve as a means of leveraging the best capabilities of government and industry to serve both DOE mission needs and the competitiveness of American industry.

In the past, industry has expressed strong doubts about the relevancy of the work carried out at the Federal laboratories to meet their needs. For example, a 1988 report from the private sector Council on Competitiveness, Gaining New Ground, stated:

> Although the nation spends approximately $20 billion on the Federal Labs, their current culture and direction do not adequately support technology development that strengthens national economic performance.

This bill is part of an on-going effort to resolve those doubts, an effort that commenced with the 1989 National Cooperative Technology Transfer Act.

Since that legislation became law, over 2 years ago, we have started to see change. Sandia for example, now has over 20 Cooperative Research and Development Agreements [CRADA's] with the private sector and has over twice that many under negotiation. The Specialty Metals Consortium at Sandia National Laboratories and the Superconductivity Pilot Centers at Los Alamos are two examples where the DOE laboratories have been responsive to industry needs while strengthening their ability to carry out their own missions.

However, I am convinced that existing laboratory partnerships with industry need to be encouraged on a much broader and deeper scale than at present. We have a long way to go to make the labs more responsive to industry's needs, and to capture the interest of industry in the laboratories capabilities.

The bill is aimed at just that—fostering additional cooperation between the DOE laboratories and the private sector by providing for the establishment of partnerships with industry, with our educational institutions and with other Federal laboratories. These would be partnerships in the strongest sense of

the word. Partnerships in which industry is a true participant with respect to selection of technologies, with respect to planning technology programs, sharing risks by committing resources, and providing advice and counsel concerning the management and progress of the partnerships.

Two types of partnerships are proposed in this legislation. The first, laboratory directed partnerships, provide the directors of the DOE labs with the authority and flexibility to enter into collaborative activities with industry, academia, and other Federal labs. The second type of partnership, Secretary of Energy partnerships, provide a mechanism in which the laboratories and their industrial partners compete for departmental funds to be used for establishing collaborative programs.

These partnerships, particularly those with industry, have the potential to represent the engine that drives the economy of this Nation, and New Mexico in particular, by transforming current and emerging technological capabilities into new manufacturing opportunities.

The bill represents the culmination of activity initiated last spring, building upon S. 979, Department of Energy Critical Technologies Act of 1991, which I was proud to have Senators JOHNSTON and DOMENICI as cosponsors, and last summer with the introduction of S. 1351, Department of Energy Science and Technology Partnership Act, by Senator DOMENICI, and which Senator JOHNSTON and I cosponsored.

This partnership bill represents a logical and evolutionary development of these prior bills, and has a legacy of prior legislation enacted by Congress, as I previously mentioned. I refer to the National Cooperative Technology Transfer Act which Senator DOMENICI and I sponsored, and to section 3136 of the National Defense Authorization Act for fiscal years 1992 and 1993, which requires that the Secretary of Energy, ". . . shall ensure, to the maximum extent practicable," that R&D activities relating to dual-use critical technologies of the DOE Defense Program labs, excluding the naval nuclear propulsion program, be carried out within the framework of partnerships with the private sector. This means that the entire DOE Defense Program budget is available for partnerships with the private sector whenever there is a mutual interest.

In May of this year, before a hearing of the Defense Industry and Technology Subcommittee of the Senate Armed Services Committee, Dr. Allan Bromley, the President's Science Adviser said:

> One of the major themes of the NTI [National Technology Initiative] is the need to foster a much greater array of partnerships among all of the institutions involved in our national competitiveness: our businesses, our universities, our national laboratories, our various levels of government. The initiative is designed to act as a catalyst to combine the very real strengths apparent in each component of our R&D enterprise.
>
> These partnerships can take many different forms: consortia such as SEMATECH or the U.S. Advanced Battery Consortium, university-industry agreements, cooperative research and development agreements between Federal laboratories and the private sector, and so on. Many of the institutional barriers to establishing these partnerships were removed during the 1980s. Now we face the much more difficult task of changing the cultural barriers within these institutions so that we can take advantage of new ways of thinking.
>
> One focus of this effort must be the personnel, expertise, and infrastructure resident in our over 700 federal laboratories. The federal government invests over $20 billion a year in these laboratories. They embrace an astonishing breadth and depth of science and technology, including some of the best science and technology to be found anywhere in the world.
>
> Many of these laboratories were established in the immediate post-World War II period, and they originally had very specific missions and objectives. Many of these original missions were satisfied years ago, so that the laboratories are adjusting their programs to remain in close touch with evolving national needs.
>
> One change that I have been advocating is the involvement of potential partners early in the process of planning federal laboratory activities. Many of the labs have panels of distinguished academics and industrialists who review the scientific merit and applicability of R&D done at the lab. But these reviews usually occur after the work has been planned or undertaken. The involvement of these panels from the beginning, as the programs at the lab are being planned, would be much more effective in tying the work of the laboratories to the needs of potential users.

This bill is entirely consistent with Dr. Bromley's call for flexible arrangements between the Government labs and the private sector. It is entirely consistent with his call for the private sector to have a greater influence in the process of planning Federal lab activities at an early stage. I hope, therefore, the Johnston-Wallop bill will receive strong administration support.

There is a sense of urgency associated with the role of the DOE laboratories in this post-cold war era. The syndicated columnist, Robert Kuttner expressed this urgency in an article in the March 30 edition of the Washington Post in the following manner: "We must either acknowledge the value of having national laboratories work with civilian industry or gradually lose this unique resource."

I believe this is an important bill which provides the DOE laboratories with additional flexibility and with a broader mandate to forge lasting partnerships with industry, our universities and other Federal laboratories. It will facilitate achieving Secretary Watkins' stated objective of establishing 1,000 cooperative ventures between the DOE labs and the private sector by the end of this year.

Mr. President, this is an important piece of legislation that will serve as a catalyst for private industry and our national laboratories to work together on the many challenges facing our Nation. I hope its passage by the Senate will prompt swift action in the House.

Mr. JOHNSTON. Mr. President, today the Senate is considering S. 2566, the Department of Energy Laboratory Technology Partnership Act of 1992. The bill is a result of the efforts of the members of the Committee on Energy and Natural Resources, which I chair, particularly of Senators BINGAMAN and DOMENICI, who have led the committee in this area. For many years, Senators BINGAMAN and DOMENICI have pushed the Department of Energy laboratories to join together with industry to develop technologies critical to this country. They have worked tirelessly to educate the rest of us as to the importance of the department's laboratories.

Almost 2 years ago Secretary of Energy James Watkins and many of the Department of Energy laboratory directors appeared before the committee. Each of them testified that the department's laboratories are tremendous national assets. Secretary Watkins has referred to the labs as the crown jewels of the nation's research establishment. However, for most of their existence, the laboratories have worked apart from industry and universities to develop new technologies important to this country.

Early in the 102d Congress, Senators BINGAMAN and DOMENICI each introduced bills calling for greater collaboration by the laboratories with industry and universities. Senator BINGAMAN introduced S. 979, the Department of Energy Critical Technologies of 1991. Senator DOMENICI introduced S. 1351, the Department of Energy Science and Technology Partnership Act. Based on the hearings, as well as input from industry, the educational community, the Department of Energy, and the laboratories, we worked to merge the two bills together. On April 9, 1992, I introduced S. 2566 as the result of this process.

On May 13, 1992, the committee ordered S. 2566 favorably reported with amendments. The bill was reported to the Senate on May 28. After the bill was reported, Senator GLENN, as chairman of the Governmental Affairs Committee, requested that the bill be referred to the Governmental Affairs Committee for purpose of considering section 10, which establishes a "career path program". This program would grant relief to employees of Department of Energy laboratories from certain post-employment restrictions. The Committee on Energy and Natural Resources agreed to the referral. On June 25, 1992, the Governmental Affairs Committee ordered the bill to be reported with an amendment setting out an alternative career path program. I will discuss the Governmental Affairs Committee amendment later.

S. 2566, as reported by the Committee on Energy and Natural Resources, would direct the Secretary of Energy to ensure that the department's laboratories enter into partnerships with industry, the educational community and other federal agencies. The purpose of these partnerships is to develop technologies that that are critical to the nation's economic and national security.

With the cold war coming to an end, we are at a crossroads. As funding for nuclear weapons declines, it is prudent to redirect the activities of the national laboratories to help American industry and universities. Some may think that we should simply let these laboratories fade away as they are no longer needed. The fact is, however, that the department's laboratories already do more civilian research than weapons research. For decades, Department of Energy laboratories have built up a research establishment unequaled anywhere in the world. The laboratories have preeminent expertise in virtually every facet of science and technology. Industry has long sought to have access to these laboratories. It has only been recently that the laboratories have had the legal authority to pursue relationships with industry to do joint research.

This bill would encourage the laboratories to collaborate with industry and universities to develop technologies that are critical to the United States economic and national security. The idea is to push the laboratories further into areas of research such as in energy, high-performance computing, advanced materials, advanced manufacturing, human health, transportation technologies, and space technologies.

Through these partnerships this bill will create a close, working relationship among the laboratories, industry, the educational community, and other federal agencies. Industrial partnerships are required to have jointly set objectives; to provide greater accessibility to industry to the laboratories; to be cost-shared and develop commercially valuable technologies. University partnerships are to expand the opportunities for access to the laboratories to the educational community. Partnerships with other federal agencies are to address areas where missions are shared. A close, working relationship among the laboratories, industry, universities, and other Federal agencies will ensure that technologies important to this country's long-term survival will be developed.

The operation of these partnerships is to be guided by input from industry, educational institutions, Federal laboratories and professional and technical societies.

As I noted earlier, the bill as reported by the Energy and Natural Resources Committee establishes a career path program. Scientists in the department's contractor-operated laboratories frequently refuse to serve for a time in the department as Federal employees because employment restrictions in current law could threaten future career opportunities in the national laboratory system.

Even though the national laboratories perform exclusively governmental work with government funding and government-owned property to carry out government programs, they are operated by contractors. If a person leaves laboratory service for work in the department, and later returns to the laboratory system, he is subject to post-employment restrictions like any other former Federal employee now with a private contractor.

It is essential to effective management of the national laboratories that the laboratory employees, particularly those involved in the management of the laboratory, be able to communicate with and frequently influence department officials in carrying out the day-to-day operations of the laboratories. Such communication, however, becomes virtually impossible when the laboratory employee has worked for the department. Because the employee has worked for a time at the Department and then becomes a private-sector employee, the post-employment laws make it illegal for that employee to try and influence department officials.

The Governmentwide waiver authorities available under these laws were not designed to meet the unique nature of the relationship between the laboratories and the department. There is no guarantee that a waiver will be granted to an employee. A waiver from the post-employment restrictions cannot even be sought until the employee leaves the Department to return to a position in a laboratory. This situation even applies to a former laboratory employee returning to his previous position. This means that after an employee has secured an offer for a position, that position must be held open for the employee until the waiver has been granted. Some waivers have taken a year or more to move through the system.

These requirements have made the waivers difficult to obtain. As a result, many laboratory employees will not consider offers to work as a department employee. What is needed is waiver authority that will allow the department to guarantee in advance that an employee leaving a departmental laboratory to work for the department will not be burdened with unreasonable post-employment restrictions when returning to the laboratory. Without this certainty, the department will continue to have a very difficult time recruiting laboratory employees to work for the department.

The Governmental Affairs Committee reported the bill with an amendment establishing an alternative career path program. The committee worked with the Department of Energy and the Office of Government Ethics to develop this alternative approach. It is my understanding that the Administration supports the language.

The language adopted by the Governmental Affairs Committee accomplishes the same purposes as the original language contained in S. 2566 as reported by the Energy and Natural Resources Committee. It simply uses a different approach. Whereas the bill our Committee reported focused on granting relief to individual laboratory employees, the Governmental Affairs Committee's approach would remove actions and communications taken on behalf of a Department of Energy laboratory from the scope of the post-employment restrictions.

Whether it is the individual or the laboratory that is afforded the protection is of little difference. The important thing is that an employee of a laboratory be able to work for the department and return to a departmental laboratory without violating the law. The Governmental Affairs Committee's language accomplishes this.

The Governmental Affairs Committee's approach, however, is limited. It applies only to the Department's multiprogram laboratories. Out of the 30 Department of Energy laboratories, the Governmental Affairs Committee language applies only to the 9 multiprogram laboratories. The remaining single-purpose laboratories will not be afforded the protection of this section. While I believe that the employees of all the department's laboratories should be able to take advantage of the protection granted by this section, I am willing to agree to the language adopted by the Governmental Affairs Committee in the interest of moving this legislation forward.

Mr. President, these laboratories could not be constructed from scratch in today's budget climate. We have these laboratories as a legacy from the time when the Nation invested heavily in the infrastructure of science for defense. We now have the opportunity to use these laboratories to solve the problems of today. This bill would redirect the resources of the laboratories to do just that.

Mr. President, I urge my colleagues to support S. 2566 as amended and to pass this legislation.

The committee amendments were agreed to en bloc.

The bill (S. 2566) was ordered to be engrossed for a third reading, was deemed read the third time, and passed, as follows:

S. 2566

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 "Department of Energy Laboratory Technology Partnership Act of 1992".

SEC. 2. FINDINGS, PURPOSES, AND DEFINITIONS.

(a) FINDINGS.—Congress finds that—

(1) the United States Department of Energy has developed excellent scientific and technical capabilities at its laboratories and has assisted in the development of such capabilities at educational institutions with which it has been associated;

(2) the Department's laboratories have contributed significantly to the national security for almost fifty years through nuclear weapons research, development and testing;

(3) the Department's laboratories have contributed significantly to the nation's preeminence in basic research with innovative fundamental and interdisciplinary research programs and national user research facilities;

(4) the Department's laboratories have contributed significantly to the development of energy technologies and other important commercial technologies;

(5) recent domestic and international development make it imperative that the capabilities of the laboratories be strengthened and the interaction of the laboratories with industry and educational institutions be expanded;

(6) the United States must maintain a leadership role in the development and application of technologies that are critical to national security and must exercise a leadership role in the development and application of technologies that are critical to economic prosperity; and

(7) there are formidable challenges facing the United States that the Department's laboratories can address, including—

(A) development of technologies to provide adequate supplies of clean, dependable, and affordable energy;

(B) understanding changes to the environment, especially those associated with energy supply, distribution, and use;

(C) development of improved processes to maintain and manage waste;

(D) promotion of international competitiveness and improvement of the exchange of technology among industry, the academic community, and government; and

(E) the need to facilitate greater application of dual-use military and commercial technologies.

(b) PURPOSES.—The purposes of this Act are—

(1) to utilize more effectively the research and development capabilities of departmental laboratories by fostering new partnerships between such laboratories and—

(A) industry, to provide market orientation to the Department's programs and to ensure the timely commercialization of technology;

(B) educational institutions, to provide for mutual benefit from scientific and technological advances and to optimize the use of the facilities of the departmental laboratories; and

(C) other Federal agencies, to address shared missions;

(2) to maximize the effectiveness of the resources of each participant in these partnerships, to reduce the risk inherent in long-term investments in technology development, and to provide continued support for the core competencies developed by the departmental laboratories; and

(3) to improve the coordination of the research, development, and demonstration activities of departmental laboratories in support of basic research and critical national objectives, in support of economic competitiveness, and to address the formidable challenges facing the United States.

(c) DEFINITIONS.—For the purposes of this Act, the term—

(1) "core competency" means an area in which the Secretary determines a laboratory has developed expertise and demonstrated capabilities;

(2) "critical technology" means a technology identified in the National Critical Technologies Report;

(3) "Department" means the United States Department of Energy;

(4) "departmental laboratory" means a facility operated by or on behalf of the Department that would be considered a laboratory as that term is defined in section 12 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a(d)(2));

(5) "disadvantaged" means a socially or economically disadvantaged individual that would be considered disadvantaged as that term is defined in section 8(a) (5) and (6) of the Small Business Act (15 U.S.C. 637(a) (5) and (6));

(6) "educational institution" means a college, university, or elementary or secondary school. The term also includes any not-for-profit organization, which is dedicated to education, that would be exempt under section 501(a) of the Internal Revenue Code of 1986;

(7) "minority college or university" means a historically black college or university that would be considered a "part B institution" by section 322(2) of the Higher Education Act of 1965 (20 U.S.C. 1061(2)) or any other institution of higher education where enrollment includes a substantial percentage of students who are disadvantaged;

(8) "National Critical Technologies Report" means the biennial report on national critical technologies submitted to Congress by the President pursuant to section 603(d) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6683(d));

(9) "partnership" means an arrangement under which one or more departmental laboratories undertakes research, development, or demonstration activities for the mutual benefit of the partners in cooperation with one or more participants from among the following: an educational institution, private sector entity, State governmental entity, or other Federal agency; and

(10) "Secretary" means the Secretary of the Department of Energy;

SEC. 3. THE DEPARTMENT OF ENERGY PARTNERSHIP PROGRAM.

(a) LABORATORY-DIRECTED PARTNERSHIPS.—The departmental laboratories are authorized to enter into partnerships under any existing legal authority. The Secretary shall ensure, to the maximum extent practicable and desirable, that departmental laboratories enter into such partnerships. Each partnership shall establish goals and objectives for the partnership that are consistent with the purposes of this Act and establish a plan to achieve such goals and objectives.

(1) INDUSTRIAL PARTNERSHIPS.—In general, partnerships between departmental laboratories and industry shall be established for the purpose of developing the technologies in any of the areas identified in subsection (e) and shall be developed based on jointly set objectives that take advantage of the scientific and technical capabilities of the departmental laboratories. Such partnerships shall also provide protection for existing or jointly developed information and existing intellectual property rights while also ensuring the partners appropriate access to government-financed research results. In addition, such partnerships shall, to the maximum extent practicable—

(A) be cost-shared in accordance with guidelines developed by the Secretary;

(B) seek to provide greater accessibility to industry to the personnel, facilities, and capabilities of the departmental laboratories;

(C) seek to encourage the commercial application of technologies developed primarily for defense applications;

(D) seek to encourage, but not be limited to, the maintenance and continued development of the core competencies of the departmental laboratories; and

(E) seek to develop technologies that offer potential commercial value.

(2) EDUCATIONAL PARTNERSHIPS.—Partnerships between departmental laboratories and educational institutions shall be established for the purpose of developing the technologies in any of the areas identified in subsection (e). The Secretary shall provide the opportunity for graduate students to participate in partnerships and shall expand the opportunities for access to equipment and user facilities at departmental laboratories.

(3) AGENCY PARTNERSHIPS.—The Secretary shall, where appropriate, enter into memoranda of understanding with other Federal agencies for research, development, or demonstration at departmental laboratories in areas identified in subsection (e) that are related to the mission responsibilities of such agencies, including protection of the environment; development of technologies for high-performance computing, medical applications, transportation, manufacturing, and space applications; and development of other critical technologies.

(b) SECRETARY OF ENERGY PARTNERSHIPS.—In addition to the partnerships described in subsection (a), the Secretary is authorized and encouraged to establish Secretary of Energy Partnerships as he deems necessary or appropriate to carry out the purposes of this Act. Such partnerships shall be established for the purpose of developing technologies in any of the areas identified in subsection (e) and shall be established in accordance with the following requirements—

(1) SUBMISSION OF PROPOSALS.—Each proposal for the establishment of a Secretary of Energy Partnership shall be submitted to the Secretary.

(2) PARTICIPANTS.—Each Secretary of Energy Partnership shall be composed of one or more departmental laboratories and two or more participants from industry. Participants may also include educational institutions, other Federal agencies, State entities, or any other entities the Secretary considers appropriate.

(3) SELECTION CRITERIA.—The Secretary shall establish partnerships from among the proposals submitted pursuant to subsection (b)(1). In establishing any such partnership, the Secretary shall take into account—

(A) the extent to which the partnership demonstrates promise of achieving one or more of the purposes of this Act;

(B) the extent to which the partnership activities would be relevant to the Department's missions and to the missions of other Federal Government participants;

(C) the technical merit of the partnership's proposed program;

(D) the qualifications of the personnel who are to participate in the partnership;

(E) the potential for private sector investment in activities where such investment is otherwise lacking;

(F) the level of participation and financial commitment of the industry participants;

(G) the potential for commercial benefits from development of technologies in the areas listed in subsection (e);

(H) the potential for effective transfer of technology among the participants; and

(I) such other criteria as the Secretary may prescribe.

(c) PARTNERSHIP PREFERENCE.—A partnership that would be given preference under section 12 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a(c)(4)(B)) were it a cooperative research and development agreement shall be given similar preference for the purposes of this Act.

(d) MINORITY PARTNERSHIPS.—The Secretary shall encourage partnerships that involve minority colleges or universities and private sector entities owned or controlled by disadvantaged individuals.

(e) AREAS OF RESEARCH, DEVELOPMENT, AND DEMONSTRATION.—The partnerships entered into under the provisions of this Act may address research, development, and demonstration activities in those areas listed in the biennial National Critical Technologies Report or in any of the following areas:

(1) Energy efficiency, including efficiency in power generation, transmission, and utilization; energy conservation technologies; process technologies; and transportation.

(2) Energy supply, including alternative fuels; advanced forms of renewable energy; advanced clean coal technologies; coal liquefaction and synthetic fossil fuels; advanced oil and gas recovery; advanced nuclear reactor technologies; fusion technologies; biofuel technologies; electricity transmission, distribution, and storage; and energy forecasting.

(3) High-performance computing, including programs to develop and use new computer architectures such as large scale parallel computers, real-time visualization, powerful scientific workstations, high-speed networking, new computer software and algorithms; programs to develop advanced materials for the communication and computing industry such as new memories, optical switches or optical storage disks; programs to address complex scientific challenges such as understanding global climate change, hydrologic modeling, and fundamental combustion processes; and programs with other agencies and the private sector for the development and use of high-performance computer research networks.

(4) The environment, including global climate change; protection of ecological systems; environmental restoration and waste management; and development of technologies for biogeochemical dynamics, toxicology, remote sensing, biotechnology, risk analysis, and environmental assessment.

(5) Human health, including radiopharmaceutical and laser applications; mapping of the human genome; structural biology; development of technologies for nuclear and diagnostic medicine and radiation biology, including cancer therapies; and development of sensors, electronics and information systems to lower health care costs.

(6) Advanced manufacturing technologies, including laser technologies, robotics and intelligent machines; semiconductors, superconductors, microelectronics, photonics, optoelectronics, and advanced displays; x-ray lithography; sensor and process controls; and those technologies that may affect energy production, energy efficiency, environmental protection or waste minimization.

(7) Advanced materials, including materials that may increase efficiency in energy generation, conversion, transmission and use; synthesis and processing for improved and new materials; materials to promote waste minimization and environmental protection; and new and improved methods, techniques, and instruments to characterize and analyze properties of materials.

(8) Transportation technologies, including those that will improve the efficiency of and reduce the energy consumption and environmental impact associated with conventional transportation technologies.

(9) Space technologies, including space-based sensors for environmental monitoring, climate modeling, and radio-biological studies.

(10) Quality technologies, including reliability engineering, failure analysis, statistical process control, nondestructive testing and inspection techniques, concurrent engineering and design practices for reliability and testability used to ensure product and process quality specifications are met.

(11) Technologies listed in the annual defense critical technologies plan submitted to Congress by the Secretary of Defense pursuant to section 2522 of title 10, United States Code.

(12) Any other generic, precompetitive technology or other critical technology identified by the Secretary.

(f) EXCHANGES.—The Secretary shall encourage the exchange of scientists and engineers among departmental laboratories, educational institutions, industry, and other Federal agencies to facilitate the transfer of ideas and technology. In carrying out the requirements of this subsection, the Secretary shall provide for fellowships for personnel from departmental laboratories, industry, educational institutions and other Federal agencies.

(g) EDUCATION AND TRAINING.—The Secretary shall provide support for education and training to develop the personnel resources needed for future research, development, or demonstration in areas addressed by partnerships under this Act. The Secretary shall provide for partnerships, and strengthen and expand upon existing partnerships, to educate and train students and faculty in the areas identified in subsection (e), including environmental technologies and waste management.

(h) EVALUATION.—The Secretary shall develop mechanisms for evaluation of the accomplishments of the partnership program. The Secretary shall evaluate annually the performance and responsiveness of the departmental laboratories and program managers within the Department in carrying out the purposes of this Act.

(i) MANAGEMENT PLAN.—Within one hundred and eighty days of the date of enactment of this Act, and after consultation with the Laboratory Partnership Advisory Board established by section 4 and the departmental laboratories, the Secretary shall prepare and publish a management plan describing the Secretary's implementation of this Act. The plan shall be regularly updated and published not less than once every five years. Partnerships and other activities required by this Act may be pursued during preparation and publication of the management plan. The management plan shall—

(1) establish goals and priorities for the partnership program;

(2) establish mechanisms for coordination of partnerships with other research, development, and demonstration activities at departmental laboratories;

(3) establish mechanisms for the directors of the departmental laboratories to have input into the formulation and operation of the partnership program;

(4) establish mechanisms for coordination of partnerships pursued under this Act;

(5) establish policies to encourage industry and educational institutions to participate in the partnership program;

(6) establish procedures to facilitate collaboration between the departmental laboratories and other Federal agencies in areas of common interest or expertise;

(7) establish procedures to facilitate international cooperative activities involving scientists from government, industry, and the academic community;

(8) specify the extent to which the Department provides support for the research, development, or demonstration of technologies in the areas identified in subsection (e), specify the goals and objectives of the programs and activities that support these technologies, and provide a summary of the budgets for such programs and activities for the time period covered by the plan; and

(9) establish policies that encourage directors of departmental laboratories to include among their laboratory-directed research and development activities projects that will contribute to maintaining and extending the vitality of each laboratory's core competencies.

(j) REPORT.—The Secretary shall report to Congress two years after the date of enactment of this Act and biennially thereafter on the implementation of this Act. Such report shall evaluate—

(1) the progress in achieving the goals and purposes of the partnership program;

(2) the effect of the partnership program on the development and commercialization of technologies in the areas identified in subsection (e); and

(3) the progress in encouraging personnel exchanges as described in subsection (f).

SEC. 4. DEPARTMENT OF ENERGY LABORATORY ADVISORY BOARD.

(a) LABORATORY PARTNERSHIP ADVISORY BOARD.—The Secretary shall establish within the Department an advisory board to be known as the "Laboratory Partnership Advisory Board," which shall provide the Secretary with guidance on the implementation of this Act.

(b) COMPOSITION.—The membership of the Laboratory Partnership Advisory Board shall consist of prominent representatives from industry, educational institutions, Federal laboratories, and professional and technical societies in the United States who are qualified to provide the Secretary with advice and information on the partnership program.

(c) INPUT FROM DEPARTMENTAL LABORATORIES.—The Laboratory Partnership Advisory Board shall request comment and suggestions from departmental laboratories on the implementation of this Act.

(d) DUTIES.—The Laboratory Partnership Advisory Board shall provide the Secretary with advice and information on the Department's partnership program, including a periodic assessment of—

(1) the management plan required by section 3(i);

(2) the progress made in implementing the plan;

(3) any need to revise the plan; and

(4) any other issue related to the goals and purposes of this Act.

(e) USE OF EXISTING ADVISORY BOARDS.—Nothing in this section is intended to preclude the Secretary from utilizing existing advisory boards to achieve the purposes of this section.

SEC. 5. DEPARTMENT OF ENERGY MANAGEMENT.

(a) UNDER SECRETARIES.—(1) Section 202(a) of the Department of Energy Organization Act (42 U.S.C. 7132(a)) is amended by striking

"Under Secretary" and inserting in its place "Under Secretaries".

(2) Section 202(b) of the Department of Energy Organization Act (42 U.S.C. 7132(b)) is amended to read as follows—

"(b) There shall be in the Department three Under Secretaries and a General Counsel, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall perform functions and duties the Secretary prescribes. The Under Secretaries shall be compensated at the rate for level III of the Executive Schedule under section 5314 of title 5, United States Code, and the General Counsel shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.".

(b) ASSISTANT SECRETARIES.—Section 203(a) of the Department of Energy Organization Act (42 U.S.C. 7133(a)) is amended by striking "eight Assistant Secretaries" and inserting in its place "eleven Assistant Secretaries".

SEC. 6. RECOMMENDATIONS REGARDING THE ESTABLISHMENT OF AN OFFICE OF TECHNOLOGY RESEARCH.

Within one hundred and eighty days of enactment of this Act, the Secretary shall transmit to Congress the Secretary's recommendations for the establishment of an office within the Department to support generic, precompetitive technology research considered critical for the future economic competitiveness of the United States. The recommendations shall address the organization of such an office, the scope of responsibility of such an office, and the appropriate funding level for such an office.

SEC. 7. AVLIS COMMERCIALIZATION.

(a) PREDEPLOYMENT CONTRACTOR.—Not later than 90 days after the date of enactment of this Act, the Secretary shall solicit proposals for a commercial predeployment contractor to conduct such activities as may be necessary to enable the Secretary or any successor to the Secretary's uranium enrichment enterprise to deploy a commercial uranium enrichment plant using the Atomic Vapor Laser Isotope Separation (AVLIS) technology. Such activities shall include:

(1) developing a transition plan for transferring the AVLIS program from research, development, and demonstration activities at the Lawrence Livermore National Laboratory to deployment of a commercial AVLIS production plant;

(2) confirming the technical performance of AVLIS technology;

(3) developing the economic and industrial assessments necessary for the Secretary or his successor to make a commercial decision whether to deploy AVLIS;

(4) providing an industrial perspective for the planning and execution of remaining demonstration program activities;

(5) completing feasibility and risk studies necessary for a commercial decision whether to deploy AVLIS, including financing options;

(b) ADDITIONAL ACTIVITIES.—Based upon the results of subsection (a), the Secretary may solicit additional proposals to complete the following activities:

(1) site selection, site characterization, and environmental documentation activities for a commercial AVLIS plant;

(2) engineering design of a production plant, developing a project schedule, and initiating operations planning;

(3) activities leading to obtaining necessary licenses from the Nuclear Regulatory Commission; and

(4) ensuring the successful integration of AVLIS technology into the commercial nuclear fuel cycle.

(c) REPORTS.—The Secretary shall submit to the Committee on Energy and Natural Resources of the United States Senate and to the Speaker of the House of Representatives a written report on the progress made toward the deployment of a commercial AVLIS production plant ninety days after the date of enactment of this act and each ninety days thereafter.

SEC. 8. MINORITY COLLEGE AND UNIVERSITY REPORT.

Within one year after the date of enactment of this provision, the Secretary of Energy shall submit to the Committee on Energy and Natural Resources of the United States Senate and to the United States House of Representatives a report addressing opportunities for minority colleges and universities to participate in programs and activities being carried out by the Department or the departmental laboratories. The Secretary shall consult with representatives of minority colleges and universities in preparing the report. Such report shall—

(a) describe current education and training programs being carried out by the Department or the departmental laboratories with respect to or in conjunction with minority colleges and universities in the areas of mathematics, science, and engineering;

(b) describe current research, development or demonstration programs involving the Department or the departmental laboratories and minority colleges and universities;

(c) describe funding levels for the programs referred to in subsection (a) and (b);

(d) identify ways for the Department or the departmental laboratories to assist minority colleges and universities in providing education and training in the fields of mathematics, science, and engineering;

(e) identify ways for the Department or the departmental laboratories to assist minority colleges and universities in entering into partnerships in the areas of research identified in section 3(e);

(f) address the need for and potential role of the Department or the departmental laboratories in providing minority colleges and universities:

(1) increased research opportunities for faculty and students;

(2) assistance in facility development and recruitment and curriculum enhancement and development; and

(3) laboratory instrumentation and equipment, including computer equipment, through purchase, loan, or other transfer;

(g) address the need for and potential role of the Department or departmental laboratories in providing funding and technical assistance for the development of infrastructure facilities, including buildings and laboratory facilities at minority colleges and universities; and

(h) make specific proposals and recommendations, together with estimates of necessary funding levels, for initiatives to be carried out by the Department or the departmental laboratories to assist minority colleges and universities in providing education and training in the areas of mathematics, science, and engineering, and in entering into partnerships with the Department or departmental laboratories.

SEC. 9. INTERNATIONAL FELLOWSHIP PROGRAM.

The Secretary shall establish a program to encourage scientists and engineers from departmental laboratories to serve as visiting scientists and engineers in the research facilities of foreign governments, educational institutions and industrial organizations. The Secretary shall provide the necessary support to carry out the program including fellowships, and assistance in placing the scientists and engineers in the foreign research facilities.

SEC. 10. CAREER PATH PROGRAM.

(a) The Secretary shall establish a career path program under which the Secretary shall recruit employees of the National Laboratories to serve in positions in the Department.

(b) The Secretary may utilize the authorities in this section to carry out the career path program. In addition to these authorities, the Secretary may exercise the waiver authorities of section 208(b) of title 18, United States Code, and section 602(c) of the Department of Energy Organization Act, 42 U.S.C. section 7212(c).

(c) Section 207 of title 18, United States Code, is amended by inserting after subsection (j)(6) the following:

"(7) NATIONAL LABORATORIES.—(A) The restrictions, contained in subsections (a), (b), (c), and (d) shall not apply to an appearance or communication on behalf of, or advice or aid to, a facility described in subparagraph (B).

"(B) This paragraph applies to: Argonne National Laboratory, Brookhaven National Laboratory, Idaho National Engineering Laboratory, Lawrence Berkeley Laboratory, Lawrence Livermore National Laboratory, Los Alamos National Laboratory, Oak Ridge National Laboratory, Pacific Northwest National Laboratory, and Sandia National Laboratories."

(d) Section 27 of the Office of Federal Procurement Policy Act, 41 U.S.C. section 423, is amended by inserting after subsection (p) the following:

"(q) NATIONAL LABORATORIES.—(1) The restrictions on obtaining a recusal contained in paragraph (c)(2) and (c)(3) shall not apply to discussions of future employment or business opportunity between a procurement official and a competing contractor managing and operating a facility described in paragraph (3): *Provided*, That such discussions concern the employment of the procurement official at such facility.

"(2) The restrictions contained in paragraph (f)(1) shall not apply to activities performed on behalf of a facility described in paragraph (3).

"(3) This subsection applies to: Argonne National Laboratory, Brookhaven National Laboratory, Idaho National Engineering Laboratory, Lawrence Berkeley Laboratory, Lawrence Livermore National Laboratory, Los Alamos National Laboratory, Oak Ridge National Laboratory, Pacific Northwest National Laboratory, and Sandia National Laboratories."

SEC. 11. INTERPRETATION.

Nothing in this Act limits the use of existing technology transfer mechanisms available under other applicable law. The authority to enter into partnerships established pursuant to this Act supplements and does not supplant those existing technology transfer mechanisms.

AUTHORIZING THE ARCHITECT OF THE CAPITOL TO ACQUIRE CERTAIN PROPERTY

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2938, a bill authorizing the Architect of the Capitol to acquire certain property introduced earlier today by the majority leader and Republican leader.

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

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2938) to authorize the Architect of the Capitol to acquire certain property.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

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

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2938

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORITY OF THE ARCHITECT.

(a) ACQUISITION OF PROPERTY.—The Architect of the Capitol, under the direction of the Senate Committee on Rules and Administration, may acquire, on behalf of the United States Government, by purchase, condemnation, transfer or otherwise, as an addition to the United States Capitol Grounds, all publicly and privately owned real property in lots 34 and 35 in square 758 in the District of Columbia as those lots appear on the records in the Office of the Surveyor of the District of Columbia as the date of the enactment of this Act, extending to the outer face of the curbs of the square in which such lots are located and including all alleys or parts of alleys and streets within the lot lines and curb lines surrounding such real property, together with all improvements thereon.

(b) UNITED STATES CAPITOL GROUNDS AND BUILDINGS.—Immediately upon the acquisition by the Architect of the Capitol, on behalf of the United States, of the real property, and the improvements thereon, as provided under subsection (a), the real property acquired shall be a part of the United States Capitol Grounds, and the improvements on such real property shall be a part of the Senate Office Buildings. Such real property and improvements shall be subject to the Act of July 31, 1946 (40 U.S.C. 193a et seq.), and the Act of June 8, 1942 (40 U.S.C. 174c).

(c) BUILDING CODES.—The real property and improvements acquired in accordance with subsection (a) shall be repaired and altered, to the maximum extent feasible as determined by the Architect of the Capitol, in accordance with a nationally recognized model building code, and other applicable nationally recognized codes (including electrical codes, fire and life safety codes, and plumbing codes, as determined by the Architect of the Capitol), using the most current edition of the nationally recognized codes referred to in this subsection.

(d) REPAIRS; EXPENDITURES.—The Architect of the Capitol is authorized, without regard to the provisions of section 3709 of the Revised Statutes of the United States, to enter into contracts and to make expenditures for necessary repairs to, and refurbishment of, the real property and the improvements on such real property acquired in accordance with subsection (a), including expenditures for personal and other services as may be necessary to carry out the purposes of this Act. In no event shall the aggregate value of contracts and expenditures under this subsection exceed an amount equal to that authorized to be appropriated pursuant to subsection (e).

(e) AUTHORIZATION.—There is authorized to be appropriated to the account under the heading "Architect of the Capitol" and the subheadings "Capitol Buildings and Grounds" and "Senate Office Buildings", $2,000,000 for carrying out the purposes of this Act. Moneys appropriated pursuant to this authorization may remain available until expended.

(f) USE OF PROPERTY.—The real property, and improvements thereon, acquired in accordance with subsection (a) shall be available to the Sergeant at Arms and Doorkeeper of the Senate for use as a residential facility for United States Senate Pages, and for such other purposes as the Senate Committee on Rules and Administration may provide.

(g) CAPITOL POLICE JURISDICTION.—In carrying its supervision and jurisdiction over the real property and improvements acquired in accordance with subsection (a) by reason of their acquisition as a part of the United States Capitol Grounds and Buildings, the United States Capitol Police shall have the additional authority to make arrests for the violation of any law of the United States or the District of Columbia, or any regulation issued pursuant thereto, within any area or street in the District of Columbia outside the United States Capitol Grounds necessary to carry out such supervision or jurisdiction over such acquired real property and improvements, and to travel between parts of the United States Capitol Grounds which are not contiguous. The authority provided the Capitol Police by this subsection to make arrests within any such area or street shall be concurrent with that of the Metropolitan Police of the District of Columbia.

Mr. FORD. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AUTHORIZING TESTIMONY OF SENATE EMPLOYEES

Mr. FORD. Mr. President, on behalf of the majority leader and the distinguished Republican leader, Mr. DOLE, I send to the desk a resolution on the testimony of Senate employees and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 321) to authorize testimony of Senate employees.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

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

Mr. MITCHELL. Mr. President, the following resolution would authorize two employees in Senator BYRD's office, and any other Senate employees who have information relevant to an appeal pending before the District of Columbia Office of Unemployment Compensation, to appear and provide testimony at a hearing on the appeal. The appeal concerns the discharge of an employee in Senator BYRD's office.

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

The resolution (S. Res. 321) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 321

Whereas an appeal is currently pending from a determination by the Office of Unemployment Compensation for the District of Columbia to award compensation to a former employee of the Senate;

Whereas the Office of Unemployment Compensation has requested that the Senate provide witnesses with personal knowledge of facts relevant to the appeal;

Whereas Joan Drummond and Debra Wood, employees in the Office of Senator Byrd, have information relevant to the appeal pending before the Office of Unemployment Compensation;

Whereas by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That Joan Drummond, Debra Wood, and any other employee of the Senate from whom testimony may be required are authorized to appear and testify in the hearing on the appeal pending before the Office of Unemployment Compensation, except concerning matters for which a privilege should be asserted.

Mr. FORD. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AUTHORIZING TESTIMONY OF SENATE EMPLOYEES

Mr. GORTON. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 322) to authorize testimony by employees of the Senate in Senator William S. Cohen, et al. v. Donald, Secretary of the Air Force, et al.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

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

Mr. DOLE. Mr. President, Senator COHEN and Senator MITCHELL are plaintiffs, among others, in a suit in the District Court for the District of Maine challenging the procedures utilized by

the Department of Defense and the Defense Base Closure and Realignment Commission that led to the decision to close Loring Air Force Base in Maine. Counsel for the plaintiffs have requested, with the concurrence of Senators COHEN and MITCHELL, testimony from two employees on the Senators' staffs who handle base closure issues.

These employees, Dale Gerry and Robert Carolla, would testify about discussions and meetings they had with representatives of the Defense Department, the Base Closure Commission, and the General Accounting Office, each of which has a role under the 1990 Base Closure Act, and about information utilized by those entities in the base closing recommendation process.

This resolution authorizes the employees to provide testimony in this matter.

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

The resolution (S. Res. 322) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 322

Whereas, in the case of Senator William S. Cohen, et al. v. Donald Rice, Secretary of the Air Force, et al., Civil No. 91-0282-B, pending in the United States District Court for the District of Maine, counsel for plaintiffs Senator William S. Cohen and Senator George J. Mitchell have requested the testimony of Dale Gerry, an employee of the Senate on the staff of Senator Cohen, and Robert J. Carolla, an employee of the Senate on the staff of Senator Mitchell;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That Dale Gerry and Robert J. Carolla are authorized to testify in Senator William S. Cohen, et al. v. Donald Rice, Secretary of the Air Force, et al., except concerning matters for which a privilege should be asserted.

Mr. GORTON. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AUTHORIZING TESTIMONY AND REPRESENTATION BY SENATE LEGAL COUNSEL

Mr. FORD. Mr. President, on behalf of the majority leader, I send to the desk a resolution on authorization of testimony and representation by the Senate legal counsel and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 323) to authorize testimony and representation of members and employees of the Senate in the case of United States of America versus Clair E. George.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

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

Mr. MITCHELL. Mr. President, Independent Counsel Lawrence Walsh anticipates calling several current or former Members and employees of the Senate to testify in the case of United States of America versus Clair E. George, which is currently scheduled to go to trial next month in the U.S. District Court for the District of Columbia.

In two criminal indictments the Government alleges that Mr. George testified falsely before, and obstructed the inquiries of, several congressional committees, as well as the grand jury. Three of the counts on which Mr. George is to be tried specifically allege that he deliberately made false statements to, and directed a subordinate to withhold information from, the Committee on Foreign Relations at a hearing it held on October 10, 1986. A fourth count alleges that Mr. George committed perjury at a hearing of the Select Committee on Intelligence on December 3, 1986.

The independent counsel believes that Senator JOHN KERRY and former Senator Thomas Eagleton, who respectively questioned Mr. George at those two hearings, have material testimony needed for this trial. The counsel also wishes to call as witnesses Daniel P. Finn, a former employee of the Select Committee on Intelligence currently employed by the House of Representatives, as well as individuals, including Fred Ward on the staff of the Intelligence Committee, who officially reported and transcribed Mr. George's testimony before the various Senate committees.

It is not certain that testimony from each of these individuals will prove to be necessary, but this resolution is being offered at this time, consistent with past Senate practice in such criminal cases, to ensure that the Senate will have acted in a timely fashion to permit testimony that is determined to be necessary in this proceeding to be provided under the schedule determined by the court for the trial.

The resolution also authorizes the Senate legal counsel to represent the witnesses in connection with their testimony.

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

The resolution (S. Res. 323) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 323

Whereas, in the case of United States of America v. Clair E. George, Crim. No. 91-521, pending in the United States District Court for the District of Columbia, the Independent Counsel has requested testimony from Senator John F. Kerry, former Senator Thomas F. Eagleton, Fred Ward, an employee of the Senate on the staff of the Select Committee on Intelligence, Daniel P. Finn, a former employee of the Senate on the staff of the Select Committee on Intelligence, and contract court reporters who reported testimony at proceedings of the Committee on Foreign Relations and the Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c(a)(2), the Senate may direct its counsel to represent Members and employees of the Senate with respect to any subpoena, order, or request for testimony relating to their official responsibilities;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, by Rule VI of the Standing Rules of the Senate, no Senator shall absent himself from the service of the Senate without leave;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That Senator John F. Kerry, former Senator Thomas F. Eagleton, Fred Ward, Daniel P. Finn, and contract court reporters who reported testimony at proceedings of the Committee on Foreign Relations and the Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition are authorized to testify in the case of United States of America v. Clair E. George, except, with respect to Senator Kerry, when his attendance at the Senate is necessary for the performance of his legislative duties, and except concerning matters for which a privilege should be asserted.

SEC. 2. That the Senate Legal Counsel is authorized to represent Senator Kerry, former Senator Eagleton, Fred Ward, and Daniel P. Finn, in connection with their testimony in United States of America v. Clair E. George.

Mr. GORTON. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS REAUTHORIZATION ACT

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 478, S. 2827, a bill to provide authorization for the Kennedy Center for the Performing Arts.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 2827 to amend the John F. Kennedy Center Act (20 U.S.C. 76h et seq.) to provide authorization of appropriations for fiscal years 1993 through 1997 for the John F. Kennedy Center for the Performing Arts, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

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

The PRESIDING OFFICER. Without objection, the bill is deemed read three times and passed.

So the bill (S. 2827) was deemed read three times and passed, as follows:

S. 2827

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. BUREAU, BOARD OF TRUSTEES, AND ADVISORY COMMITTEE.

Section 2 of the John F. Kennedy Center Act (20 U.S.C. 76h) is amended—

(1) by redesignating subsections (a), (b), and (c) as subsections (b), (c), and (d);

(2) by inserting before subsection (b) (as redesignated in paragraph (1)) the following new subsection:

"(a) The Congress finds that—

"(1) the late John Fitzgerald Kennedy served with distinction as President of the United States, and as a Member of the Senate and the House of Representatives;

"(2) by the untimely death of John Fitzgerald Kennedy this Nation and the world have suffered a great loss;

"(3) the late John Fitzgerald Kennedy was particularly devoted to education and cultural understanding and the advancement of the performing arts;

"(4) it is fitting and proper that a living institution of the performing arts, designated as the National Center for the Performing Arts, named in the memory and honor of this great leader, shall serve as the sole national monument to his memory within the city of Washington and its environs;

"(5) such a living memorial serves all of the people of the United States by preserving, fostering, and transmitting the performing arts traditions of the people of this Nation and other countries by producing and presenting music, opera, theater, dance and other performing arts; and

"(6) such a living memorial should be housed in the John F. Kennedy Center for the Performing Arts, located in the District of Columbia.";

(3) in subsection (b) (as redesignated in paragraph (1))—

(A) in the first sentence, by inserting "as the National Center for the Performing Arts and as a living memorial to John Fitzgerald Kennedy," after "thereof"; and

(B) in the second sentence—

(i) by striking "Secretary of Health and Human Services" and inserting "Secretary of State"; and

(ii) by striking "Chairman of the District of Columbia Recreation Board" and inserting "Superintendent of Schools of the District of Columbia";

(4) by amending subsection (c) (as redesignated in paragraph (1)) to read as follows:

"(c) The general trustees shall be appointed by the President of the United States and each such trustee shall hold office as a member of the Board for a term of six years, except that—

"(1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which such member's predecessor was appointed shall be appointed for the remainder of such term;

"(2) a member shall continue to serve until such member's successor has been appointed; and

"(3) the term of office of a member appointed prior to the date of enactment of this subsection shall expire as designated at the time of appointment."; and

(5) in the last sentence of subsection (d) (as redesignated in paragraph (1)), by striking "him" and inserting "the member".

(6) EFFECTIVE DATE FOR CERTAIN APPOINTMENTS.—The appointments made pursuant to the amendments made by clauses (i) and (ii) of subparagraph (3)(B) of section 1 of this Act shall not commence until the expiration of the terms of the Secretary of Health and Human Services and the Chairman of the District of Columbia Recreation Board, respectively, serving as Trustees of the John F. Kennedy Center for the Performing Arts on the date of enactment of this Act.

SEC. 2. PRESENTATIONS, PROGRAMS, FACILITIES FOR ACTIVITIES, AND MEMORIAL IN HONOR OF THE LATE PRESIDENT; RESTRICTION ON ADDITIONAL MEMORIALS.

Subsection (a) of section 4 of the John F. Kennedy Center Act (20 U.S.C. 76j) is amended to read as follows:

"(a)(1) The Board shall—

"(A) present classical and contemporary music, opera, drama, dance and other performing arts from the United States and other countries;

"(B) promote and maintain the Center as the National Center for the Performing Arts by—

"(i) developing and maintaining, in consultation with the Secretary of Education and the heads of other Federal agencies involved in performing arts education, a leadership role in national performing arts education policy and programs, including developing and presenting original and innovative performing arts and educational programs for children, youth, families, adults and educators designed specifically to foster an appreciation and understanding of the performing arts;

"(ii) develop and maintain, in consultation with the Secretary of Education and the heads of other Federal agencies involved in performing arts education, a comprehensive and broad program for national and community outreach, including establishing model programs for adaptation by other presenting and educational institutions; and

"(iii) conducting joint initiatives with the national education and outreach programs of the Very Special Arts, an affiliate of the John F. Kennedy Center for the Performing Arts which has an established program for the identification, development and implementation of model programs and projects in the arts for disabled individuals;

"(C) in consultation with the Secretary of Education and the heads of other Federal agencies involved in performing arts education, strive to ensure that the John F. Kennedy Center for the Performing Arts education and outreach programs and policies meet the highest level of excellence and reflect the cultural diversity of the Nation;

"(D) provide facilities for other civic activities at the John F. Kennedy Center for the performing Arts;

"(E) provide within the John F. Kennedy Center for the Performing Arts a suitable memorial in honor of the late President; and

"(F) develop a comprehensive building needs plan for the existing features of the John F. Kennedy Center for the Performing Arts. This building needs plan shall not include expansion of the building or construction of a new building.

"(2)(A) The Board, in accordance with applicable law, may enter into contracts or other arrangements with, and make payments to, public agencies or private organizations or persons in order to carry out the Board's functions under this Act.

"(B) Notwithstanding any other provisions of law, a contract or other arrangement described in subparagraph (A) that is entered into for an environmental system, a protection system or a repair to or restoration of the John F. Kennedy Center for the Performing Arts may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price.".

SEC. 3. TRUST FUNDS, OFFICERS AND EMPLOYEES, REVIEW OF BOARD ACTIONS.

Section 5 of the John F. Kennedy Center Act (20 U.S.C. 76k) is amended—

(1) in the first sentence of subsection (a), by striking "Smithsonian Institution" and inserting "John F. Kennedy Center for the Performing Arts, as a bureau of the Smithsonian Institution,";

(2) in subsection (b)—

(A) in the first sentence, by striking "director, an assistant director, and a secretary of the John F. Kennedy Center for the Performing Arts and of" and inserting "a Chairperson of the John F. Kennedy Center for the Performing Arts (hereinafter in this Act referred to as the 'Chairperson'), who shall serve as the chief executive officer of such Center, and a secretary of such Center. The Chairperson shall appoint"; and

(B) in the second sentence, by striking "director, assistant director," and inserting "Chairperson"; and

(3) by adding at the end the following new subsection:

"(d) The Secretary of the Interior and the Board shall enter into a cooperative agreement regarding major capital projects for the Center. Such cooperative agreement shall—

"(1) provide that the Board or the Board's designated representative shall plan, design, and construct all major capital projects at the John F. Kennedy Center for the Performing Arts; and

"(2) contain assurances that—

"(A) all planning, design, and construction of major capital projects shall be approved by the Secretary of the Interior or such Secretary's designee prior to commencement of such activities;

"(B) the Secretary of the Interior shall transfer to the Board or other entities from amounts available to such Secretary for the John F. Kennedy Center for the Performing Arts the funds necessary to carry out the activities described in subparagraph (A) in accordance with the terms of such cooperative agreement; and

"(C) the Board shall report quarterly to the Secretary of the Interior or such Secretary's designee regarding the progress of all planning, design, and construction performed pursuant to such cooperative agreement.".

SEC. 4. OFFICIAL SEAL, BOARD VACANCIES AND QUORUM, TRUSTEE POWERS AND OBLIGATIONS, REPORTS, SUPPORT SERVICES, AND REVIEW AND AUDIT.

Section 6 of the John F. Kennedy Center Act (20 U.S.C. 761) is amended—

(1) in subsection (c)—

(A) by striking "its" and inserting "the Board's"; and

(B) by striking "it" and inserting "the Board";

(2) in subsection (e)—

(A) by striking the title and inserting "MAINTENANCE, REPAIR, AND SECURITY SERVICES.—";

(B) by striking "alteration of the building" and all that follows in paragraph (1) and inserting "security services.";

(C) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(D) by inserting after paragraph (1) the following new paragraph:

"(2) SPECIAL RULE.—The Board, with the concurrence of the Secretary of the Interior or such Secretary's designee, shall designate the services to be performed pursuant to paragraph (1) in order to ensure that such services will meet the requirements for high quality operations, except that in no event shall the Board require the expenditure of funds in excess of those appropriated pursuant to the authority of section 13(b).''; and

(3) in paragraph (3) (as redesignated in subparagraph (2)(C) of section 4 of this Act), by adding at the end the following new sentence: "Such agreement shall be reviewed and updated, if necessary, every five years.''.

SEC. 5. TECHNICAL AMENDMENT.

Section 10 of the John F. Kennedy Center Act (20 U.S.C. 76p) is amended—

(1) by striking "he" and inserting "the Secretary"; and

(2) by striking "his" and inserting "the Secretary's".

SEC. 6. DEFINITIONS AND AUTHORIZATION OF APPROPRIATIONS.

The John F. Kennedy Center Act (20 U.S.C. 76h et seq.) is amended by inserting at the end the following new sections (with section 12 being codified at 20 U.S.C. 76r, and section 13 being codified at 20 U.S.C. 76s):

"SEC. 12. DEFINITIONS.

"For the purpose of this Act—

"(1) the term 'capital projects' means capital repairs, replacements, improvements, rehabilitations, alterations, and modifications to the existing features of the John F. Kennedy Center for the Performing Arts building and all existing features of interior and exterior Center spaces, including the existing theaters, garage, roadways, and walkways;

"(2) the term 'existing' means existing on the date of enactment of the John F. Kennedy Center Act Amendments of 1992; and

"(3) the term 'maintenance, repair, and security services' means all services and equipment necessary or desirable to maintain and operate the existing features of the John F. Kennedy Center for the Performing Arts building and all existing interior and exterior building spaces, including the existing theaters, garage, roadways, and walkways, in a manner consistent with the requirements for high quality operations as determined by the concurrence of the Board and the Secretary of the Interior or the Secretary's designee and in accordance with the cooperative agreement described in section 6(e)(3) (as redesignated in subparagraph (2)(C) of section 4 of the John F. Kennedy Center Act Amendments of 1992).

"SEC. 13. AUTHORIZATION OF APPROPRIATIONS.

"(a) CAPITAL PROJECTS.—There are authorized to be appropriated to the Secretary of the Interior $15,000,000 for fiscal year 1993 and each succeeding fiscal year through fiscal year 1997 to carry out subparagraph (F) of section 4(a)(1), subparagraph (A) of section 4(a)(2), and subsection (d) of section 5.

"(b) MAINTENANCE, REPAIR, AND SECURITY.—There are authorized to be appropriated to the Secretary of the Interior $12,000,000 for fiscal year 1993 and each succeeding fiscal year through fiscal year 1997 to carry out paragraph (1) of section 6(e).

"(c) EDUCATION AND OUTREACH PROGRAMS.—There are authorized to be appropriated to the Secretary of Education $4,000,000 for each of the fiscal years 1993 and 1994, and $5,000,000 for each of the fiscal years 1995, 1996, and 1997, to be granted to the Board to carry out subparagraphs (B) and (C) of section 4(a)(1).

"(d) SPECIAL RULE.—No funds appropriated pursuant to the authority of subsection (a) or (b) for capital projects or for maintenance, repair, and security services for existing theaters shall be used for performing arts related production expenses.''.

SEC. 7.

This Act may be cited as the "John F. Kennedy Center Act Amendments of 1992".

Mr. FORD. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

THE CALENDAR

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed en bloc to the immediate consideration of Calendar Nos. 521 and 522; that the committee amendment, where appropriate, be agreed to; that the bills be deemed read three times, passed, and the motion to reconsider the passage of these measures be laid upon the table en bloc; that the title amendment, where appropriate, be agreed to; further, that the consideration of these items appear individually in the RECORD and any statement appear at the appropriate place.

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

ACQUISITION OF CERTAIN LAND BY THE SMITHSONIAN INSTITUTION

The Senate proceeded to consider the bill (S. 1598) to authorize the Board of Regents of the Smithsonian Institution to acquire land for watershed protection at the Smithsonian Environmental Research Center, and for other purposes, which had been reported from the Committee on Rules and Administration, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION. 1. NATIONAL MUSEUM OF NATURAL HISTORY.

(a) IN GENERAL.—Section 2 of the Act entitled "To authorize the Board of Regents of the Smithsonian Institution to plan, design, construct, and equip space in the East Court of the National Museum of Natural History building, and for other purposes", approved October 24, 1990 (20 U.S.C. 50 note), is amended by inserting "and succeeding fiscal years" after "1991".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as of October 24, 1990.

The amendment was agreed to.

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

The title was amended so as to read: "An Act to continue the authorization of appropriations for the East Court of the National Museum of Natural History.".

AMERICAN FOLKLIFE CENTER AUTHORIZATION ACT

The bill (S. 2910) to authorize appropriations for the Folklife Center for fiscal years 1992, 1994, 1995, 1996, and 1997, was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 2910

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 of the American Folklife Preservation Act (20 U.S.C. 2107) is amended—

(1) by striking "1991, and" and inserting "1991,"; and

(2) by inserting ", $1,171,769 for the fiscal year ending September 30, 1993, $1,358,463 for the fiscal year ending September 30, 1994, $1,562,322 for the fiscal year ending September 30 1995, $1,666,857 for the fiscal year ending September 30, 1996, and $1,834,792 for the fiscal year ending September 30, 1997" after "1992".

RELATING TO CONTINUED SUPPORT FOR THE TAIF AGREEMENT

Mr. FORD. Mr. President, I ask unanimous consent that Senate proceed to immediate consideration of Senate Concurrent Resolution 129, a concurrent resolution expressing continuing support for the Taif agreement, which brought a negotiated end to the end of civil war in Lebanon, submitted earlier today by the majority leader and Senator DOLE; that the concurrent resolution be agreed to, the motion to reconsider laid upon the table, and the preamble agreed to.

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

So the concurrent resolution (S. Con. Res. 129) was agreed to.

The preamble was agreed to.

The concurrent resolution (S. Con. Res. 129), with its preamble, reads as follows:

S. CON. RES. 129

Whereas Lebanon's sixteen-year civil war finally was ended by the Taif Agreement, brokered by the Arab League on October 22, 1989;

Whereas the Taif Agreement is intended to lead to full restoration of Lebanon's sovereignty, independence, and territorial integrity;

Whereas Syria continues to exert undue influence upon the government of Lebanon and maintains an estimated 40,000 Syrian armed forces in Lebanon;

Whereas truly free and fair elections in Lebanon will not be possible in areas of foreign military control;

Whereas under the Taif Agreement the Syrians must withdraw their armed forces to the gateway of the Bekaa Valley by September 1992; and

Whereas the success of the Taif Agreement depends upon timely Syrian withdrawal: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring)—

(1) expresses continuing support for the Taif Agreement, signed in 1989;

(2) calls upon Syria to withdraw its armed forces to the gateway of the Bekaa Valley in September 1992, as required under the Taif Agreement, and as a prelude to complete withdrawal from Lebanon;

(3) urges immediate consideration of possible alternatives to ensuring security in Beirut following the Syrian withdrawal, including the establishment of a United Nations or other multilateral presence in Beirut, if necessary; and

(4) urges the government of Lebanon to hold elections if they can be free and fair, conducted after the Syrian withdrawal and without outside interference, and witnessed by international observers.

Mr. MITCHELL. Mr. President, this resolution about Lebanon is offered in conjunction with the distinguished Republican leader.

Senator DOLE and I consistently have worked together to express bipartisan concern about the situation in that troubled land.

With this resolution, we hope to draw attention to the critical choices that Lebanon faces in the coming months—and to send an unequivocal signal to Syria that we are watching its actions in Lebanon.

Lebanon has not been in the headlines lately.

After the Taif agreement was signed in 1989, Lebanon slowly began to return to normalcy.

The agreement, brokered by the Arab League, was not perfect. It was a stepping stone on the path toward restoring Lebanon's political independence and territorial integrity. These remain distant goals at the present time.

But for all who hoped Taif would bring us closer to these goals, a moment of truth is fast approaching.

Peace has largely returned to Beirut. For this we are grateful.

But that peace has had a dear price.

Some 40,000 Syrian troops remain in the Beirut area and throughout Lebanon.

The Taif agreement requires Syria to withdraw these troops to the gateway of the Bekaa Valley in September of this year.

The world is watching to see whether Syria will abide by this agreement, or whether Hafez al-Assad will create a pretext for maintaining Syria's hold on Beirut.

The new Lebanese Government recently issued a policy statement stating plans for elections this summer for a new Parliament. There are fears that such a Parliament, elected under the influence of 40,000 Syrian troops, might invite Syrian troops to stay on.

This is a source of great concern.

I question whether free and fair elections can be held while Syria occupies the country and controls the capital. This resolution underscores that elections should be held only if they are free and fair, conducted after the Syrian withdrawal.

Lebanon cannot regain its independence if it relies upon a neighbor with hegemonic designs to provide security within the country.

If the Lebanese Government seeks outside support to help maintain internal peace, it should turn to a neutral, multinational body. The Arab League, sponsor of the Taif agreement, is such an organization and has a special obligation to ensure Lebanon's success.

But in the meantime, Lebanon should be striving to undertake the responsibilities of a sovereign government—not postponing the assumption of these tasks.

I believe the United States should be more active in helping Lebanon regain its sovereignty.

This is why I have supported an American Military Education and Training [IMET] Program with the Lebanese Army.

A U.S. IMET program can help the Lebanese Army assume its internal security responsibilities.

It can increase Lebanese confidence in maintaining security after the Syrians depart.

The IMET program also can help tie the Lebanese military to the United States—rather than to Syria.

Unfortunately, because of minority opposition to this IMET program, this small and symbolic step of American support for an independent Lebanese military has not been taken.

I regret this. I urge the administration to act to restore the IMET program for Lebanon.

If the Bush administration is serious about its expressed support for Lebanon's independence, it should adopt policies to help Lebanon regain its freedom.

But American actions alone cannot restore Lebanese independence.

The Taif agreement must be successfully implemented as a step toward the goal of securing the complete withdrawal of all foreign forces from Lebanese territory.

That is the reason why we are offering this resolution.

It expresses support for the Taif agreement as originally signed, and it specifically calls upon Syria to withdraw its troops to the Bekaa in September.

It also urges consideration of multilateral efforts to help the Lebanese Government ensure security in Beirut following the Syrian withdrawal.

The resolution calls upon the Lebanese Government to hold elections if they can be "free and fair, conducted after the Syrian withdrawal and without outside interference, and witnessed by international observers."

Free and fair elections cannot occur under Syrian occupation, for "free and fair" means that voters and the balloting process are not coerced or manipulated.

There is widespread concern that Syria will find means to circumvent the Taif agreement and maintain its hold on Lebanon.

This resolution is intended to make clear to Hafez al-Assad that the Congress is watching and expects Syria to uphold its commitments.

It is important that the Taif process be kept on track and that Lebanon proceeds toward regaining its full independence and territorial integrity.

I am confident that my colleagues in this body share the sentiments expressed in this resolution. I hope they will overwhelmingly support the measure and send a strong signal of support for restoring Lebanon.

Mr. DOLE. Mr. President, I am pleased to join with the distinguished majority leader in offering this important and timely resolution.

In recent years, the nations and peoples of the Middle East have experienced countless tragedies. But no innocent nation, save perhaps Kuwait, has been more devastated than Lebanon; and no people have suffered more grievously than the Lebanese people.

Lebanon was once a stable, democratic, and prosperous nation. Today, it is barely a nation at all. Foreign forces and militias, under various mandates and guises, occupy large portions of the country. In the view of some, the Lebanese Government itself serves at the sufferance of outside powers. While Beirut's streets, for the moment at least, are no longer "free fire zones," the truce which prevails is fragile, indeed. And the once vibrant economy lies in ruins.

We are all hopeful that the Middle East peace process will succeed in bringing an enduring, stable peace between Israel and the Arab states. We are all hopeful that Middle East peace process will usher in the day when the legitimate rights of all the peoples of the region are observed.

But somehow, Lebanon seems left out of that peace process, except in some peripheral ways. Even if those broader goals of the peace process are achieved, what will become of Lebanon?

I hope the Senate is determined, as I am and the majority leader is, to see that Lebanon—its sovereignty and its people—is not forgotten, or sacrificed to the achievement of other goals.

We offer this resolution now because Lebanon is entering a critical stage in its effort to regain its sovereignty and stability. Under the TAIF accords, Syrian forces stationed in Lebanon are required to withdraw to the Bekka Valley by September, as a prelude to their complete withdrawal from Lebanon. These withdrawals must occur if Lebanon is to regain its sovereignty.

Candidly, there are reports and rumors that Syria may be contemplating abrogating its commitment to these withdrawals, perhaps under the guise of a request coerced out of the Lebanese Government that the forces re-

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main. This resolution makes clear that the Senate will just not buy such a phony deal. The resolution insists that Syria stick to the withdrawal timetable under TAIF. The resolution further insists that any elections held in Lebanon be held only after the Syrian withdrawal, so that they can more credibly reflect the free expression of will of the Lebanese people.

Mr. President, these are not unreasonable matters for us to insist on. They simply mean that Syria will abide by the rules of the game under which the Arab League endorsed, and much of the rest of the world acquiesced in, the temporary presence of Syrian troops in Lebanon.

Lebanon is a long way from getting back its real sovereignty, and seeing a restoration of real peace and stability. But it can continue to move in that direction, if the requirements of the TAIF agreement are met by all parties.

We must send the message loud and clear that we expect the Syrians, and all the other involved parties, to stick by their commitments and abide by the TAIF agreement. We can send that message by adopting this concurrent resolution today.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. McCathran, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ANNUAL REPORT OF THE FEDERAL LABOR RELATIONS AUTHORITY—MESSAGE FROM THE PRESIDENT—PM–257

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

In accordance with section 701 of the Civil Service Reform Act of 1978 (Public Law 95–454; 5 U.S.C. 7104(e)), I have the pleasure of transmitting to you the Thirteenth Annual Report of the Federal Labor Relations Authority for Fiscal Year 1991.

GEORGE BUSH.

THE WHITE HOUSE, *July 1, 1992.*

MESSAGES FROM THE HOUSE

At 12:12 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 2905. An act to provide a 4-month extension of the transition rule for separate capitalization of savings associations' subsidiaries.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

S. 2905. An act to provide a 4-month extension of the transition rule for separate capitalization of savings associations' subsidiaries.

The enrolled bill was subsequently signed by the President pro tempore [Mr. BYRD].

At 3:55 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 amendment of the Senate to the amendment of the House to the bill (S. 1254) to increase the authorized acreage limit for the Assateague Island National Seashore on the Maryland mainland, and for other purposes.

The message also announced that the House has passed the following bills, each without amendment:

S. 2780. An act to amend the Food Security Act of 1985 to remove certain easement requirements under the conservation reserve program, and for other purposes; and

S. 2901. An act to direct the Secretary of Health and Human Services to extend the waiver granted to the Tennessee Primary Care Network of the enrollment mix requirement under the medicaid program.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1306) to amend title V of the Public Health Service Act to revise and extend certain programs, to restructure the Alcohol, Drug Abuse and Mental Health Administration, and for other purposes.

The message also announced that the House has passed the following bills and joint resolution, in which it requests the concurrence of the Senate:

H.R. 3082. An act to amend the Alzheimer's Disease and Related Dementias Services Research Act of 1986 to reauthorize the Act, and for other purposes;

H.R. 3247. An act to establish a National Undersea Research Program within the National Oceanic and Atmospheric Administration;

H.R. 3673. An act to authorize a research program through the National Science Foundation on the treatment of contaminated water through membrane processes;

H.R. 4773. An act to provide for reporting of pregnancy success rates of assisted reproductive technology programs and for the certification of embryo laboratories;

H.R. 5095. An act to authorize appropriations for fiscal year 1993 for intelligence and intelligence-related activities of the United States Government and the Central Intelligence Agency Retirement and Disability System, to revise and restate the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, and for other purposes;

H.R. 5343. An act to make technical amendments to the Fair Packaging and Labeling Act with respect to its treatment of the SI metric system, and for other purposes;

H.R. 5344. An act to authorize the National Science Foundation to foster and support the development and use of certain computer networks;

H.R. 5429. An act to establish the Social Security Administration as an independent agency, which shall be headed by a Social Security Board, and which shall be responsible for the administration of the old-age, survivors, and disability insurance program under title II of the Social Security Act and the supplemental security income program under title XVI of such Act; and

H.J. Res. 306. Joint resolution to designate the Port Chicago Naval Magazine as a National Memorial.

The message further announced that pursuant to the provisions of section 3 of Public Law 93–304, as amended by section 1 of Public Law 99–7, the Speaker appoints as members of the Commission on Security and Cooperation in Europe the following Members on the part of the House: Mr. FASCELL, Mr. JENKINS, Mr. HERTEL, Mr. FEIGHAN, Mr. TANNER, Mr. FALEOMAVAEGA, Mr. BROOMFIELD, Mr. BEREUTER, and Mr. COLEMAN of Missouri.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

At 9:56 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bills and joint resolution:

S. 1254. An act to increase the authorized acreage limit for the Assateague Island National Seashore on the Maryland mainland, and for other purposes;

S. 1306. An act to amend the Public Health Service Act to restructure the Alcohol, Drug Abuse, and Mental Health Administration and the authorities of such Administration, including establishing separate block grants to enhance the delivery of services regarding substance abuse and mental health, and for other purposes;

S. 2901. An act to direct the Secretary of Health and Human Services to extend the waiver granted to the Tennessee Primary Care Network of the enrollment mix requirement under the medicaid program; and

H.J. Res. 499. Joint resolution designating July 2, 1992, as "National Literacy Day."

MEASURES REFERRED

The following bills and joint resolution were read the first and second times by unanimous consent, and referred as indicated:

H.R. 3082. An act to amend the Alzheimer's Disease and Related Dementias Services Research Act of 1986 to reauthorize the Act, and for other purposes; to the Committee on Labor and Human Resources.

H.R. 3247. An act to establish a National Undersea Research Program within the National Oceanic and Atmospheric Administra-

tion; to the Committee on Commerce, Science, and Transportation.

H.R. 3673. An act to authorize a research program through the National Science Foundation on the treatment of contaminated water through membrane processes; to the Committee on Environment and Public Works.

H.R. 4773. An act to provide for reporting of pregnancy success rates of assisted reproductive technology programs and for the certification of embryo laboratories; to the Committee on Labor and Human Resources.

H.R. 5095. An act to authorize appropriations for fiscal year 1993 for intelligence and intelligence-related activities of the United States Government and the Central Intelligence Agency Retirement and Disability System, to revise and restate the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, and for other purposes; to the Select Committee on Intelligence.

H.J. Res. 306. Joint resolution to designate the Port Chicago Naval Magazine as a National Memorial; to the Committee on Energy and Natural Resources.

MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 5429. An act to establish the Social Security Administration as an independent agency, which shall be headed by a Social Security Board, and which shall be responsible for the administration of the old-age, survivors, and disability insurance program under title II of the Social Security Act and the supplemental security income program under title XVI of such Act.

ENROLLED JOINT RESOLUTION SIGNED

The PRESIDENT pro tempore [Mr. BYRD] announced that on today, July 1, 1992, he had signed the following enrolled joint resolution which had previously been signed by the Speaker of the House:

H.J. Res. 459. Joint resolution designating the week beginning July 26, 1992 as "Lyme Disease Awareness Week."

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, July 1, 1992, he had presented to the President of the United States the following enrolled bill:

S. 2905. An act to provide a 4-month extension of the transition rule for separate capitalization of savings associations' subsidiaries.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. INOUYE, from the Select Committee on Indian Affairs, with an amendment in the nature of a substitute:

S. 2681. A bill relating to Native Hawaiian Health Care, and for other purposes (Rept. No. 102-309).

By Mr. GLENN, from the Committee on Governmental Affairs:

Special Report entitled "Second Interim Report on U.S. Government Efforts to Combat Fraud and Abuse in the Insurance Industry: Problems With the Regulation of the Insurance and Reinsurance Industry" (Rept. No. 102-310).

By Mr. NUNN, from the Committee on Armed Services, without amendment:

H.R. 5412. A bill to authorize the transfer of certain naval vessels to Greece and Taiwan.

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 2851. A bill to provide for the management of Pacific yew on public lands, and on national forest lands reserved or withdrawn from the public domain, to ensure a steady supply of taxol for the treatment of cancer and to ensure the long-term conservation of the Pacific yew, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources:

Shirley Gray Adamovich, of New Hampshire, to be a Member of the National Commission on Libraries and Information Science for a term expiring July 19, 1996;

Hugh Hardy, of New York, to be a Member of the National Council on the Arts for a term expiring September 3, 1996;

Paul A. Cantor, of Virginia, to be a Member of the National Council on the Humanities for a term expiring January 26, 1998;

Joseph H. Hagan, of Massachusetts, to be a Member of the National Council on the Humanities for a term expiring January 26, 1998;

Theodore S. Hamerow, of Wisconsin, to be a Member of the National Council on the Humanities for a term expiring January 26, 1998;

Alicia Juarrero, of Maryland, to be a Member of the National Council on the Humanities for a term expiring January 26, 1998;

Alan Charles Kors, of Pennsylvania, to be a Member of the National Council on the Humanities for a term expiring January 26, 1998;

Condoleezza Rice, of California, to be a Member of the National Council on the Humanities for a term expiring January 26, 1998;

John R. Searle, of California, to be a Member of the National Council on the Humanities for a term expiring January 26, 1998;

Bruce Cole, of Indiana, to be a Member of the National Council on the Humanities for a term expiring January 26, 1998;

Bruno Victor Manno, of Ohio, to be Assistant Secretary of Education for Policy and Planning;

William Dean Hansen, of Idaho, to be Chief Financial Officer, Department of Education;

Emerson J. Elliott, of Virginia, to be Commissioner of Education Statistics for a term expiring June 20, 1995;

Richard Neil Zare, of California, to be a Member of the National Science Board, National Science Foundation, for the remainder of the term expiring May 10, 1992;

F. Albert Cotton, of Texas, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 1998;

Charles Edward Hess, of California, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 1998;

John Hopcroft, of New York, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 1998;

James L. Powell, of Pennsylvania, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 1998;

Frank H.T. Rhodes, of New York, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 1998;

Richard Neil Zare, of California, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 1998;

Wade F. Horn, of Maryland, to be Deputy Director for Demand Reduction, Office of National Drug Control Policy;

Joyce A. Doyle, of New York, to be a Member of the Federal Mine Safety and Health Review Commission for a term of six years expiring August 30, 1998;

Max M. Kampelman, of the District of Columbia, to be a Member of the Board of Directors of the United States Institute of Peace for a term expiring January 19, 1995; and

Christopher H. Phillips, of the District of Columbia, to be a Member of the Board of Directors of the United States Institute of Peace for the remainder of the term expiring January 19, 1993.

(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.)

Mr. KENNEDY. Mr. President, for the Committee on Labor and Human Resources, I also report favorably three nomination lists in the Public Health Service, which were printed in full in the CONGRESSIONAL RECORDS of March 10 and 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 PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. NUNN, from the Committee on Armed Services:

I. Lewis Libby, Jr., of the District of Columbia, to be Deputy Under Secretary of Defense for Policy;

David Spears Addington, of Virginia, to be General Counsel for the Department of Defense;

Carol Johnson Johns, of Maryland, to be a Member of the Board of Regents of the Uniformed Services University of the Health Sciences for a term expiring June 20, 1997; and

Robert S. Silverman, of Maryland, to be an Assistant Secretary of the Army.

(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.)

Mr. NUNN. Mr. President, from the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Execu-

tive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again.

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

*Lieutenant General Henry C. Stackpole III, USMC for reappointment as lieutenant general (Reference No. 1095)

*Major General Norman E. Ehlert, USMC to be lieutenant general (Reference No. 1096)

*Vice Admiral Stanley R. Arthur, USN to be Vice Chief of Naval Operations and to be admiral (Reference No. 1097)

*Vice Admiral Henry H. Mauz, Jr., USN to be admiral (Reference No. 1098)

*Rear Admiral Edward M. Straw, USN to be vice admiral (Reference No. 1101)

*Rear Admiral Timothy W. Wright, USN to vice admiral (Reference No. 1102)

*Lieutenant General Robert J. Winglass, USMC to be placed on the retired list in the grade of lieutenant general (Reference No. 1116)

*Vice Admiral William A. Owens, USN for reappointment to the grade of vice admiral (Reference No. 1118)

*Rear Admiral (Selectee) Thomas J. Lopez, USN to be vice admiral (Reference No. 1119)

*Vice Admiral James G. Reynolds, USN to be placed on the retired list in the grade of vice admiral (Reference No. 1147)

*Rear Admiral (Lower Half) Norman W. Ray, USN to be vice admiral (Reference No. 1149)

**In the Marine Corps there are 45 appointments to the grade of second lieutenant (list begins with Thomas P. Adissi) (Reference No. 1168)

*Admiral Leon A. Edney, USN to be placed on the retired list in the grade of admiral (Reference No. 1190)

*Admiral Paul D. Miller, USN for reappointment to the grade of admiral (Reference No. 1191)

*Admiral Jonathan T. Howe, USN to be placed on the retired list in the grade of admiral (Reference No. 1219)

**In the Marine Corps there are 106 appointments to be grade of colonel (list begins with Richard D. Allen) (Reference No. 851)

**In the Marine Corps there are 157 appointments to the grade of lieutenant colonel (list begins with Bruce A. Albrecht) (Reference No. 997)

**In the Marine Corps there are 332 appointments to the grade of major (list begins with Eduardo Acosta) (Reference No. 1109)

**In the Navy there are 118 promotions to the grade of captain (list begins with Myron David Almond) (Reference No. 1110)

**In the Marine Corps Reserve there are 78 appointments to the grade of colonel (list begins with Robert J. Agro) (Reference No. 1226)

**In the Navy there are 276 promotions to the grade of captain (list begins with Andrew J. Allen) (Reference No. 969)

Total: 1,126.

Mr. NUNN. Mr. President, from the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again.

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

**In the Army Reserve there are 47 promotions to the grade of colonel and below (list begins with Thurman C. Atkinson, Jr.) (Reference No. 834)

**In the Army Reserve there are 1,372 promotions to the grade of lieutenant colonel (list begins with Hector L. Acevedo) (Reference No. 845)

**In the Army there are 983 appointments to the grade of lieutenant colonel and below (list begins with Brian W. Adams) (Reference No. 968)

*In the Air Force there are 33 appointments to the grade of brigadier general (list begins with Kurt B. Anderson) (Reference No. 993)

*Major General William W. Crouch, USA, to be lieutenant general (Reference No. 1037)

*Major General Jerry R. Rutherford, USA, to be lieutenant general (Reference No. 1038)

*Major General Walter Kross, USAF to be lieutenant general (Reference No. 1093)

**In the Air Force Reserve there are 26 promotions to the grade of lieutenant colonel (list begins with Milton E. Ames, Jr.) (Reference No. 1150)

**In the Air Force Reserve there are 35 promotions to the grade of lieutenant colonel (list begins with Ronald E. Baker) (Reference No. 1151)

*Lieutenant General David M. Maddox, USA to be general (Reference No. 1155)

*General Crosbie E. Saint, USA to be placed on the retired list in the grade of general (Reference No. 1165)

**In the Army there are 6 promotions to the grade of colonel and below (list begins with Mary T. Deardorff) (Reference No. 1166)

**In the Army Reserve there are 24 promotions to the grade of colonel and below (list begins with Robert C. Hughes Jr.) (Reference No. 1167)

**In the Air Force Reserve there are 65 promotions to the grade of lieutenant colonel (list begins with Abraham A. Engelberg) (Reference No. 1169)

*Major General Samuel E. Ebbesen, USA to be lieutenant general (Reference No. 1174)

**In the Air Force and Air Force Reserve there are 26 appointments to the grade of colonel and below (list begins with Merritt G. Davis, Jr.) (Reference No. 1192)

**In the Air Force there is 1 appointment to the grade of colonel (astronaut Brian Duffy) (Reference No. 1193)

**In the Air Force there are 7 appointments to the grade of second lieutenant (list begins with Shirley A. Eubanks) (Reference No. 1194)

**In the Air Force there are 28 appointments to the grade of second lieutenant (list begins with Ray C. Adams, Jr.) (Reference No. 1195)

*Lieutenant General William S. Carpenter, Jr., USA to be placed on the retired list in the grade of lieutenant general (Reference No. 1206)

*Lieutenant General John J. Yeosock, USA to be placed on the retired list in the grade of lieutenant general (Reference No. 1207)

*Major General James R. Ellis, USA to be lieutenant general (Reference No. 1208)

**In the Army there is 1 promotion to the grade of colonel (Gary V. Casida) (Reference No. 1211)

**In the Air Force Reserve there are 49 promotions to the grade of colonel (list begins with Lyle E. Allen) (Reference No. 1223)

**In the Army Reserve there are 45 promotions to the grade of colonel and below (list begins with James T. Carper) (Reference No. 1224)

**In the Air Force Reserve there are 54 promotions to the grade of lieutenant colonel (list begins with Terry N. Allen) (Reference No. 1225)

**In the Army there are 6 promotions to the grade of lieutenant colonel and below (list begins with Francisco B. Iriarte (Reference No. 1105)

Total: 2,817.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of January 22, January 24, March 10, March 18, March 24, April 28, May 13, May 19, June 2, June 4, and June 11, 1992.)

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. GRAHAM (for himself, Mr. MACK, Mr. LIEBERMAN, Mr. LAUTENBERG, Mr. MCCAIN, Mr. KASTEN, Mr. DOLE, Mr. DECONCINI, Mr. D'AMATO, Mr. GLENN, Mr. FOWLER, Mr. SMITH, Mr. SYMMS, Mr. BRYAN, Mr. SHELBY, Mr. ROBB, Mr. COATS, Mr. REID, Mr. COCHRAN, Mr. SEYMOUR, Mr. GRAMM, Mr. JOHNSTON, Mr. HEFLIN, Mr. HATCH, Mr. PACKWOOD, Mr. GRASSLEY, Mr. CONRAD, Mr. SPECTER, Mr. BROWN, Mr. BREAUX, Mr. DASCHLE, Mr. CRAIG, Mr. PRESSLER, Mr. BURNS, Mr. NICKLES, Mr. LOTT, and Mr. GORTON):

S. 2918. A bill to promote a peaceful transition to democracy in Cuba through the application of appropriate pressures on the Cuban Government and support for the Cuban people; to the Committee on Foreign Relations.

By Mr. SPECTER:

S. 2919. A bill to amend the Solid Waste Disposal Act and the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to make improvements in capacity planning processes, and for other purposes; to the Committee on Environment and Public Works.

S. 2920. A bill to amend the Internal Revenue Code of 1986 to provide incentives for investments in disadvantaged and women-owned business enterprises; to the Committee on Finance.

By Mr. FOWLER (for himself, Mr. GORE, Mr. WIRTH, Mr. DODD, and Mr. CRANSTON):

S. 2921. A bill to reform the administrative decisionmaking and appeals processes of the Forest Service, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. COHEN (for himself, Mr. BIDEN, Mr. MCCAIN, Mr. RUDMAN, and Mr. REID):

S. 2922. A bill to assist the States in the enactment of legislation to address the criminal act of stalking other persons; to the Committee on the Judiciary.

By Mr. BENTSEN:

S. 2923. A bill to extend until January 1, 1995, the existing suspension of duty on furniture of unspun fibrous vegetable materials; to the Committee on Finance.

S. 2924. A bill to extend until January 1, 1995, the existing suspension of duty on certain wicker products; to the Committee on Finance.

S. 2925. A bill to grant temporary duty-free treatment to fuel grade tertiary butyl alcohol; to the Committee on Finance.

S. 2926. A bill to suspend until January 1, 1995, the duty on 2-Phosphonobutane-1,2,4-tricarboxylic acid and sodium salts; to the Committee on Finance.

S. 2927. A bill to provide for the reliquidation of certain entries; to the Committee on Finance.

By Mr. PRYOR:

S. 2928. A bill to establish an Office of Contractor Licensing within the Department of the Treasury to license and review Federal procurement services, and for other purposes; to the Committee on Governmental Affairs.

By Mr. ROBB:

S. 2929. A bill to authorize the National Park Service to provide funding to assist in the restoration, reconstruction, rehabilitation, preservation, and maintenance of the historic buildings known as "Poplar Forest" in Bedford County, Virginia, designed, built, and lived in by Thomas Jefferson, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BUMPERS:

S. 2930. A bill to prohibit the expenditure of funds for certain National Aeronautics and Space Administration programs; to the Committee on Appropriations.

S. 2931. A bill to prohibit the expenditure of funds for certain Department of Energy programs; to the Committee on Appropriations.

S. 2932. A bill to prohibit the expenditure of funds for certain Department of Defense programs; to the Committee on Appropriations.

S. 2933. A bill to prohibit the expenditure of funds for certain Department of Defense programs; to the Committee on Armed Services.

S. 2934. A bill to prohibit the expenditure of funds for certain Intelligence programs; to the Select Committee on Intelligence.

By Mr. BOND (for himself, Mr. BENTSEN, Mr. STEVENS, and Mr. LUGAR):

S. 2935. A bill to provide surveillance, research, and services aimed at prevention of birth defects, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. BINGAMAN (for himself and Mr. RIEGLE):

S. 2936. A bill to amend the Competitiveness Policy Council Act to provide for reauthorization, to rename the Council, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. GORE (for himself, Mr. ROCKEFELLER, Mr. KERRY, Mr. PRESSLER, Mr. RIEGLE, Mr. ROBB, Mr. LIEBERMAN, Mr. KERREY, and Mr. BURNS):

S. 2937. A bill to expand Federal efforts to develop technologies for applications of high-performance computing and high-speed networking, to provide for a coordinated Federal program to accelerate development and deployment of an advanced information infrastructure, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MITCHELL (for himself and Mr. DOLE):

S. 2938. A bill to authorize the Architect of the Capitol to acquire certain property; considered and passed.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. FORD (for Mr. MITCHELL (for himself and Mr. DOLE)):

S. Res. 321. A resolution to authorize testimony of Senate employees; considered and agreed to.

By Mr. GORTON (for Mr. DOLE):

S. Res. 322. A resolution to authorize testimony by employees of the Senate in Senator William S. Cohen, et al. v. Donald Rice, Secretary of the Air Force, et al; considered and agreed to.

By Mr. FORD (for Mr. MITCHELL):

S. Res. 323. A resolution to authorize testimony and representation of Members and employees of the Senate in United States v. Clair E. George; considered and agreed to.

By Mr. INOUYE (for himself, Mr. ADAMS, Mr. AKAKA, Mr. BENTSEN, Mr. BUMPERS, Mr. BURDICK, Mr. BURNS, Mr. COCHRAN, Mr. CRANSTON, Mr. D'AMATO, Mr. DECONCINI, Mr. DOMENICI, Mr. FOWLER, Mr. GARN, Mr. HATCH, Mr. HATFIELD, Mr. KASTEN, Mr. KENNEDY, Mr. LEVIN, Mr. MCCAIN, Mr. METZENBAUM, Mr. MITCHELL, Mr. PELL, Mr. REID, Mr. SASSER, Mr. STEVENS, and Mr. WELLSTONE):

S. Con. Res. 128. A concurrent resolution providing for the printing of the book entitled "Year of the American Indian, 1992: Congressional Recognition and Appreciation" as a Senate document; to the Committee on Rules and Administration.

By Mr. MITCHELL (for himself and Mr. DOLE):

S. Con. Res. 129. A concurrent resolution expressing continued support for the Taif Agreement, which brought a negotiated end to the civil war in Lebanon, and for other purposes; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GRAHAM (for himself, Mr. MACK, Mr. LIEBERMAN, Mr. LAUTENBERG, Mr. MCCAIN, Mr. KASTEN, Mr. DOLE, Mr. DECONCINI, Mr. D'AMATO, Mr. GLENN, Mr. FOWLER, Mr. SMITH, Mr. SYMMS, Mr. BRYAN, Mr. SHELBY, Mr. ROBB, Mr. COATS, Mr. REID, Mr. COCHRAN, Mr. SEYMOUR, Mr. GRAMM, Mr. JOHNSTON, Mr. HEFLIN, Mr. HATCH, Mr. PACKWOOD, Mr. GRASSLEY, Mr. CONRAD, Mr. SPECTER, Mr. BROWN, Mr. BREAUX, Mr. DASCHLE, Mr. CRAIG, Mr. PRESSLER, Mr. BURNS, Mr. NICKLES, Mr. LOTT, and Mr. GORTON):

S. 2918. A bill to promote a peaceful transition to democracy in Cuba through the application of appropriate pressures on the Cuban Government and support for the Cuban people; to the Committee on Foreign Relations.

CUBAN DEMOCRACY ACT

Mr. GRAHAM. Mr. President, today I am introducing a revised version of the Cuban Democracy Act, S. 2197, which I originally submitted to the Senate on February 5, of this year.

Since then, the House Foreign Affairs Committee has marked up companion legislation introduced by Congressman TORRICELLI. The revised version which I am introducing today reflects the changes made by the House Foreign Affairs Committee during markup.

Thirty-eight cosponsors are joining me in support of this revised bill. President Bush supports the bill's key provisions and presidential candidate Bill Clinton has endorsed the legislation.

Mr. President, There are two significant differences between the bill we are introducing today and the original February 5 version.

The bill we are introducing today deletes policy language calling for withholding most-favored-nation status from China until China has made significant progress in reducing assistance to Cuba.

We also grant the President discretion in enforcing sanctions against trading partners providing assistance to Cuba. Sanctions were mandatory in the original bill.

Finally, we make some more minor changes in the way civil penalties would be assessed against those found to be violating the Trading With the Enemy Act.

Mr. President, the bill we are sponsoring today is based upon several fundamental premises.

First, Castro is as weak as he has ever been. This is no time to take steps, even inadvertent ones, that might strengthen his hand. Rather, we continue to hear from dissidents inside Cuba to keep the pressure on, to take all peaceful steps to end the repression and violence once and for all.

Second, we should do all that we can to increase the flow of information to the Cuban people. Expanding mail and telephone service, as called for under our bill, will have a similar impact.

It will increase pressure on Castro, while humanely expanding the means for the tens of thousands families on the island to remain in touch with their loved ones who have fled.

Third, we should call on our allies to support our efforts. By no means do we try to punish countries doing business with Castro. Instead, we simply state that countries conducting subsidized trade with Cuba should expect no help from us. After all, if we wanted to subsidize Cuba, we could more effectively do so directly.

Fourth, our Government's policy towards Cuba seems to be one of letting events run their natural course. I'm not sure what the natural course is in this case. What I do know is this. If we are to achieve a peaceful transition to democracy, we must have in place a coherent and comprehensive policy that will help achieve that goal.

Mr. President, let me briefly review the bill's major points.

This legislation represents the first significant change in the U.S. embargo since it was established in 1963 and altered in 1975.

That year, a provision prohibiting trade with Cuba by foreign subsidiaries

was removed because of strong diplomatic pressures by foreign governments wanting to allow United States subsidiaries operating in their countries to trade with Cuba.

We would reinstate that provision. In 1990, applications by United States firms for sales by their foreign subsidiaries totaled more than $533 million, up from only $169 million. That's an unacceptable loophole, and we must close it.

For the first time, we establish civil penalties for organizations engaging in illegal trade with Cuba. Currently only criminal penalties are provided for, making it unnecessarily difficult to punish violators.

We authorize United States funding for nongovernmental organizations in Cuba. We want to accomplish in Cuba what we achieved in Eastern Europe, the Soviet Union, and Nicaragua. We want to support labor leaders and human rights activists. Some will suggest that United States support will compromise Cuban dissidents.

That's what they argued in the case of Vaclav Havel and Lech Walesa. We should let Cuba's Havels and Walesas decide that for themselves.

We require our government to establish strict limits on remittances to Cuba by United States citizens financing the travel of Cubans to the United States. The Treasury recently placed a $500 ceiling on travel remittances to Cuba. We support that level, but we believe it is important to have this provision in law.

We expand phone service between Cuba and the United States. Existing service is of poor quality, and Cuban American families pay 5 to 10 times the normal rate to place calls through Canada or other countries which do not limit phone service to Cuba.

We also direct the U.S. Postal Service to provide direct mail service to and from Cuba. Although Cuba now opposes direct mail service, our Postal Service has never been encouraged to aggressively try to negotiate an agreement.

Lack of service causes great hardship for divided families. We hope that those in power in Cuba begin to finally acknowledge the interests of the Cuban people, at least in this instance.

Finally, the bill outlines a policy toward a post-Castro government. If that Government is freely and fairly elected, the United States would grant full diplomatic recognition, provide emergency relief during Cuba's transition to a viable economic system, encourage debt rescheduling or cancelation and end the embargo.

These steps will be taken only after the fall of communism. Any shipments of food and medicine in the meantime will be granted only for humanitarian reasons and will benefit only the Cuban people, not the Cuban authorities.

Mr. President, Fidel Castro's days are numbered. His economy is imploding, his leadership evaporating.

Castro has no one to blame but himself. He is reaping the whirlwind of his megalomaniacal revolution. He has brought this sad state of affairs on himself. Unfortunately, the Cuban people are suffering for his mistakes.

The day when we will be dealing with a post-Castro government is fast approaching. We must adopt a policy that hastens that day and prepares for the day after. This bill advances us toward that goal.

Mr. President, I ask unanimous consent that a section-by-section analysis of this bill and a copy 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. 2918

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 "Cuban Democracy Act of 1992".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The government of Fidel Castro has demonstrated consistent disregard for internationally accepted standards of human rights and for democratic values. It restricts the Cuban people's exercise of freedom of speech, press, assembly, and other rights recognized by the Universal Declaration of Human Rights adopted by the General Assembly of the United Nations on December 10, 1948. It has refused to admit into Cuba the representative of the United Nations Human Rights Commission appointed to investigate human rights violations on the island.

(2) The Cuban people have demonstrated their yearning for freedom and their increasing opposition to the Castro government by risking their lives in organizing independent, democratic activities on the island and by undertaking hazardous flights for freedom to the United States and other countries.

(3) The Castro government maintains a military-dominated economy that has decreased the well-being of the Cuban people in order to enable the government to engage in military interventions and subversive activities throughout the world and, especially, in the Western Hemisphere. These have included involvement in narcotics trafficking and support for the FMLN guerrillas in El Salvador.

(4) There is no sign that the Castro regime is prepared to make any significant concessions to democracy or to undertake any form of democratic opening. Efforts to suppress dissent through intimidation, imprisonment, and exile have accelerated since the political changes that have occurred in the former Soviet Union and Eastern Europe.

(5) Events in the former Soviet Union and Eastern Europe have dramatically reduced Cuba's external support and threaten Cuba's food and oil supplies.

(6) The fall of communism in the former Soviet Union and Eastern Europe, the now universal recognition in Latin America and the Caribbean that Cuba provides a failed model of government and development, and the evident inability of Cuba's economy to survive current trends, provide the United States and the international democratic community with an unprecedented opportunity to promote a peaceful transition to democracy in Cuba.

(7) However, Castro's intransigence increases the likelihood that there could be a collapse of the Cuban economy, social upheaval, or widespread suffering. The recently concluded Cuban Communist Party Congress has underscored Castro's unwillingness to respond positively to increasing pressures for reform either from within the party or without.

(8) The United States cooperated with its European and other allies to assist the difficult transitions from Communist regimes in Eastern Europe. Therefore, it is appropriate for those allies to cooperate with United States policy to promote a peaceful transition in Cuba.

SEC. 3. STATEMENT OF POLICY.

It should be the policy of the United States—

(1) to seek a peaceful transition to democracy and a resumption of economic growth in Cuba through the careful application of sanctions directed at the Castro government and support for the Cuban people;

(2) to seek the cooperation of other democratic countries in this policy;

(3) to make clear to other countries that, in determining its relations with them, the United States will take into account their willingness to cooperate in such a policy;

(4) to seek the speedy termination of any remaining military or technical assistance, subsidies, or other forms of assistance to the Government of Cuba from any of the independent states of the former Soviet Union;

(5) to continue vigorously to oppose the human rights violations of the Castro regime;

(6) to maintain sanctions on the Castro regime so long as it continues to refuse to move toward democratization and greater respect for human rights;

(7) to be prepared to reduce the sanctions in carefully calibrated ways in response to positive developments in Cuba;

(8) to encourage free and fair elections to determine Cuba's political future;

(9) to prevent Cuba from evading the United States embargo of that country through a North American Free Trade Agreement;

(10) to request the speedy termination of any military or technical assistance, subsidies, or other forms of assistance to the Government of Cuba from the government of any other country; and

(11) to initiate immediately the development of a comprehensive United States policy toward Cuba in a post-Castro era.

SEC. 4. INTERNATIONAL COOPERATION.

(a) CUBAN TRADING PARTNERS.—The President should encourage the governments of countries that conduct trade with Cuba to restrict their trade and credit relations with Cuba in a manner consistent with the purposes of this Act.

(b) SANCTIONS AGAINST COUNTRIES ASSISTING CUBA.—

(1) SANCTIONS.—The President may apply the following sanctions to any country that provides assistance to Cuba:

(A) The government of such country shall not be eligible for assistance under the Foreign Assistance Act of 1961 or assistance or sales under the Arms Export Control Act.

(B) The United States shall not negotiate for purposes of entering into any agreement with such country to establish free trade areas.

(C) Such country shall not be eligible, under any program, for forgiveness or reduction of debt owed to the United States Government.

(2) DEFINITION OF ASSISTANCE.—For purposes of paragraph (1), "assistance to Cuba"—

(A) means assistance to or for the benefit of the Government of Cuba that is provided by grant, concessional sale, guaranty, or insurance, or by any other means on terms more favorable than that generally available in the applicable market, whether in the form of a loan, lease, credit, or otherwise, and such term includes subsidies for exports to Cuba and favorable tariff treatment of articles that are the growth, product, or manufacture of Cuba; and

(B) does not include—

(i) donations of food to nongovernmental organizations or individuals in Cuba, or

(ii) exports of medicines or medical supplies, instruments, or equipment that would be permitted under section 5(c) of this Act.

(3) APPLICABILITY OF SECTION.—This section, and any sanctions imposed pursuant to this section, shall cease to apply at such time as the President makes and reports to the Congress a determination under section 8(a).

SEC. 5. SUPPORT FOR THE CUBAN PEOPLE.

(a) PROVISIONS OF LAW AFFECTED.—The provisions of this section apply notwithstanding any other provision of law, including section 620(a) of the Foreign Assistance Act of 1961, and notwithstanding the exercise of authorities, before the enactment of this Act, under section 5(b) of the Trading With the Enemy Act, the International Emergency Economic Powers Act, or the Export Administration Act of 1979.

(b) DONATIONS OF FOOD.—Nothing in this or any other Act shall prohibit donations of food to nongovernmental organizations or individuals in Cuba.

(c) EXPORTS OF MEDICINES AND MEDICAL SUPPLIES.—Exports of medicines or medical supplies, instruments, or equipment to Cuba shall not be restricted—

(1) except to the extent authorized by section 5(m) of the Export Administration Act of 1979 or section 203(b)(2) of the International Emergency Economic Powers Act;

(2) except in a case in which there is a reasonable likelihood that the item to be exported will be used for purposes of torture or other human rights abuses;

(3) except in a case in which there is a reasonable likelihood that the item to be exported will be reexported; and

(4) except in a case in which the item to be exported could be used in the production of any biotechnological product.

(d) REQUIREMENTS FOR CERTAIN EXPORTS.—

(1) ONSITE VERIFICATIONS.—(A) Subject to subparagraph (B), an export may be made under subsection (c) only if the President determines that the United States Government is able to verify, by onsite inspections and other appropriate means, that the exported item is to be used for the purposes for which it was intended and only for the use and benefit of the Cuban people.

(B) EXCEPTION.—Subparagraph (A) does not apply to donations to nongovernmental organizations in Cuba of medicines for humanitarian purposes.

(2) LICENSES.—Exports permitted under subsection (c) shall be made pursuant to specific licenses issued by the United States Government.

(e) TELECOMMUNICATIONS SERVICES AND FACILITIES.—

(1) TELECOMMUNICATIONS SERVICES.—Telecommunications services between the United States and Cuba shall be permitted.

(2) TELECOMMUNICATIONS FACILITIES.—Telecommunications facilities are authorized in such quantity and of such quality as may be necessary to provide efficient and adequate telecommunications services between the United States and Cuba.

(3) LICENSING OF PAYMENTS TO CUBA.—(A) The President may provide for the issuance of licenses for the full or partial payment to Cuba of amounts due Cuba as a result of the provision of telecommunications services authorized by this subsection, in a manner that is consistent with the public interest and the purposes of this Act, except that this paragraph shall not require any withdrawal from any account blocked pursuant to regulations issued under section 5(b) of the Trading With the Enemy Act.

(B) If only partial payments are made to Cuba under subparagraph (A), the amounts withheld from Cuba shall be deposited in an account in a banking institution in the United States. Such account shall be blocked in the same manner as any other account containing funds in which Cuba has any interest, pursuant to regulations issued under section 5(b) of the Trading With the Enemy Act.

(4) AUTHORITY OF FEDERAL COMMUNICATIONS COMMISSION.—Nothing in this subsection shall be construed to supersede the authority of the Federal Communications Commission to issue such licenses and authorizations for the provision of services or acquisition of facilities as may be required under the Communications Act of 1934.

(f) DIRECT MAIL DELIVERY TO CUBA.—The United States Postal Service shall take such actions as are necessary to provide direct mail service to and from Cuba, including, in the absence of common carrier service between the 2 countries, the use of charter service providers.

(g) ASSISTANCE TO SUPPORT DEMOCRACY IN CUBA.—The United States Government may provide assistance, through appropriate nongovernmental organizations, for the support of individuals and organizations to promote nonviolent democratic change in Cuba.

SEC. 6. SANCTIONS.

(a) PROHIBITION ON CERTAIN TRANSACTIONS BETWEEN CERTAIN UNITED STATES FIRMS AND CUBA.—

(1) PROHIBITION.—Notwithstanding any other provision of law, no license may be issued for any transaction described in section 515.559 of title 31, Code of Federal Regulations, as in effect on July 1, 1989.

(2) APPLICABILITY TO EXISTING CONTRACTS.—Paragraph (1) shall not affect any contract entered into before the date of the enactment of this Act.

(b) PROHIBITION RELATING TO TAX DEDUCTIONS.—

(1) PROHIBITION.—A domestic concern may not receive a tax deduction for that portion of the otherwise deductible expenses of such domestic concern, or of a foreign subsidiary or affiliate of such domestic concern, which is allocated or apportioned to income derived from Cuba. For purposes of this subsection, income paid through one or more entities shall be treated as derived from Cuba if such income was, without regard to such entities, derived from Cuba.

(2) DEFINITION.—For purposes of this subsection, a "foreign subsidiary or affiliate" of a domestic concern is a partnership, corporation, or other enterprise organized under the laws of a foreign country which is controlled in fact by such domestic concern (as determined under regulations of the President).

(c) PROHIBITIONS ON VESSELS.—

(1) VESSELS ENGAGING IN TRADE.—Beginning on the 61st day after the date of the enactment of this Act, a vessel which enters a port or place in Cuba to engage in the trade of goods or services may not, within 180 days after departure from such port or place in Cuba, load or unload any freight at any place in the United States, except pursuant to a license issued by the Secretary of the Treasury.

(2) VESSELS CARRYING GOODS OR PASSENGERS TO OR FROM CUBA.—Except as specifically authorized by the Secretary of the Treasury, a vessel carrying goods or passengers to or from Cuba or carrying goods in which Cuba or a Cuban national has any interest may not enter a United States port.

(3) INAPPLICABILITY OF SHIP STORES GENERAL LICENSE.—No commodities which may be exported under a general license described in section 771.9 of title 15, Code of Federal Regulations, as in effect on May 1, 1992, may be exported under a general license to any vessel carrying goods or passengers to or from Cuba or carrying goods in which Cuba or a Cuban national has an interest.

(4) DEFINITIONS.—As used in this subsection—

(A) the term "vessel" includes every description of water craft or other contrivance used, or capable of being used, as a means of transportation in water, but does not include aircraft; and

(B) the term "United States" includes the territories and possessions of the United States and the customs waters of the United States (as defined in section 401 of the Tariff Act of 1930 (19 U.S.C. 1401)).

(d) RESTRICTIONS ON REMITTANCES TO CUBA.—The President shall establish strict limits on remittances to Cuba by United States persons for the purpose of financing the travel of Cubans to the United States, in order to ensure that such remittances reflect only the reasonable costs associated with such travel, and are not used by the Government of Cuba as a means of gaining access to United States currency.

(e) CLARIFICATION OF APPLICABILITY OF SANCTIONS.—The prohibitions contained in subsections (a), (b), and (c) shall not apply with respect to any activity otherwise permitted by section 5 or section 7 of this Act or any activity which may not be regulated or prohibited under section 5(b)(4) of the Trading With the Enemy Act (50 U.S.C. App. 5(b)(4)).

SEC. 7. POLICY TOWARD A TRANSITIONAL CUBAN GOVERNMENT.

Food, medicine, and medical supplies for humanitarian purposes should be made available for Cuba under the Foreign Assistance Act of 1961 and the Agricultural Trade Development and Assistance Act of 1954 if the President determines and certifies to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate that the government in power in Cuba—

(1) has made a public commitment to hold free and fair elections for a new government within 6 months and is proceeding to implement that decision;

(2) has made a public commitment to respect, and is respecting, internationally recognized human rights and basic democratic freedoms; and

(3) is not providing weapons or funds to any group, in any other country, that seeks the violent overthrow of the government of that country.

SEC. 8. POLICY TOWARD A DEMOCRATIC CUBAN GOVERNMENT.

(a) WAIVER OF RESTRICTIONS.—The President may waive the requirements of section 6 if the President determines and reports to the Congress that the Government of Cuba—

(1) has held free and fair elections conducted under internationally recognized observers;

(2) has permitted opposition parties ample time to organize and campaign for such elec-

tions, and has permitted full access to the media to all candidates in the elections;

(3) is showing respect for the basic civil liberties and human rights of the citizens of Cuba;

(4) is moving toward establishing a free market economic system; and

(5) has committed itself to constitutional change that would ensure regular free and fair elections that meet the requirements of paragraph (2).

(b) POLICIES.—If the President makes a determination under subsection (a), the President shall take the following actions with respect to a Cuban Government elected pursuant to elections described in subsection (a):

(1) To encourage the admission or reentry of such government to international organizations and international financial institutions.

(2) To provide emergency relief during Cuba's transition to a viable economic system.

(3) To take steps to end the United States trade embargo of Cuba.

(4) To enter into negotiations for a framework agreement providing for trade with Cuba.

SEC. 9. EXISTING CLAIMS NOT AFFECTED.

Except as provided in section 5(a), nothing in this Act affects the provisions of section 620(a)(2) of the Foreign Assistance Act of 1961.

SEC. 10. ENFORCEMENT.

(a) ENFORCEMENT AUTHORITY.—The authority to enforce this Act shall be carried out by the Secretary of the Treasury. The Secretary of the Treasury shall exercise the authorities of the Trading With the Enemy Act in enforcing this Act. In carrying out this subsection, the Secretary of the Treasury shall take the necessary steps to ensure that activities permitted under section 5 are carried out for the purposes set forth in this Act and not for purposes of the accumulation by the Cuban Government of excessive amounts of United States currency or the accumulation of excessive profits by any person or entity.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of the Treasury such sums as may be necessary to carry out this Act.

(c) PENALTIES UNDER THE TRADING WITH THE ENEMY ACT.—Section 16 of the Trading With the Enemy Act (50 U.S.C. App. 16) is amended—

(1) by inserting "(a)" before "That whoever"; and

(2) by adding at the end the following:

"(b)(1) The Secretary of the Treasury may impose a civil penalty of not more than $50,000 on any person who violates any license, order, rule, or regulation issued under this Act.

"(2) Any property, funds, securities, papers, or other articles or documents, or any vessel, together with its tackle, apparel, furniture, and equipment, that is the subject of a violation under paragraph (1) shall, at the discretion of the Secretary of the Treasury, be forfeited to the United States Government.

"(3) The penalties provided under this subsection may not be imposed for—

"(A) news gathering, research, or the export or import of, or transmission of, information or informational materials; or

"(B) clearly defined educational or religious activities, or activities of recognized human rights organizations, that are reasonably limited in frequency, duration, and number of participants.

"(4) The penalties provided under this subsection may be imposed only on the record after opportunity for an agency hearing in accordance with sections 554 through 557 of title 5, United States Code, with the right to prehearing discovery.

"(5) Judicial review of any penalty imposed under this subsection may be had to the extent provided in section 702 of title 5, United States Code.".

(d) APPLICABILITY OF PENALTIES.—The penalties set forth in section 16 of the Trading With the Enemy Act shall apply to violations of this Act to the same extent as such penalties apply to violations under that Act.

(e) OFFICE OF FOREIGN ASSETS CONTROL.—The Department of the Treasury shall establish and maintain a branch of the Office of Foreign Assets Control in Miami, Florida, in order to strengthen the enforcement of this Act.

SEC. 11. DEFINITION.

As used in this Act, the term "United States person" means any United States citizen or alien admitted for permanent residence in the United States, and any corporation, partnership, or other organization organized under the laws of the United States.

SEC. 12. EFFECTIVE DATE.

This Act shall take effect on the date of the enactment of this Act.

SECTION-BY-SECTION SUMMARY OF THE CUBAN DEMOCRACY ACT OF 1992

SECTION 1. SHORT TITLE

Section 1 provides that the Act may be cited as the "Cuban Democracy Act of 1992".

SECTION 2. FINDINGS

Section 2 provides findings with respect to Cuba.

SECTION 3. STATEMENT OF POLICY

Section 3 provides a statement of policy with respect to Cuba.

SECTION 4. INTERNATIONAL COOPERATION

(a) Major Cuban Trading Partners

Section 4(a) provides that the President may direct the United States Trade Representative to enter into negotiations with countries that conduct trade with Cuba for the purpose of securing their agreement to restrict their trade and credit relations in a manner consistent with U.S. policy and with this Act.

(b) Sanctions Against Countries Assisting Cuba

Section 4(b) states that countries that provide assistance to Cuba may be ineligible for U.S. assistance, for free trade agreements with the United States, for benefits under the Enterprise for the Americas Initiative, and for any form of forgiveness of the U.S. government debt, unless the President makes a determination under section 8.

SECTION 5. SUPPORT FOR THE CUBAN PEOPLE

(a) Provisions of Law Affected

Section 5(a) is a technical provision.

(b) Donations of Food

Section 5(b) provides that nothing in this or any other Act shall prohibit donations of food to Cuba through international organizaions.

(c) Export of Medicines

Section 5(c) permits the export to Cuba of medicines for humanitarian purposes and only for the use and benefit of the Cuban people.

(d) Telecommunications Services and Facilities

Section 5(e):

Permits the establishment of telecommunications services between the United States and Cuba.

Authorizes such telecommunications facilities as may be necessary to provide such services.

Directs the President to permit appropriate payments to Cuba of amounts due it for the provision of such services.

Directs that any portion of such payments that is withheld from Cuba shall be deposited in blocked accounts.

Provides that this section does not supersede the authority of the FCC under the Communications Act of 1934.

(e) Direct Mail Delivery to Cuba

section 5(f) directs the U.S. Postal Service to provide direct mail service to and from Cuba.

(f) Assistance To Support Democracy in Cuba

section 5(g) authorizes the President to provide assistance to individuals and organizations to promote nonviolent democratic change in Cuba, through appropriate nongovernmental organizations.

SECTION 6. SECTIONS

(a) Prohibitions of Certain Transactions

Section 6(a) prohibits exports to Cuba by foreign subsidiaries of United States firms, except that existing contracts may be fulfilled.

(b) Prohibitions Relating to Tax Deductions

Section 6(b) prohibits a domestic concern from receiving a tax deduction for that portion of otherwise deductible expenses which is allocated or apportioned to income derived from Cuba.

(c) Prohibitions on Vessels That Enter Cuban Ports

Section 6(c) provides that a vessel that enters a port in Cuba to engage in trade may not within the ensuing 180 days engage in trade in a United States port.

(d) Restrictions on Remittances to Cuba

Section 6(d) directs the President to establish strict limits on remittances to Cuba for the purpose of financing the travel of Cubans to the United States.

SECTION 7. POLICY TOWARD A TRANSITIONAL CUBAN GOVERNMENT

Section 7 provides that food, medicine, and medical supplies for humanitarian purposes may be made available to Cuba if the President determines that the government in power in Cuba has made and is implementing a public commitment to hold free and fair elections within six months and to respect human rights and democratic freedoms, and is no longer supporting the violent overthrow of other governments.

SECTION 8. POLICY TOWARD A DEMOCRATIC CUBAN GOVERNMENT

(a) Waiver of Restrictions

Section 8(a) provides that the President may waive the requirements of section 6 if he determines that Cuba has a democratic government.

Section 8(b) provides that if the President makes a determination under subsection (a), the following shall be U.S. policy with respect to Cuba: to grant full diplomatic recognition, to provide emergency relief, to encourage debt relief, to end the trade embargo, and to enter trade negotiations for free trade agreement.

SECTION 9. EXISTING CLAIMS NOT AFFECTED

Section 9 states that nothing in this Act affects the provisions of section 620(a)(2) of the Foreign Assistance Act of 1961.

SECTION 10. ENFORCEMENT

(a) Enforcement Authority

Section 10(a) provides that the authority to enforce this Act shall be carried out by the Secretary of the Treasury, and directs the Secretary to ensure that activities per-

mitted under the Act are carried out for the purposes set forth in this Act and not for purposes of accumulation by the Cuban government of excessive amounts of U.S. currency or the accumulation of excessive profits by any person or entity.

(b) Authorization of Appropriations

Section 10(b) authorizes the appropriation of such sums as may be necessary to carry out this Act.

(c) Penalties Under the Trading With the Enemy Act

Section 10(c) amends section 16 of the Trading With the Enemy Act to provide civil penalties of up to $50,000 for violations of the Act.

(d) Applicability of Penalties

Section 10(d) provides that the penalties of section 16 of the Trading With the Enemy Act shall apply to violations of this Act.

(e) Office of Foreign Assets Control

Section 10(e) directs the Department of the Treasury to establish a branch of the Office of Foreign Assets Control in Miami in order to strengthen enforcement of this Act.

SECTION 11. DEFINITIONS

Section 11 provides definitions.

SECTION 12. EFFECTIVE DATE

Section 12 provides that this Act shall become effective upon enactment.●

By Mr. SPECTER:

S. 2919. A bill to amend the Solid Waste Disposal Act and the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to make improvements in capacity planning processes, and for other purposes; to the Committee on Environmental and Public Works.

HAZARDOUS WASTE FACILITIES SITING ACT

Mr. SPECTER. Mr. President, today I am introducing legislation to help us address the complex problem of siting hazardous waste disposal facilities.

Since enactment of the Resource Conservation and Recovery Act [RCRA], in 1976, the Comprehensive Environmental Response Compensation and Liability Act [CERCLA], in 1980, the Superfund Amendments Reauthorization Act of 1984, and the Emergency Planning and Community Right to Know Act of 1986, we have made considerable progress in addressing the Nation's hazardous waste problems. Awareness of the country's hazardous waste disposal needs has increased significantly among Federal, State, and local government authorities, industry, and the general public. The Environmental Protection Agency, for example, has worked to implement regulations which have helped us identify the magnitude of this problem through the review of capacity assurance data and the monitoring of hazardous waste flows between the States. Industry has also become an increasingly committed participant by implementing new waste minimization technologies and manufacturing processes to reduce waste generation. These government and corporate initiatives have come to be seen by the general public as the alternative to the increasing numbers of large commercial treatment facilities being proposed by developers in communities throughout the country.

Unfortunately, Mr. President, our growing hazardous waste disposal needs have brought us to a crossroads where we must now confront difficult decisions about how much additional hazardous waste disposal capacity is needed throughout the country. This in turn gives rise to the issue of what role the public should assume in reviewing proposals/applications to site hazardous waste disposal facilities in their communities.

While we have made considerable progress in minimizing the generation of hazardous waste, the Nation continues to produce more than 260 million tons of reported hazardous waste each year. Fortunately more than 90 percent of this waste is treated on-site and only 4 million tons is exported between the States for treatment. EPA has implemented the capacity assurance planning process to measure the amount of waste produced by each State and to verify the amounts which must be shipped interstate for treatment.

Many States are working to achieve self-sufficiency in hazardous waste management so that they will not have to continue to rely upon other States for their hazardous waste disposal needs. These States, according to waste-planning officials in Pennsylvania, will have to consider siting modern pollution-free landfills and, in some cases, incinerators. For such expansions in disposal capacity, I believe the local community should have a clear and unambiguous role in determining whether a proposal to site a facility in their community can be accomplished without threatening the health and economic welfare of its citizens. Moreover, the developer should be required—to the greatest extent practicable—to receive the consent of the community before proceeding with plans to site a hazardous waste treatment facility.

Mr. President, this legislation devises a procedure for linking the siting of hazardous waste treatment facilities to community participation in the siting process. We cannot expect the public to acquiesce in the siting of facilities in their communities if they have been left out of the decisionmaking process. My bill requires the applicant, prior to submission of any application to a State or Federal permitting authority for site approval, first to approach local governments and the community residents to inform them as to the intention to construct a hazardous waste disposal facility in their area. At this point, the applicant is required to request the EPA Administrator to establish a host community advisory committee to assist the local community in reviewing the applicant's proposal. The applicant must also provide written certification that the State requires the siting of additional hazardous waste disposal capacity. Applicants who receive community consent for their facilities would be given priority consideration by Federal and State permitting authorities. This will provide a strong incentive for developers to explore every possible means of fostering a constructive working relationship with the communities, because States will not be authorized to site facilities providing excess disposal capacity unless the applicant has obtained consent from the local authorities. I believe this process will give the public a meaningful voice in the decision of whether it is feasible to site a hazardous waste disposal facility in their community.

Under our current laws, there is considerable uncertainty as to just how much additional hazardous waste disposal capacity must be sited to meet our current and future needs. The General Accounting Office, the National Governors Association, and the EPA all agree that the various methods used to calculate capacity needs have produced less than credible data to accurately assess the scope of our hazardous waste problem. We must have accurate data describing the scope of the Nation's disposal needs if we are to find the most efficient means of disposing of hazardous materials. This legislation addresses the data problem by requiring the EPA Administrator to standardize the national hazardous waste data collection process.

Mr. President, inadequate data is not the only obstacle to solving the Nation's hazardous waste disposal problems. As States are encouraged to achieve self-sufficiency for their disposal needs, they become increasingly reluctant to treat hazardous materials from other States. The recent Supreme Court decision in Chemical Waste Management versus Hunt holds that States cannot discriminate against out-of-State waste and therefore isolate themselves from the Nation's hazardous waste disposal problem. This decision rested on the 1978 decision, Philadelphia versus New Jersey, that struck down a New Jersey law that prohibited the importation of waste from outside the State. Yet the question remains, how can States plan to provide disposal capacity for their own hazardous waste when they have no ability to control the amount of out-of-State waste going into their own facilities. It is because of parallel State and Federal requirement for States to plan for their own waste disposal needs that Congress must act to allow States to limit the quantities of out-of-State waste going to their facilities.

Certainly, if a community decides that it supports the siting of a hazardous waste treatment facility designed to receive out-of-State waste, and the transportation of waste to that facility poses no environmental or health

threat to other communities in the State, then the facility operator should be permitted to receive out-of-State waste. However, if community consent to receive out-of-State waste has not been obtained for such a facility, and the State has no excess disposal capacity, then the State should have the ability to restrict the flows of out-of-State waste to these facilities.

Mr. President, the legislation I am introducing today empowers local communities to have an input on the decision as to whether hazardous waste treatment facilities proposed for their area should be permitted to receive out-of-State waste. Since the people in these communities must ultimately shoulder the burden of any environmental or health threats posed by hazardous waste disposal facilities, they are the ones who should decide whether the facility should be designed to handle quantities including out-of-State waste.

Mr. President, my staff and I have met with many groups and individuals playing key roles in the siting of hazardous waste disposal facilities, including the EPA, the Pennsylvania Department of Environmental Resources, the Chemical Manufacturers Association, the National Association of Governors, and most importantly, public officials and residents of Clarion, Lancaster, Washington, and Union counties. It is clear to me that each shares a significant commitment to accelerating our progress in reducing the amount of hazardous waste which we produce. I believe that if we can work together to focus our efforts on improving waste minimization processes, there will be a marked decrease in the need for hazardous waste disposal facilities. Accordingly, I intend to work closely with my colleagues on the Environment and Public Works Committee to amend subtitle C of RCRA to accomplish this objective.

Few initiatives of this body are as important to the public as preserving the environment and safeguarding public health. Each requires us to make tough decisions now so that we may pass a well-founded structure onto the following generations. The public, government and industry must all realize that we cannot achieve our goals for a cleaner environment without some sacrifice from each and every group and community. Industry must remain firmly committed to removing pollutants from their waste streams and the public must recognize that the notion of not-in-my-back-yard is not the way to solve our problems. Yet, we cannot exclude communities from the process of deciding how we should address our waste disposal problems. I believe we are moving in the right direction in making the environment one of our critical priorities and I urge my colleagues to support this bill and help us preserve our environment for the next generation.

In introducing the legislation, I invite suggestions and comments from my colleagues and anyone else interested in this subject. This may be a starting point for consideration and deliberation on this important subject. As long as the basic principles are maintained, I am open to suggested modifications.

By Mr. SPECTER:

S. 2920. A bill to amend the Internal Revenue Code of 1986 to provide incentives for investments in disadvantaged and women-owned business enterprises; to the Committee on Finance.

MINORITY AND WOMEN CAPITAL FORMATION ACT

Mr. SPECTER. Mr. President, today I am introducing legislation that, when enacted, will assist significantly the ability of minority and women-owned small businesses to raise capital for their commencement and long term growth. The Minority and Women Capital Formation Act of 1992 will facilitate the financing of these businesses by providing targeted tax incentives for investors to invest equity capital in minority and women owned small businesses as well as venture capital funds that are dedicated almost exclusively to investing in minority and/or women owned businesses.

Small businesses in general face limited access to capital. In many instances this lack of access accounts for the failure of many of them to succeed. But, unlike other small businesses, those owned by minorities or women have traditionally faced greater barriers in accessing sources of private capital for startups, acquisitions, or to finance growth. Unfortunately, Mr. President, many of these barriers are founded in racism and sexism.

While the country has benefited from civil rights law we have adopted to eradicate such ignorance and the detrimental effects thereof, there remains a significant need for new initiatives to facilitate the full inclusion of minorities and women in our economic system as entrepreneurs and as business owners. We will be unsuccessful in achieving this goal, however, unless, as a matter of national policy Congress and the President work to redress the so-called, but very real, capital gap.

The capital gap is the phrase adopted by the President's Commission on Minority Business Development. In its 1990 Interim Report, the Commission found that the "availability of capital * * * is probably the single most important variable" affecting minority business. As stated by the Commission, "the problem is twofold: lack of access to capital and credit, and the need for development of alternatives to conventional financial instruments and intermediaries." Two years earlier, the House Committee on Small Business in its report, "New Economic Realities: The Rise of Women Entrepreneurs," also noted the barriers women face in accessing capital and the need for the Federal Government to take into account alternative development financing institutions in eliminating or circumventing such barriers.

I believe minority and women small business development is critical to urban revitalization and job creation. No one denies the need for urban revitalization and job creation and facilitate a sustained economic recovery. And no one should deny the role that women and minority business owners must have in this effort.

Recently, my colleagues and I on the Banking Committee heard many firsthand accounts concerning the lack of access to capital for minority and women owned businesses. In some cases the cause is outright discrimination; in other instances investor/lender ignorance of the marketplace; in others fear. Whatever the cause, we are facing an emergency that requires Congress' and the President's immediate attention.

The bill I am introducing is designed to focus our attention on critical elements of a national strategy for providing access to capital and credit for minorities and women in business. The bill provides investors (individuals and otherwise) who invest equity directly in a small minority- or women-owned business, or in a venture capital fund dedicated to investing in such businesses, the following: first, the option to elect either a tax deduction or a tax credit subject to certain annual and lifetime caps; and second, a partial capital gains exclusion and limited deferral of the remaining capital gain if it is reinvested in another minority- or women-owned small business. To avoid abuse, the bill also imposes minimum holding periods of 5 years for such investments and contains recapture provisions for instances where the minority- or women-owned business or venture capital fund fails to remain qualified within the meaning of the legislation.

Mr. President, some may question the use of tax policy in the manner I am proposing. However, just as we use tax policy to foster development to housing, jobs, and research and development, so too should we utilize tax policy to foster economic empowerment of minority and women business owners who will also provide jobs and generate tax revenues. Moreover, I agree with the comments of Mr. Robert Johnson, president of Black Entertainment Holdings, Inc., the only minority controlled enterprise publicly traded on the New York Stock Exchange, in the recent Banking Committee hearing. He testified that the urgency of the problem requires more adventuresome kinds of policies. That is, policies that are designed to deal with a specific problem should be problem-specific in their solution. The Minority and Women Capital Formation Act is

such a solution as it is designed to enable minority- and women-owned businesses to access private capital.

Stated differently, this bill really constitutes a Federal investment strategy for such businesses. The proposed tax expenditures represent seed capital to help develop greater self-sufficiency in the long term. In this regard, the bill recognizes that capital targeted to women and minority business is an essential, but often overlooked component of economic development. In my judgment, it is a very creative tool to spur business growth and job creation, particularly in distressed communities.

With renewed focus on rebuilding our cities, we are considering a variety of options to encourage new investment in urban areas to expand employment opportunities. Mr. President, in the wake of the Los Angeles riots much attention has centered on the creation of urban enterprise zones with accompanying tax incentives. I have long supported the concept of enterprise zones, and believe that we must adopt such legislation to facilitate the rebuilding and revitalization of our urban centers and development of our rural areas. I also believe that in addition to benefits to employees, homeowners, and businesses within the zones there should also be significant investor incentives to attract capital to these areas, if they are to succeed.

The bill I am introducing is very compatible with, but not dependent upon enterprise zones. There is no requirement in the bill that a minority or woman locate their business in a zone in order for the investor to receive the tax benefit of its investment. As a practical matter, however, I believe that much of the initial investments generated by this bill will occur in areas that will qualify as enterprise zones. Therefore, because of its investor benefits and concomitant benefits to the recipients of the capital, I am hopeful that this bill may be included within enterprise zone legislation ultimately adopted by Congress.

Another very important feature of the bill is the provision of similar tax incentives for those who invest in venture capital funds dedicated to investing in minority- and/or women-owned businesses. Prior to 1970 the Federal Government had no dedicated sources of financing for disadvantaged businesses. In 1971, however, Congress authorized the creation of the Specialized Small Business Investment Company [SSBIC] Program administered by the Small Business Administration. For the last 20 years SSBIC's have been the primary source of capital for disadvantaged businesses. In the face of tremendous obstacles SSBICs and the minority venture capital industry have made a real difference. For example, according to the National Association of Investment Companies [NAIC], over the last decade they have raised and invested nearly $1 billion in disadvantaged businesses.

This sum, however, pales in comparison to the amount of capital raised and invested in the non-minority community over the same period. According to the NAIC, from 1981–1990 majority venture capital resources increased from approximately $5.8 billion to $36 billion. Over this period approximately $28 billion has been invested. Unfortunately, less than 1 percent of the capital raised by the majority venture capital industry was invested in minority-owned firms or venture capital funds. Mr. President, in view of this, I submit that there is a real need for the legislation I am introducing today.

In addition to the aforementioned targeted tax incentives, my bill would amend the term private capital under the Small Business Investment Act of 1958 to include funds invested by a State or local government business development fund, bank or public or private pension fund in SSBIC's. In effect, this amendment would create new sources of capital for qualified venture funds, as it would allow them to increase their private capital base and the amount of leverage therefrom.

As you know Mr. President, public and private pension funds have become a dominant source of capital in our economy. For example, the Employee Benefits Research Institute has estimated that in 1990, pension assets exceeded $2.5 trillion and that pension funds held more than one-quarter of all equity in the U.S. economy. Pension plans have become important sources for venture capital and can help spur minority and women business development through the investment in SSBIC's.

I am informed that several States have expressed their interest in direct investment in SSBIC's. Modifying the definition of private capital as provided in the bill encourages State innovation in this area. Many State and local governments are developing innovative techniques to stimulate investment and economic development in disadvantaged communities. Indeed, an increasing number of States are pioneering bonding assistance programs, working capital loan facilities and venture capital funds. My own State, Pennsylvania, is one such State exploring these new ways to address the capital gap.

Given the reliance upon SSBICs for capital by minority business owners it is important that we facilitate SSBIC capital formation with as many sources of capital as possible. They know the relevant marketplace and in many respects are uniquely situated to invest in minority businesses. I would also add that the House Small Business Committee has already endorsed on a bipartisan basis—and with administration support—this change in the definition of private capital. We in the senate should do the same.

In sum, Mr. President, there remains a need to facilitate the development of minority and women owned small business. We cannot allow the capital gap to grow. If we are to remain a productive and competitive nation, we must eliminate it. I believe this capital formation bill will take us a long way toward achieving this goal. I, therefore, encourage my colleagues to join my efforts to enact this much needed legislation.

In introducing this legislation, I invite suggestions and comments from my colleagues and anyone else interested in this subject. This may be a starting point for consideration and deliberation on this important subject. As long as the basic principles are maintained. I am open for suggested modifications.

By Mr. FOWLER. (for himself, Mr. GORE, Mr. WIRTH, Mr. DODD, and Mr. CRANSTON):

S. 2921. A bill to reform the administrative decisionmaking and appeals processes of the Forest Service, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOREST SERVICE DECISIONMAKING AND APPEALS REFORM ACT

Mr. FOWLER. Mr. President, I rise today to introduce a bill that I hoped would not be necessary, but passage of the Forest Service Decisionmaking and Appeals Reform Act, as it is titled, has become imperative if the American people are to reclaim some of their basic rights.

For more than 85 years, the public in our country has had an opportunity to appeal timber sale decisions of the Forest Service. These are decisions, of course, governing the disposition not of private property but of our national, publicly owned forest land.

For some reason that I can only label as bizarre, the White House has taken the position that after more than 95 percent of our forests have been chopped down, clear cut, permanently destroyed, the public appeals process in place since 1907 is blocking progress. An appeals process, which is simply a chance for a citizen's views, a taxpayer's views about his own forest that incidentally, affects less than 1 out of every 7 timber sales of public forest land, somehow the administration has decided this is just too much to bear, and they are recommending repealing it. As our President has said about other matters, this cannot stand.

My bill, Mr. President, will establish for the first time a systematic channel for public participation both during the front end comment period, prior to decisionmaking, as well as maintaining an appeals system of review for citizens. A brief historical recap is important to understand what will transpire unless we act.

To further speed up the near complete demise of our national forest, the

U.S. Forest Service has promulgated new regulations set to go into effect early this month that would ban the public's right to appeal specific project level decisions.

I do not believe it is any secret that the regulations were insisted upon by the Vice President's Council on Competitiveness despite clear opposition of the senior level management staff of the Forest Service. An internal study, headed by region 4 Deputy Regional Forester Bob Joslin, recommended that certain changes could be made, but that the appeals must be retained.

When the chief of the Forest Service, Dale Robertson, came before the Subcommittee on Conservation and Forestry a few days ago, he not only tried to defend the indefensible; he failed to mention a word about the recommendations made by his own senior people.

Thus, as the Senate tries to be responsive to the needs of our people, as reflected in the thousands of letter of protest received by the Forest Service, the administration is stonewalling us in providing pertinent information during the Senate hearing.

It does this, Mr. President, as part of its effort to get away with regulatory rulemaking designed to cut the American people out of deciding the fate of their own forests—public lands, not private property.

I seriously doubt these folks recognize the sad irony of the timing they have chosen to execute their deed against the public they have pledged to serve. In just a couple of days, as you know, we will be celebrating our Nation's birthday and the gift our founders gave the world, called democracy. I expect we will hear all the right platitudes from the administration later this week about the Government that is supposed to be of the people, by the people, and for the people. I suggest they save the rhetoric until they are willing to take action to restore the rights, in this instance, they propose to take away from the American public.

I must comment on a further irony: What this administration is doing to some of our cherished values of conservatism. You would think they understand the fact that conservatism and conservation sound so much alike is more than coincidence.

How could it be that the administration, espousing conservative ideals and claiming strong environmental credentials, is trying to change a nearly century-old precedent that tries occasionally, through citizen participation, to put the brakes on runaway destruction of our public forests?

For that matter, how can this administration go to a global environmental summit in Rio and argue that the entire world is misguided, and that other nations must follow our lead on forestry and deforestation issues that are supposed to be the centerpiece of our environmental initiatives.

Mr. President, I am pleased to have as original cosponsors of my legislation Senators GORE, WIRTH, and DODD of Connecticut. Our colleagues from Tennessee and Colorado were in Rio de Janeiro and watched and listened dumbfounded as our President, having turned a blind eye to responsible forest policy at home, spoke about saving rain forests abroad.

I ask all my colleagues to join us in cosponsoring this legislation that will take a few small, constructive steps to restoring a measure of common sense in our forestry policy at home.

Finally, let us, on the eve of celebrating our Day of Independence, continue to uphold a right Americans have enjoyed for more than 200 years. That is the right to dissent from our Government's policies when those policies are not in the national interest of our country.

By Mr. COHEN (for himself, Mr. BIDEN, Mr. MCCAIN, Mr. RUDMAN, and Mr. REID):

S. 2922. A bill to assist the States in the enactment of legislation to address the criminal act of stalking other persons; to the Committee on the Judiciary.

ASSISTANCE TO STATES IN ENACTMENT OF ANTI-STALKING LEGISLATION

Mr. COHEN. Mr. President, 4 weeks ago, the dinner patrons of the Philadelphia Steak and Hoagie Shop in suburban Boston watched in horror as 21-year-old Kristin Lardner was shot to death by her ex-boyfriend in the street outside.

Kristin, a budding young artist and the daughter of veteran Washington Post reporter George Lardner, had tried to keep Michael Cartier away from her. Just 6 weeks before he murdered Kristin, Cartier had left her unconscious in a Boston street after he kicked her repeatedly in the head and legs.

After this incident, Kristin sought protection from the courts. A 1-year restraining order was issued in mid-May ordering Cartier to stay away from Kristin's home and job, and to stop abusing her. Cartier had bragged to Kristin that restraining orders would do no good. On May 30, Michael Cartier proved to the world that he was right.

Kristin Lardner was an extraordinary young woman who died in what is becoming a disturbingly ordinary way. Today, the leading cause of injury among American women is being beaten by a man. Nationally, an estimated 4 million men kill or violently attack women they live with or date.

Women who seek protection from this abuse often face a judicial system that has traditionally viewed such violence as domestic disputes. Even when protection is sought, there is no guarantee that the abuse will stop. Studies in Detroit and Kansas City reveal that 90 percent of all those murdered by their intimate partners called police at least once; more than half had called 5 times or more.

The difficulty that our legal system has in protecting individuals from former intimates also extends to cases where the abuse comes from a complete stranger.

Ten years ago in Vermont, Rosealyce Thayer's 11-year-old daughter, Caty, was stalked by a man for 19 months and the police did nothing. One day Mrs. Thayer found Caty organizing her dolls. When her mother asked her what she was doing, the little girl said she was deciding which dolls would go to various friends after the man killed her.

Despite Rosealyce Thayer's efforts to protect her daughter when the police would not, little Caty was kidnapped and later found dead. She had been raped repeatedly and stabbed.

Men can be victims of stalkers as well. Just last week, in my hometown of Bangor, ME, novelist Stephen King was the target of a California man who believed, after decoding secret messages in news magazines, that King, not Mark David Chapman, had killed John Lennon and that former President Reagan and others were part of a conspiracy to cover it up. Luckily, Maine law enforcement officials were alerted to the Berkeley man's cross-country odyssey when his van was pulled over in Maryland earlier in the week. But this bizarre incident indicates how the bubble of personal privacy, even for a public figure, can so easily be broken.

We do not need to comb through the headlines or flip through the channels to find stories about men and women being victimized by stalkers. As I have taken a closer look at this issue, I have discovered that at least two members of my staff have been pursued and harassed by complete strangers on a repeated basis. In one of these cases, the stalker placed a foreign substance in my staff member's gas tank, causing hundreds of dollars worth of damage to her car.

Only recently have the States begun to enact legislation that gives law enforcement officials the power to act against stalkers before they reach their prey. The Nation's first antistalking law was enacted in California in 1990 after actress Rebecca Schaeffer was shot by a deranged fan. To date, 20 States have antistalking statutes and similar legislation is under consideration in many others.

I believe that responsibility for enacting and enforcing antistalking legislation should remain in the hands of the States. Unfortunately, I am concerned that these statutes are either down to narrow just to be meaningless, or too broad as to be unconstitutional. For instance, many observers have been critical of a Florida antistalking statute that allows police to make an

arrest without obtaining a warrant or catching the suspect in the act of stalking. Others have called for modifications to the California statute because it is not strict enough.

Jeffrey Weiner, president of the National Association of Criminal Defense Lawyers, has followed this issue carefully. In a recent Chicago Tribune article he states:

> Stalking is a serious problem that should be dealt with, but it [must be addressed] in a constitutional fashion. It does a disservice to those stalking victims to rush through a law that likely will not hold up in court.

The American Civil Liberties Union's Loren Siegel has questioned whether some perfectly legitimate activities could be curtailed under overly broad antistalking statutes. For instance, could an investigative reporter trying to do a story on a public figure be arrested for pursuing the subject of his or her report? Some statutes may also prevent a father who is being unfairly denied visitation rights from watching his children from a distance.

Today, I am introducing legislation that will ensure that these difficult issues receive proper attention and action at the national level. My bill instructs the National Institute of justice, which is the Federal Government's principal criminal justice research and development agency, to do four things:

First, evaluate antistalking legislation and proposed antistalking legislation in the States;

Second, develop model antistalking legislation that is constitutional and enforceable;

Third, prepare and disseminate its findings to State authorities; and

Fourth, within year of enactment, report to the Congress its findings and the need or appropriateness of further action by the Federal Government.

I would also note that all expenses related to enacting this legislation will be drawn from nonearmarked funds appropriated to the National Institute of Justice. The bill provides for no new spending.

It is my hope that enactment of this legislation will help us to focus national attention on a very serious problem and ensure that our citizens are protected by enforceable antistalking statutes, no matter where they reside.

Justice Louis Brandeis identified the "right to be left alone (as) the most comprehensive of rights and the right most valued by civilized men." Kristin Lardner only wanted to be left alone. There should have been no need for little Caty of Vermont to bequeath her doll collection to friends. Indeed, no American should feel that they have no place to turn when they are the prey of stalkers.

My legislation represents a small but significant step in ensuring that our most comprehensive of rights is protected at the expense of no other right I offer this legislator on behalf of myself, Senator BIDEN, Senator MCCAIN, Senator RUMAN, Senator REID, and I hope many others will join us in addressing this important issue.

By Mr. BENTSEN:

S. 2923. A bill to extend until January 1, 1995, the existing suspension of duty on furniture of unspun fibrous vegetable materials; to the Committee on Finance.

EXTENSION OF EXISTING DUTY SUSPENSION

• Mr. BENTSEN. Mr. President, today I introduce legislation to extend the existing suspension of duty on furniture and furniture parts made of rattan and certain other unspun fibrous vegetable materials. The original piece of legislation that conferred the current duty-free status on these products was S. 1335, a bill I introduced on July 17, 1989. The bill I bring before you today merely extends the existing suspension from its current termination date of December 31, 1992, to December 31, 1994. A companion bill, H.R. 4685, was introduced in the House this session by Mr. ANDREWS.

Legislation passed in this Chamber in April 1990 and enacted into law in August 1990 established the duty-free status for the same wicker products only through December 31, 1992. That deadline was established at the request of administration officials who wanted all duty suspensions to end on December 31, 1992, in order to enhance their ability to gain reciprocal agreements from other countries in return for U.S. duty reductions. As you know, the Uruguay round has not progressed nearly as quickly as was then anticipated, and therefore it is now appropriate to extend this duty suspension for another 2 years through legislative action.

As was the case 3 years ago when I introduced this legislation, there appears to be no significant U.S. production of furniture that would compete with the products covered in this bill. Thus, the extension of the existing duty suspension should have no adverse impact on domestic industry and, indeed, will be beneficial to the American consumer.

In sum, Mr. President, I believe that this legislation is noncontroversial and beneficial to the American consumer, and I urge my colleagues to support it. I ask unanimous consent that a copy 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. 2923

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF EXISTING SUSPENSION OF DUTY ON FURNITURE OF UNSPUN FIBROUS VEGETABLE MATERIALS.

(a) IN GENERAL.—Heading 9902.94.01 of the Harmonized Tariff Schedule of the United States is amended by striking "12/31/92" and inserting "12/31/94".

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to articles entered, or withdrawn from warehouse for consumption, on or after January 1, 1993.•

By Mr. BENTSEN:

S. 2924. A bill to extend until January 1, 1995, the existing suspension of duty on certain wicker products; to the Committee on Finance.

EXTENSION OF DUTY SUSPENSION ON CERTAIN WICKER PRODUCTS

• Mr. BENTSEN. Mr. President, today I introduce legislation to extend the existing suspension of duty on certain wicker products from its current termination date of December 31, 1992, to December 31, 1994. A companion bill, H.R. 4686, was introduced in the House this session by Mr. ANDREWS.

Legislation passed in this Chamber in April 1990 and enacted into law in August 1990 established the duty-free status for the same wicker products only through December 31, 1992. That deadline was established at the request of administration officials who wanted all duty suspensions to end on December 31, 1992, in order to enhance their ability to gain reciprocal agreements from other countries in return for U.S. duty reductions. As you know, the Uruguay Round has not progressed nearly as quickly as was then anticipated, and therefore it is now appropriate to extend this duty suspension for another 2 years through legislative action.

As was the case 3 years ago, there appears to be no significant domestic manufacturing capability which could be harmed by this measure. The products of the existing domestic wicker industry do not compete with those items covered by this bill. Thus, the extension of the existing duty suspension should have no adverse impact on domestic industry, and indeed, will be beneficial to the American consumer.

In sum, Mr. President, I believe that this legislation is noncontroversial and beneficial to the American consumer, and I urge my colleagues to support it. I ask unanimous consent that a copy 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. 2924

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF EXISTING SUSPENSION OF DUTY ON CERTAIN WICKER PRODUCTS.

(a) IN GENERAL.—Heading 9902.46.02 of the Harmonized Tariff Schedule of the United States is amended by striking "12/31/92" and inserting "12/31/94".

(b) EFFCTIVE DATE.—The amendment made by this section applies with respect to articles entered, or withdrawn from warehouse for consumption, on or after January 1, 1993.•

By Mr. BENTSEN:

S. 2925. A bill to grant temporary duty-free treatment to fuel grade ter-

tiary butyl alcohol; to the Committee on Finance.

TEMPORARY DUTY-FREE TREATMENT OF CERTAIN FUEL GRADE ALCOHOL

• Mr. BENTSEN. Mr. President, today I introduce a bill to grant temporary duty-free treatment to fuel grade tertiary butyl alcohol, or TBA. This measure would suspend the currently applicable 8.8-percent import duty until January 1, 1995. A companion bill, H.R. 2962, was introduced in the House this session by Mr. ANDREWS, and was reported out favorably by the House Ways and Means Committee last week.

Generally, TBS is not produced directly by chemical manufacturers; rather, it is the byproduct of chemical techniques such as the propylene oxide production process. As a result of this treatment, the supply of TBA depends on the demand for the primary product, creating the need to import TBA when the demand for the primary and secondary products is out of balance.

Fuel grade TBA is used to produce gasoline additives, especially methyl tertiary butyl ether, or MTBE. MTBE, ethanol, or other fuel additives can be introduced into gasoline to create a cleaner burning fuel that emits fewer pollutants. Adequate supplies of fuel additives such as ethanol and MTBE will become increasingly important as the carbon monoxide nonattainment cities attempt to enforce the 2.7-percent oxygen fuel content requirement mandated by the 1990 Clean Air Act amendments.

The administrative has indicated that it has no objection to the enactment of this bill. U.S. manufacturers of MTBE which use feedstocks other than TBA in their production processes have not stepped forward to register any opposition in the more than 11 months since the companion bill was introduced in the House of Representatives. Accordingly, it appears that this measure should have no adverse impact on domestic industry.

In sum, Mr. President, I believe that this legislation is beneficial to this Nation as we adjust to cleaner burning reformulated fuels in a cost effective way, and I urge my colleagues to support it. I ask unanimous consent that a copy 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. 2925

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FUEL GRADE TERTIARY BUTYL ALCOHOL.

Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"9902.31.12	tert-Butyl alcohol (CAS No. 75-65-0) (provided for in subheading 2905.14.00)	Free	No change	No change	On or before 12/31/94"

SEC. 2. EFFECTIVE DATE.

The amendment made by section 1 applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.•

By Mr. BENTSEN:

S. 2926. A bill to suspend until January 1, 1995, the duty on 2-Phosphonobutane-1,2,4-tricarboxylic acid and sodium salts; to the Committee on Finance.

DUTY SUSPENSION OF CERTAIN CHEMICALS

• Mr. BENTSEN. Mr. President, today I introduce a bill to suspend the duty on phosphonobutane-1,2,4-tricarboxylic acid, or PBTC, and its sodium salts until January 1, 1995. This measure would suspend the currently applicable 3.7-percent import duty on PBTC and the 4-percent import duty on the sodium salt of PBTC. A companion bill, H.R. 2615, was introduced in the House this session by Mr. Fields, and was reported out favorably by the House Ways and Means Committee last week.

PBTC and its sodium salts are mainly used as a scale inhibitor for industrial cooling water and cleaning applications. There is currently no production of PBTC or its sodium salts in the United States and there is only one U.S. distributor of the substances. The financial burden imposed by the duties on the U.S. distributor and its ultimate consumers is significant, while the loss of tariff revenue that would result from this measure is negligible.

The administration has indicated that it has no objection to the enactment of this bill and that it is unaware of any opposition from manufacturers of competing end products. This fact, coupled with the potential benefit to those who use this chemical, leads me to introduce this bill and urge my colleagues to support this measure. I ask that unanimous consent that a copy 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. 2926

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. 2-PHOSPHONOBUTANE-1,2,4-TRICARBOXYLIC ACID AND SODIUM SALTS.

Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"9902.31.12	2-phos-phono-butane-1,2,4-tri-carboxylic acid (CAS No. 37971-36-1) and sodium salts (CAS No. 40372-66-5, 62682-12-6, 66669-53-2, and 67170-90-5) (provided for in sub-heading 2931.00.50).	Free	No change	No change	On or before 12/31/94"

SEC. 2. EFFECTIVE DATE.

The amendment made by section 1 shall apply with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.•

By Mr. BENTSEN:

S. 2927. A bill to provide for the reliquidation of certain entries; to the Committee on Finance.

RELIQUIDATION OF CERTAIN ENTRIES

• Mr. BENTSEN. Mr. President, today I introduce legislation to provide for the reliquidation of certain entries involving paint brush filaments brought into the United States from Mexico through the Port of Laredo on specified dates in July, August, and November 1990.

The duties at issue were paid by a company that sends artificial filaments used in paint brushes to Mexico to be processed and then reimports them back into the United states for sale. During the period in question, the company was required to pay duties on the full value of the filaments brought back into the United States, although the United States Customs Service subsequently determined on reconsideration that duties were owed only on the value added in Mexico. This bill provides for the reliquidation of those entries. It is identical to a companion bill introduced in the House by Mr. BUSTAMANTE, H.R. 2868, which was reported out favorably by the House Ways and Means Committee last week.

Mr. President, I ask unanimous consent that a copy 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. 2927

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RELIQUIDATION AUTHORITY.

Notwithstanding section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or any other provision of law, the Secretary of the Treasury, within 90 days after the date of the enactment of this Act, shall, upon request filed with the appropriate customs officer, reliquidate each entry listed in section 2 at the rate of duty that would have been assessed if heading 9802.00.50 of the Harmonized Tariff Schedule of the United States applied to such entry and shall make the appropriate refund of duty.

SEC. 2. AFFECTED ENTIRES.

The entries referred to in section 1, filed at the Port of Laredo, Texas, are as follows:

Entry number:	*Date of Liquidation*
0014819-3	July 20, 1990.
0015228-6	July 20, 1990.
0015409-2	July 20, 1990.
0015586-7	July 20, 1990.
0015668-3	July 20, 1990.

	Liquidation
0015736-8	July 20, 1990.
0015824-2	July 20, 1990.
0015872-1	July 20, 1990.
0015906-7	July 20, 1990.
0015960-4	July 20, 1990.
0016039-6	July 20, 1990.
0016350-7	July 20, 1990.
0016396-0	July 20, 1990.
0016540-3	July 20, 1990.
0016590-8	July 20, 1990.
0016623-7	July 20, 1990.
0016708-6	July 20, 1990.
0016753-2	July 20, 1990.
0042492-5	July 20, 1990.
0047845-9	July 20, 1990.
0051495-6	July 20, 1990.
0052146-4	July 20, 1990.
0053348-5	July 20, 1990.
0055273-3	July 20, 1990.
0062536-4	August 3,, 1990.
0058825-7	August 31, 1990.
1900104-5	November 2, 1990.●

By Mr. PRYOR:

S. 2928. A bill to establish an Office of Contractor Licensing within the Department of the Treasury to license and review Federal procurement of contract services, and for other purposes; to the Committee on Governmental Affairs.

CONTRACTOR LICENSING REFORM ACT

Mr. PRYOR. Mr. President, I am rising today to discuss an issue that I am sure that most of my colleagues are tired of hearing me talk about. It is the issue that I am still going to talk about as long as I am here until something is done about it. I must say that during these 13 years in the Senate, I have met with a great deal of frustration, a great deal of anxiety, as it relates to our failure to deal with the Government's use of contractors and consultants.

Mr. President, I have tried just about everything that I know to correct the terrible waste of tax dollars that occurs when the Government contracts out its very basic and inherent responsibilities to manage the public's business. But we still cannot seem to quite answer these very simple questions today after all of these years: What is a consultant? What is a private contractor? How much money does the Federal Government spend on consulting and contracting services?

I trust that those of my colleagues who are so concerned with deficit spending that they might wish to amend the Constitution to obtain a balanced budget, I hope that they will share in my interest in learning about an open money sack that has continued to grow for the past decade.

The President's fiscal year 1993 budget asks for about $90 billion—I repeat, $90 billion—in service contracts. These contracts range from research and development to painting Government buildings, or mowing the yards for Government faculties. Over one-third, though, Mr. President, of this money, some $35 billion is spent on support contracts that I have found to be riddled with waste, fraud, and abuse. Although the Government's definition of consulting services is vague, the vast majority of consulting contracts come out of this $35 billion open money sack.

Mr. President, spending for service contracting has increased by 65 percent since 1981 during the Reagan and Bush administrations. This increase is very surprising I think to most of us in this body when we think about it because President Bush's statement that "Government is too big and it spends too much" is reflected dramatically on this chart.

In 1981, once again we were spending some $55 billion for Government contracts. In 1990, that $55 billion had grown to $91 billion. Ninety-one billion dollars, Mr. President, reflects about a cost of one-third, for example, of the cost of the entire Department of Defense budget, if we wanted to frame it in that way.

We heard back in January the President of the United States get up in his State of the Union Message and tell the American people and the Congress that it was time to freeze the number of Federal employees. Well, of course, Mr. President, the Chamber exploded in applause. It exploded with our congressional colleagues standing on their feet cheering the fact that the President was going to freeze the number of Federal employees.

But, Mr. President, the fact is that we have been playing this old shell game for a long time. When the President says he is going to reduce the number of Federal employees, or freeze the number of Federal employees, what actually happens—and you can see it very well indicated by this chart—what we do is go outside our Government and hire outside contractors to perform the work of the former Federal employees.

We are not limiting the size and cost of the Government if we allow this invisible work force to grow by 65 percent. And this, Mr. President, is what we call now the unelected Government. It is the shadow Government of the United States of America.

Mr. President, some of my colleagues may ask why it matters that much of the work of Government is performed by contractors. I would like to briefly provide some answers to that.

First, I am not talking about the contractors who cut the grass at the Little Rock Air Force Base. I am not talking about the private contractors who do those things that are necessary like painting buildings and doing upkeep around public facilities. I am talking about private individuals and contractors and consultants who do the planning, the budgeting, and the management work of the Government of the United States. We are contracting out today the basic responsibilities to run our Federal Government to an invisible bureaucracy. When we do this, we lose accountability.

Here are a few examples of what might occur or what does occur when our Government has an overabundant supply of money to spend on service contracts.

For example, contractors write congressional testimony of Cabinet and other senior level officials. Private contractors and consultants at the Agency for International Development, AID, serve as contracting officers.

In other words contractors, dole out contracts.

Contractors conduct Government hearings at the Department of Energy and the Department of Defense. Private contractors draft agency budget presentations that are sent to Congress almost on a monthly basis.

Private contractors at EPA determined what were the inherently governmental functions that only EPA employees should perform.

Mr. President, I do not believe that it is in our best interest to have the Government relinquish control over key functions such as these. Once again, these are people who are not governed by ethics laws, these are people who may or may not have a conflict of interest, and these are people who literally sit alongside the civil servant and the Federal employee and make much more money even as they perform less work.

Second, it costs more to use these contractors. Let me repeat that since many people think the reason you use contractors is to save money. It costs more to use contractors to perform this basic work of government. The Department of Energy testified in a hearing I chaired recently that it costs about 25 percent more to use contractors instead of relying on the Federal work force. A GAO study I released last September confirmed that it cost at least 25 percent more when certain work was turned over to private contractors. And finally, the DOD IG reported last February that it costs 40 percent more if contractors do the work.

It is not surprising to me that it is more costly to use expensive contractors to get the Government's work done, but it is probably a surprise to agency officials. The reason for the surprise is that in the rush to spend $90 billion in service contracts there is generally no cost comparison conducted to determine whether it would be cheaper to perform the work by Government employees.

Finally, Mr. President, many of these same contractors who are helping to plan and manage these programs and draft regulations also work for private clients who stand to benefit from their Government work. The only system presently in place to guard against these conflicts amounts to a paper shuffle. There is no effective control over these potential conflicts, and contractors are able to work both sides of the street.

For example, the Environmental Protection Agency allows contractors with ties to polluters to draft Federal regulations that affect those industries.

Although these companies have ties that create potential conflict of interest, the contractors are under a system of self-policing whereby they merely "inform" the government that they don't have any conflicts. That is our present system. Contractors seeking to get lucrative Government contracts are allowed to determine if they have or do not have any conflicts of interest that would prevent them from getting the contract.

Mr. President, why do we permit these abuses to continue? Why do we not take seriously our role to govern? We are the ones elected to appropriate the money and the agencies have the responsibility to run their programs. When they turn much of their work over to private contractors I think they are shirking their responsibility, and we should not let them. Why is it we allow $91 billion for contractors and contracts to be expended from the Federal Treasury? I hope we will relook at this issue this year.

Mr. President, as I have said, I have tried a number of approaches to correct these problems.

First of all, I have held hearings and asked the agencies and the Office of Management and Budget and Office of Personnel Management to correct these abuses. I have held eight hearings in the last 4 years examining various aspects of this problem. I have met with OMB officials from three different administrations and all of them have promised that their new guidance would solve these problems. Currently, there are several OMB policy directives in the process of being revised, but so far, none of their efforts have worked. And furthermore, I am convinced that OMB policy letters will not stop these abuses from occurring as they do not carry the force and effect of law.

Second, Mr. President, I have sought to address these problems through the power of the purse. For 2 years in a row I successfully amended virtually every appropriations bill with first a reduction, and then a cap on spending on consulting and contracting services. However, the GAO now informs me that the definition for consulting services is so faulty, and the Government's system of tracking its spending is so inadequate, that it is now impossible to determine if the agencies are violating their legislated caps on spending.

Finally, Mr. President, I amended the Defense appropriations bill in fiscal year 1989 to try to impose a system of consultant registration to deal with this problem. Unfortunately, my proposal was weakened due to lobbying by the consultants' trade association. While the end result has been a modest improvement in the regulations, there is still, today, no effective government-wide system to deal with these problems of excessive cost, conflicts of interest and a loss of accountability.

Mr. President, if investigations only result in a fleeting moment of attention to these problems by high ranking officials, if appropriations amendments prove to be unenforceable, if each abuse is discounted as only an isolated incident, if OMB proves to be unable to correct these abuses through administrative remedies, then it is time for a new approach.

Mr. President, I am introducing today a new approach to solving this problem. I intend to establish this year through an amendment—I have not exactly decided yet on which precise piece of legislation I will attempt to attach it—I am going to attempt to establish a requirement that each and every contractor who wants to provide contract services to the Federal Government must apply for and receive a license.

This legislation, the Contractor Licensing Reform Act of 1992, would establish within the Department of Treasury the Office of Contractor Licensing. The Office would establish and maintain a licensing system for the registration, issuance, and review of a license for any person seeking to enter into a contract to provide services to the U.S. Government.

Each applicant for a license would be required to submit to the Office information identifying the principal officers and employees of the applicant, disclosure of whether the applicant is a registered foreign agent or not, disclosure of any tax delinquencies, disclosure of any conviction of the applicant for a misdemeanor or felony in any Federal or State court, all revelant clients, promotional business material such as annual reports and marketing brochures, and any other relevant information required by the Office.

The Office will make a determination that the applicant is in compliance with the requirements or not, and then may or may not issue a license. Agency contracting officers will be required to review the license and information disclosed by the license holder before they make a contract award. This procedure will greatly improve the Government's review of potential conflicts of interest—a review which today is nonexistent.

In addition, this bill would require that agency budget submissions set forth requests for outlays for procurement for service contracts for management and technical support, research and development, studies and evaluations and engineering and technical services. These categories account for over one-third of the Government's spending on service contracts and out of this pool of funds comes most of the examples of abuse that I am seeking to end. With this budget reform the Congress will finally have some better information on how much money every agency is requesting for these types of service contracts.

Further, the bill would also set forth that certain functions are inherently governmental in nature and should not be performed by contractors. This language is consistent with OMB proposed guidance, but by placing this language in statute it would ensure that we have accountability in our agencies of the Federal Government. Agencies will no longer be able to turn over their most basic work to private contractors.

Another provision will require that agencies must conduct a cost comparison before awarding a contract. As I stated earlier, Mr. President, although it costs from 25 to 40 percent more to use contractors, agencies do not even today check to see, first, if their present employees are able to perform the work at less cost.

And finally, Mr. President, my legislation would prohibit reimbursing contractors for frivolous expenditures for entertainment and the likes, and efforts to boost their employees' morale. The General Accounting Office has recently uncovered numerous cases of thousands and thousands of taxpayers, dollars being spent by contractors in this manner. This is an outrage. My own investigation, for example, of the SDI program has turned up a contractor billing the Pentagon for its company picnic, Christmas party, and the cost of its employees using the gym. None of these costs should be borne by the taxpayers and this provision would change the current system that permits contractors to bill the Government for these unreasonable costs.

Mr. President, although licensing is perhaps a new approach, the idea is based upon a registration system that I have advocated for 13 years. Since 1979, I have held hearings that have revealed the lack of basic information on Government contractors and consultants. All concerned parties, from individual agencies, the Office of Management and Budget, and the trade association of the Government contractors have testified on this issue numerous times. The time for investigating and discussing is past. Now is the time to correct these abuses and to close the open money sack.

In conclusion, this legislation will ensure that the Government has full knowledge of the private clients of these consultants and contractors. This license will finally instill direct accountability into the spending of these contracts by enabling us to track the Federal dollars from the Congress, through the agencies, to the contractors, and to prevent conflicts of interest from occurring.

Mr. President, this licensing process will serve to place the public interest above the private interest. The public deserves to know who is doing their work. The public deserves to know that

we can account for their tax dollars. The public deserves to know that their Government is directly accountable to them, and that this has not been contracted out to an unelected and invisible bureaucracy.

Mr. President, if a doctor does any work, performs any service for the Federal Government, of course, that doctor must have a license. If an accountant does any work, that accountant must have a license to perform work for the Federal Government. A lawyer, a barber, a tree surgeon, but not today a Government contractor nor a consultant. No license is required. This is why we have made this reference and call it the open money sack that today we will attempt to close with this amendment in this session of the Congress.

Mr. President, I ask unanimous consent to print in the RECORD a table from the Federal procurement data system relative to how these dollars are being expended out to the private contracting world.

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

CHART C–1 CONTRACT SERVICES TOTAL FEDERAL OBLIGATIONS FISCAL YEAR 1980 TO FISCAL YEAR 1990

[Current dollars in billions]

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
Category:											
Research and development	14.3	16.1	19.9	21.6	24.5	25.7	25.7	27.0	27.4	28.9	28.3
Construction	9.3	9.5	10.4	10.1	11.4	11.5	12.0	13.1	11.6	11.1	9.3
A&E	1.5	1.5	1.8	1.8	2.1	2.0	2.4	3.8	2.6	2.6	2.3
ADP services	.6	.9	1.1	1.4	1.8	1.9	2.0	2.2	2.4	3.0	3.5
Operation of Government-owned facilities	6.9	9.5	11.8	12.1	13.0	14.4	14.9	16.0	16.0	18.5	17.2
Professional support services	3.6	3.6	5.5	5.5	4.9	4.9	5.7	6.3	7.6	7.3	9.4
Maintenance and repair of equipment	4.1	4.8	6.0	5.7	6.9	8.5	7.7	8.0	7.8	7.7	8.8
Utilities and housekeeping	3.6	3.7	5.3	4.8	4.9	4.1	5.5	4.7	4.7	4.0	4.5
Transportation and travel	1.4	1.3	1.8	2.7	2.0	1.7	1.8	2.1	2.0	1.4	2.4
Other Services	2.3	4.0	3.0	3.6	3.9	4.2	4.9	5.2	5.8	4.0	4.9
Total	47.6	54.9	66.6	69.3	75.4	78.9	82.6	88.4	87.9	88.5	90.6

Source: Federal Procurement Data System.

Mr. PRYOR. Mr. President, I also ask unanimous consent to print in the RECORD the times and dates and titles of eight hearings that I have conducted in the last 4 years with relation to the usage of private consultants and private contractors for the Federal Government.

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

HEARING SINCE JUNE 1988 BY SUBCOMMITTEE ON FEDERAL SERVICES, OF THE SENATE GOVERNMENTAL AFFAIRS COMMITTEE, THAT HAVE FOCUSED ON CONSULTANTS AND CONTRACTORS

(1) Review of the Federal Government's Use of Consultants—June 13, 1988.

(2) Department of Defense: The Consultant Game—July 8, 1988.

(3) Defense Contract Audit Agency Report on Use of Consultants by Defense Contractors—December 13, 1988.

(4) Examination of the Use of Consultants by the Environmental Protection Agency—February 3, 1989.

(5) Department of Defense Weapons Testing: Consultants, and Policy—June 16, 1989.

(6) Use of Consultants and Contractors by the Environmental Protection Agency and the Department of Energy—November 6, 1989.

(7) Consultant Registration and Reform Act of 1989—November 17, 1989.

(8) Oversight of Resolution Trust Corporation Contracting—September 24, 1990.

Mr. PRYOR. Mr. President, I ask unanimous consent to print in the RECORD the text of the bill and a section-by-section analysis of the legislation, the bill that I will ultimately submit as an amendment to one of the pieces of legislation coming before the Senate at the appropriate time.

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

S. 2928

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 "Contractor Licensing Reform Act of 1992".

SEC. 2. FINDINGS.

The Congress finds that—

(1) procurement practices relating to the procurement of services do not adequately—

(A) prevent conflicts of interest; or

(B) provide for public disclosure of the use and role of contractors who provide services to the Government;

(2) Federal management practices, including personnel, budgetary and procurement functions, are not adequately coordinated to ensure that the Government's work is performed by the most appropriate work force in terms of economy, efficiency and accountability;

(3) information regarding the Federal Government's use of contractor services is not maintained in a manner that results in helpful or meaningful information being available to Congress, the executive branch, or the public; and

(4) Federal agency officials have not consistently complied with laws and regulations relating to the procurement of services for the performance of management and professional services which is partially the result of a lack of clear guidance on the matters of inherently governmental functions and conflicts of interest.

SEC. 3. POLICY.

It is the policy of the United States that—

(1) governmental policymaking and decisionmaking functions should be performed by accountable Federal officials;

(2) the procurement of consulting services, management and professional services, engineering and technical services and special studies and analyses by contract should be in compliance with applicable laws and regulations; and

(3) governmental functions should be accomplished through the most economical means available while recognizing the inherently governmental nature of certain activities.

SEC. 4. DEFINITIONS.

For purposes of this Act:

(1) The term "Office" means the Office of Contractor Licensing of the Department of the Treasury established under section 5.

(2) The terms "contracting services" and "services" mean services contracted by the Congress or any Federal agency that are—

(A) management and professional services;

(B) studies, analyses, and evaluations;

(C) engineering and technical services;

(D) research and development services; or

(E) services contracted under section 3109 of title 5, United States Code, section 105 or 106 of title 3, United States Code, section 202 of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a), section 117 of the joint resolution entitled "A joint resolution making continuing appropriations for fiscal year 1982, and for other purposes, approved October 1, 1981 (2 U.S.C. 61f–8), section 6 of the Legislative Branch Appropriations Act, 1985 (2 U.S.C. 61f–9), or expert or consultant services contracted under any other Federal law.

(3) The term "Director" means the Director of the Office of the Contractor Licensing established under section 5.

(4) The term "Federal agency" means—

(A) an Executive agency as defined under section 105 of title 5, United States Code;

(B) the United States Postal Service and Postal Rate Commission; and

(C) any agency of the legislative or judicial branch of Government.

(5) The term "inherently governmental function" means any activity which is so intimately related to the public interest as to mandate performance by Government officers and employees. Such functions include those activities which require either the exercise of discretion in applying Government authority or the use of value judgment in making decisions for the Government. Such functions shall include—

(A) work of a policy, decisionmaking, or managerial nature which is the direct responsibility of Department officials;

(B) preparing or drafting congressional testimony;

(C) conducting a hearing;

(D) preparing or drafting regulations;

(E) preparing or drafting agency documents that involve planning, budgeting or responding to congressional or other governmental entities;

(F) procuring the services of private contractors, including serving on source selection panels, evaluating proposals, drafting requests for proposals, administering contracts, terminating contracts or determining

whether contract costs are reasonable, allocable or allowable;

(G) conducting criminal investigations;

(H) conducting foreign relations; and

(I) directing Federal employees.

(6) The term "registered foreign agent" means any person required to register as an agent under section 2 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 612).

SEC. 5. OFFICE OF CONTRACTOR LICENSING.

(a) ESTABLISHMENT.—There is established the Office of Contractor Licensing within the Department of the Treasury. The Office shall be administered by the Director of the Office of Contractor Licensing, who shall be appointed by the President, by and with the consent of the Senate.

(b) DIRECTOR.—Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"Director of the Office of Contractor Licensing, Department of the Treasury.".

(c) LICENSING SYSTEM.—(1) The Bureau shall establish and maintain a licensing system for the registration, issuance, and review of a license for any person seeking to enter a contract for services.

(d) APPLICATION FOR ISSUANCE OF LICENSE.—The Office shall require each applicant for a license to provide—

(1) the identity of the applicant, including the identity of the officers and employees of the applicant, if the applicant is a business entity;

(2) disclosure of whether the applicant is a registered foreign agent;

(3) disclosure of any pending tax delinquencies or civil judgments entered against such applicant;

(4) disclosure of any conviction of the applicant for a misdemeanor or felony in any Federal or State court;

(5) all relevant public, private, and foreign clients;

(6) copies of the most recent annual reports, marketing brochures, or other documents describing the contractor; and

(7) any other relevant information required by the Office.

(e) STANDARDS; ISSUANCE; AND RENEWAL.—(1) The Office shall establish standards for the issuance and maintenance of a valid license. Such standards shall require that the applicant for, or holder of a license be in compliance with all applicable Federal laws relating to procurement, contracting, and ethics.

(2) The Office may issue a license to an applicant after making a determination that the applicant is in compliance with the standards established under paragraph (1). Such license shall be valid for a period of one year.

(3) The Office may renew a license issued under paragraph (2) after making a determination that the applicant for renewal is in compliance with the standards established under paragraph (1). The Office may make any number of renewals of a license after reviewing each renewal application and making a determination of compliance. A renewal of a license under this paragraph shall be for a period of one year.

(f) NOTIFICATION BY HOLDER OF LICENSE.—(1) A holder of a license shall give written notification to the Office of—

(A) the registration of the license holder as a registered foreign agent;

(B) the criminal indictment of the license holder; or

(C) any change in the status of the license holder which the Office may reasonably require.

(2) Such notification shall be given to the Office no later than 60 days after such registration, indictment, or change in status.

(g) SUSPENSION AND REVOCATION.—The Office may suspend or revoke any license issued or renewed under this section after making a determination, in accordance with section 558 of title 5, United States Code, that the holder of a license is not in compliance with the provisions of this section. Upon suspension or revocation of a license, any Federal contract awarded to the license holder shall be subject to immediate termination at the discretion of the Office, with the concurrence of the contracting agency.

(h) APPLICATION.—The Office shall promulgate regulations to apply the provisions of this section to individuals, business entities, and officers and employees of such business entities.

(i) PENALTY.—The Office may fine any person who submits false or misleading information for the purpose of obtaining or renewing a license under this section in an amount not to exceed $10,000. Such fine may be in addition to a suspension or revocation under subsection (g).

(j) FEES.—The Office shall charge a fee for the issuance or renewal of a license.

SEC. 6. REQUIREMENT OF LICENSE FOR CONTRACTING SERVICES.

(a) LICENSE REQUIREMENT.—No Federal agency, Member of Congress, or officer of Congress, may enter into a contract for services, unless the person contracting to perform such services has a valid license from the Office.

(b) BID PROPOSAL.—Any person seeking to enter a contract for services with a Federal agency, Member of Congress, or officer of Congress shall submit a copy of a valid license from the Office with a bid proposal or other offer to perform such contract.

(c) PROPOSAL ANALYSIS.—Contracting officers considering bid proposals of licensed contractors shall review material submitted by the license holder to the Office. Such material shall be maintained by the Office on an online computer system available to all authorized contracting officers. The contracting officers shall use the information to ensure against conflicts of interest and that the award of a contract to the license holder shall not be contrary to the best interests of the United States. All such information shall be properly safeguarded and may be used only for making contract determinations.

SEC. 7. ACCOUNTABILITY IN CONSULTING SERVICES CONTRACTS.

(a) BUDGET SUBMISSIONS.—The budget submitted by the President to the Congress for each fiscal year under section 1105 of title 31, United States Code—

(1) shall set forth separately, within each subfunctional category used in such budget, requests for new budget authority for, and estimates of outlays by, each agency for procurement of consulting services; and

(2) within each such category, shall identify such requests and estimates according to classifications for procurement of—

(A) management and professional services;

(B) studies, analyses, and evaluations;

(C) engineering and technical services; and

(D) research and development.

(b) ANNUAL AUDIT.—(1) The Inspector General of each agency, or another officer designated by the head of an agency, shall conduct an annual audit of some portion of the agency's contracts in the areas of—

(A) management and technical support;

(B) professional support;

(C) studies and evaluations; and

(D) research and development.

(2) Such audit shall be performed to determine if—

(A) contractors are performing inherently governmental functions;

(B) there is any conflict of interest in the performance of such contracts; and

(C) contracts for services are unauthorized personal services contracts.

(c) INHERENTLY GOVERNMENTAL FUNCTIONS.—(1) The head of each agency shall review all functions of the agency performed by employees or performed pursuant to contracts for services, and take such actions as necessary to ensure that all such functions which are inherently governmental functions are performed only by officers and employees of the agency.

(2) Section 1341(a)(1) of title 31, United States Code, is amended—

(A) in subparagraph (C) by striking out "or" after the semicolon;

(B) in subparagraph (D) by striking out the period and inserting in lieu thereof a semicolon and "or"; and

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

"(E) involve either government in a contract or obligation for any service to perform an inherently governmental function as defined under section 4(5) of the Contractor Licensing Reform Act of 1992.".

(d) REVIEW OF SERVICE CONTRACTS.—The Office of Management and Budget shall promulgate regulations requiring all Federal agencies to review all contracts for services for cost-effectiveness, including—

(1) a requirement that all Government functions are reviewed for cost-effectiveness, before a request for contract support is issued;

(2) a methodology that shall—

(A) ensure that a comprehensive cost comparison can be conducted between direct governmental performance of the function, and the use of private contractors; and

(B) consider all costs relating to overhead; and

(3) guidance that requires an assessment of the impact on the core capability of the Government, if the function is performed by contractors.

(e) LIMITATION ON EXPENSES PAID FOR CONTRACTING SERVICES.—No contract for services entered into by any Federal agency, Member of Congress, or officer of Congress shall authorize any expenditure under such contract for—

(1) entertainment;

(2) maintenance or improvement of morale; or

(3) alcoholic beverages.

(f) TRAVEL EXPENSES PAID FOR CONTRACTING SERVICES.—Any contract for services entered into by a Federal agency, Member of Congress, or officer of Congress shall contain a provision requiring that subchapter I of chapter 57 of title 5, United States Code, shall apply to the travel of any person performing services under such contract, to the greatest extent practicable.

SECTION ANALYSIS

SECTION 1—SHORT TITLE

Section 1 indicates this act may be cited as the "Contractor Licensing and Reform Act of 1992."

SECTION 2—FINDINGS

Section 2 sets forth the findings that:

Procurement practices relating to the procurement of services do not adequately prevent conflicts of interest, or provide for public disclosure of the use and role of contractors who provide services to the Government.

Federal management practices are not adequately coordinated to ensure that the Government's work is performed by the most ap-

propriate work force in terms of economy, efficiency, and accountability.

Information regarding the Federal Government's use of contractor services is not maintained in a manner that results in helpful or meaningful information being available to Congress, the executive branch, or the public.

Federal agency officials have not consistently complied with laws and regulations relating to the procurement of services partially because of the lack of clear guidance on the matters of inherently governmental functions and conflicts of interest.

SECTION 3—POLICY

Section 3 indicates that it is the policy of the United States that:

Governmental policy-making and decision-making functions should be performed by Federal officials.

The procurement of management services by contract should be in compliance with applicable rules and regulations.

Governmental functions should be accomplished through the most economical means available while recognizing the inherently governmental nature of certain functions.

SECTION 4—DEFINITIONS

Section 4 defines certain terms used in the act, such as Office, Contracting Services, Director, Inherently Governmental Functions, and Registered Foreign Agent.

SECTION 5—OFFICE OF CONTRACTOR LICENSING

Section 5 establishes the Office of Contractor Licensing within the Department of the Treasury. The Office shall be administered by the Director of the Office of Contractor Licensing, who shall be appointed by the President with the consent of the Senate. In addition, Section 5 provides that the Office shall establish and maintain a licensing system for the registration, issuance, and review of a license for any person seeking to enter a contract for services.

The Office shall require each applicant for a license to provide information regarding such matters as the identity of the applicant and its representatives, whether the applicant is a registered foreign agent, disclosure of any pending tax delinquencies or civil judgments, disclosure of any conviction for a misdemeanor or felony, disclosure of all relevant clients, copies of annual reports and marketing brochures, and any other information required by the Office.

Section 5 also provides for the Office to establish standards for the issuance and maintenance of a valid license, and authorizes the Office to issue a license for a one-year period, and to renew a license for additional one-year periods after reviewing an applicant's renewal application. This section requires license holders to give the Office written notification of significant changes in status such as registration as a foreign agent or a criminal indictment.

The Office may suspend or revoke a license for noncompliance with the provisions of the act, in accordance with section 558 of title 5, United States Code. Upon suspension or revocation of a license, any contracts awarded to the license holder shall be subject to immediate termination at the discretion of the Office, with the concurrence of the contracting agency.

The Office is authorized to charge a fee for the issuance or renewal of a license.

SECTION 6—REQUIREMENTS OF LICENSE FOR SERVICES

Section 6 prohibits federal agencies or Members or officers of Congress from entering into a contract for services with any person who does not have a valid license from the Office. Persons seeking a contract for services must submit a copy of a valid license with a bid proposal or offer.

Section 6 requires contracting officers considering bid proposals to review material submitted by the license holder to the Office. The material is to be maintained on an online computer system available to all authorized contracting officers. The contracting officers will use the information to ensure against conflicts of interest and that the award of a contract to a license holder will not be contrary to the best interests of the United States. All of the information is to be properly safeguarded and is to be used only for the purpose of making contract determinations.

SECTION 7—ACCOUNTABILITY IN CONSULTING SERVICES CONTRACTS

Section 7 requires that the annual budget submission of the President to the Congress sets forth separately, within each subfunctional budget category, estimates of outlays by each agency for the procurement of consulting services. Such estimates are to be identified as management and professional services; studies, and evaluations; engineering and technical services; and research and development.

Section 7 also requires the Inspector General of each agency to conduct an annual audit of a portion of an agency's contracts for these types of services to determine whether (1) contractors are performing inherently governmental functions, (2) there are any conflict of interest in the performance of such contracts, and (3) contracts are being used to circumvent the intent and purposes of statutory personnel limitations.

Section 7 also requires each agency head to review all functions performed by the agency to ensure that functions that are inherently governmental in nature are performed only by officers or employees of the agency.

In addition, this Section requires the Office of Management and Budget to promulgate regulations requiring all Federal agencies to review all contracts for cost-effectiveness, including (1) requiring that all Government functions are reviewed for cost-effectiveness, before a request for contract support is issued; (2) ensuring that a methodology is used to conduct a comprehensive cost comparison between performance of the function by private contractors and Government employees, considering all costs related to overhead; and (3) assessing the impact on the core capability of the Government if the function is performed by contractors.

Further this Section limits the type of expenses paid to service contractors. Expenses shall not be authorized for (1) entertainment or improvement of moral, or (3) alcoholic beverages.

This Section also requires that contracts contain a provision requiring that the provisions of subchapter 1 of chapter 57 of title 5, United States Code shall apply to the travel of any person performing contract services, to the greatest extent practicable.

SECTION 8—PENALTIES

Section 8 imposes penalties for (1) obligating funds for the performance of inherently governmental functions, and (2) for the submission by contractors of false or misleading information for the purpose of obtaining a license to provide contract services.

By Mr. ROBB:

S. 2929. A bill to authorize the National Park Service to provide funding to assist in the restoration, reconstruction, rehabilitation, preservation, and maintenance of the historic buildings known as "Poplar Forest" in Bedford County, VA, designed, built, and lived in by Thomas Jefferson, and for other purposes; to the Committee on Energy and Natural Resources.

ASSISTANCE FOR POPLAR FOREST SITE

• Mr. ROBB. Mr. President, I rise today to introduce legislation to authorize the National Park Service to provide funding to assist in the restoration of Thomas Jefferson's retreat home, Poplar Forest, located in Bedford County, VA. The text of the bill I am introducing is identical to legislation introduced in the House (H.R. 5271) by Representative L.F. PAYNE of Virginia.

Mr. President, next year we will celebrate the 250th anniversary of Thomas Jefferson's birth. As earlier generations saved Mt. Vernon and Monticello, we now have the opportunity to preserve for future generations Jefferson's Poplar Forest, which our third President designed and used as a retreat from the commotion and bustle of Monticello. "When finished," Jefferson said of his octagonal home, "it will be the best dwelling house in the State, except that of Monticello; perhaps preferable to that, as more proportioned to the faculties of a private citizen."

Partially damaged by fire in 1845, Poplar Forest was owned by a number of private citizens over the years. In 1984, when it was threatened by private development, Poplar Forest was purchased by a nonprofit organization, the Corporation for Jefferson's Poplar Forest. Since then, significant efforts have been made by archaeologists and architects to excavate and restore the original structure. Today, Poplar Forest is recognized by the Interior Department as a National Historic Landmark.

The bill I am introducing today would authorize the National Park Service to provide assistance through the Historic Sites, Buildings, and Antiquities Act of 1935, to restore, reconstruct, rehabilitate, preserve, and maintain Poplar Forest. Funds made available under the bill would not exceed 50 percent of the cost of the project to be funded. The bill also provides for audits of the project every 2 years by the inspector general of the Interior Department.

Mr. President, restoring and preserving Poplar Forest is an enormous undertaking. While more than $6 million has already been raised for property acquisition and restoration, private fundraising cannot complete the project.

In these times of tight budgets, Congress must be careful about each dollar it spends. The restoration of Poplar Forest is an excellent investment which will reap dividends for generations to come.•

By Mr. BUMPERS:

S. 2930. A bill to prohibit the expenditure of funds for certain National Aero-

nautics and Space Administration programs; to the Committee on Appropriations.

S. 2931. A bill to prohibit the expenditure of funds for certain Department of Energy programs; to the Committee on Appropriations.

S. 2932. A bill to prohibit the expenditure of funds for certain Department of Defense programs; to the Committee on Appropriations.

S. 2933. A bill to prohibit the expenditure of funds for certain Department of Defense programs; to the Committee on Armed Services.

S. 2934. A bill to prohibit the expenditure of funds for certain Intelligence programs; to the Select Committee on Intelligence.

DEFICIT REDUCTION LEGISLATION

• Mr. BUMPERS. Mr. President, we have been debating a balanced budget amendment for several days. That amendment failed to get a sufficient number of votes last night and again this morning. But, Mr. President, that doesn't mean that we cannot do something about the budget deficits facing our country. I want to give all my colleagues, those who voted for the balanced budget amendment as well as those who voted against it, the chance to do something serious and meaningful about the budget deficit and not just make a gesture.

Today I am introducing five bills to cut wasteful spending and reduce the deficit. Together these bills will result in savings of $10 billion in fiscal year 1993 and, if continued, a total of as much as $350 billion in savings over the next 30 years. If we add the savings from interest that the Government would not have to pay, the total savings from these bills would, assuming interest rates remain the same, approach $900 billion.

At a time of crippling budget deficits, it is no longer realistic for the Federal Government to fund large scale defense and scientific projects for which there is no strong justification or economic payback. Five Federal programs stand out as candidates for termination or reduced funding—the space station, the superconducting super collider, the Trident II missile, the strategic defense initiative, and some aspects of our intelligence program. Termination of the first three, and significant cuts in the latter two, would free up billions of dollars that could be used to reduce the deficit.

SPACE STATION

The space station's cost has gone up 50 percent after inflation since 1984, even though seven of the original eight missions were dropped and it has been greatly reduced in size and complexity. NASA's current cost estimate is now $30 billion, but this excludes a number of related costs. GAO estimates the cost at $40 billion, plus an extra $78 billion to operate over 27 years. NASA is requesting $2.25 billion in space station funding for fiscal year 1993, 11 percent over last year's level.

The great majority of American scientists, and many scientific societies, are opposed to the space station. They consider it a serious misallocation of our limited R&D dollars. The National Research Council estimates that 87 percent of the research planned for the one remaining mission can be accomplished with either the space shuttle or unmanned space vehicles. Even aerospace scientists agree that the space station will do little to advance science. It is chiefly a large engineering project.

The space station is squeezing the funding of other NASA space science programs that will contribute more to science and advance technologies that are more relevant to the world economy. Last year and this, a number of NASA programs like the advanced X-ray astronomy facility and comet rendezvous probe have been reduced to fund the space station.

The space station only makes sense if we are planning to go to Mars within the next decade or so. At $500 billion, going to Mars is not something we are likely to do for decades. The cost to develop all the new commercial aircraft now being developed in the United States and Europe is the same as the cost of the space station through 1999. Looked at from this perspective, the space station seems more than ever a foolish waste of money.

SUPER COLLIDER

The cost of the superconducting super collider is out of control. Preliminary estimates in 1984 were about $3 billion. This increased 75 percent in 4 years to the 1988 estimate of $5.3 billion. And it's increased 57 percent more, to $8.25 billion, by 1991. DOE's independent cost estimating staff says a more accurate estimate would be $11.8 billion, 42 percent higher than the current estimate, and even this figure "should not be interpreted as a worst case scenario," according to the DOE staff.

Despite administration assurances that Japan would help fund up to $1.6 billion of the super collider cost, Japan has repeatedly refused to participate. There is a new particle accelerator under development in Switzerland to which American scientists will have access. Not building the SSC, or not building it right now, will not deny our physicists access to this machine. Japan believes their money can be better spent on basic scientific research at home. The $1.6 billion sought from Japan is 3 times its annual science and technology budget. Even if Japan had decided to fund the super collider, it would have been paid for from its "international contributions" budget—foreign aid!—not its science budget.

TRIDENT II MISSILE

The Trident II missile was our premier strategic weapon during the bitter days of the cold war. I was a strong supporter of it then, and remain a supporter today. However, there comes a time when we need to say "enough." For the Trident II, that time is now.

Having already bought 274 of these highly effective missiles, the Navy wants us to spend $17 billion over the next 12 years to buy 505 more! This despite arms agreements that will reduce our SLBM warheads by over 60 percent from current levels. We already have an arsenal of 419 Trident I missiles which can be used in our Trident submarines. Indeed, the first eight Trident subs already carry the Trident I. And under the Navy's current plans, we will be asked to spend another $4 billion beyond the missile cost to covert the first eight subs to make them capable of carrying Trident II missiles.

Mr. President, for about one-half to one-third of the cost, we can maintain a mixed fleet of Trident II and Trident I missiles using the missiles we already have. It makes no sense to spend $17 billion, or $21 billion including the missile backfit costs, to buy added capabilities that we do not need in the post cold era. We don't need an all-Trident II force. The cold war is over. My bill recognizes that and saves the taxpayer billions that would be totally wasted.

STRATEGIC DEFENSE INITIATIVE

With the cold war over, and the United States signing a new agreement with Russia to cut nuclear arms even more, SDI more than ever looks a like a weapon in search of a mission. Robert Gates, Director of the Central Intelligence Agency, has told Congress that there will be no new countries to threaten the United States with ballistic missiles for at least another 10 years. Threats have been inflated to support an increasingly irrational program. I would cut this program to a more sensible $2 billion per year level of funding, a level recently endorsed by Adm. William Crowe, former Chairman of the Joint Chiefs of Staff under President Reagan.

INTELLIGENCE

For decades, our intelligence operations had as their main focus the Soviet Union. Now that the Soviet Union has collapsed, and we are good friends with Russia and the other republics, certainly we can afford to cut our intelligence budget, reportedly costing us $30 billion per year, by 10 percent. This would leave us with more than enough to fund our other intelligence needs within this modestly reduced budget. Earlier this year, William Colby testified before the Appropriations Committee that intelligence could be cut by up to 50 percent. My bill is a modest step in this sensible direction.

These cuts alone will not solve our deficit problems. More cuts will be needed. But these five bills represent an important start toward getting a handle on our budgetary process, and demonstrating that we can make the

tough choices that will be needed to bring our budget back into balance.

I urge my colleagues to join me in this fight for fiscal sanity.

I ask unanimous consent that the text of these bills be printed immediately following my remarks.

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

S. 2930

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 "Deficit Reduction Through Space Station Freedom Termination Act of 1992."

SEC. 2. FINDINGS.

Congress finds that—

(1) the Federal budget deficit has grown to such an extent that it poses a serious short, medium, and long-term threat to the health of the United States economy;

(2) gross interest costs now exceed defense expenditures in the Federal budget and are one of the fastest growing components in the Federal budget;

(3) the American people are demanding serious and fundamental changes in the Federal Government's management of spending priorities and over-all fiscal stewardship;

(4) programs that are not absolutely necessary to the health and well-being of the American people must be closely scrutinized for possible funding reduction or elimination;

(5) the President's budget included a request of $2,250,000,000 for this program and termination of the program would save that amount in FY1993 and billions more in future years.

TITLE I—REDUCTIONS IN EXPENDITURES

SEC. 101. NASA.

Funds appropriated to or for the use of the National Aeronautics and Space Administration for the Space Station Freedom program may not be expended for that purpose unless such funds were appropriated and made available for such purpose before the date of enactment of this Act.

S. 2931

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 "Deficit Reduction Through Superconducting Super Collider Termination Act of 1992."

SEC. 2. FINDINGS.

Congress finds that—

(1) the Federal budget deficit has grown to such an extent that it poses a serious short, medium, and long-term threat to the health of the United States economy;

(2) gross interest costs now exceed defense expenditures in the Federal budget and are one of the fastest growing components in the Federal budget;

(3) the American people are demanding serious and fundamental changes in the Federal Government's management of spending priorities and over-all fiscal stewardship;

(4) programs that are not absolutely necessary to the health and well-being of the American people must be closely scrutinized for possible funding reduction or elimination;

(5) the President requested $650,000,000 for the Superconducting Super Collider program in FY1993 and termination of the program will save this amount in FY1993 and billions of dollars in future years.

TITLE I—REDUCTIONS IN EXPENDITURES

SEC. 101. SUPERCONDUCTING SUPER COLLIDER.

Funds appropriated to or for the use of the Department of Energy for the Superconducting Super Collider program may not be expended for that purpose unless such funds were appropriated and made available for such purpose before the date of enactment of this Act.

S. 2932

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 "Deficit Reduction and Trident II Termination Act of 1992."

SEC. 2. FINDINGS.

Congress finds that—

(1) the Federal budget deficit has grown to such an extent that it poses a serious short, medium, and long-term threat to the health of the United States economy;

(2) gross interest costs now exceed defense expenditures in the Federal budget and are one of the fastest growing components in the Federal budget;

(3) the American people are demanding serious and fundamental changes in the Federal Government's management of spending priorities and over-all fiscal stewardship;

(4) programs that are not absolutely necessary to the health and well-being of the American people must be closely scrutinized for possible funding reduction or elimination;

(5) terminating the Trident II program would save $900,000,000 in FY1993 and up to $20,000,000,000 during the next fifteen years.

TITLE I—REDUCTIONS IN EXPENDITURES

SEC. 101. TRIDENT II.

Funds appropriated to or for the use of the Department of Defense for procurement of the Trident II ballistic missile system may not be expended for that purpose unless such funds were appropriated and made available for such purpose before the date of enactment of this Act, with the exception of $90,000,000 to be used solely for program termination activities.

S. 2933

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 "Deficit Reduction Through Reduction of SDI Act of 1992."

SEC. 2. FINDINGS.

Congress finds that—

(1) the Federal budget deficit has grown to such an extent that it poses a serious short, medium, and long-term threat to the health of the United States economy;

(2) gross interest costs now exceed defense expenditures in the Federal budget and are one of the fastest growing components in the Federal budget;

(3) the American people are demanding serious and fundamental changes in the Federal Government's management of spending priorities and over-all fiscal stewardship;

(4) programs that are not absolutely necessary to the health and well-being of the American people must be closely scrutinized for possible funding reduction or elimination;

(5) the end of the Cold War allows us to safely make cuts in defense and other related programs that had as their original or chief focus the military threat posed by the Soviet Union;

(6) the President requested $5,400,000,000 for SDI and a reduction of $3,400,000,000 in the program would preserve a realistic program for strategic defense.

TITLE I—REDUCTIONS IN EXPENDITURES

SEC. 101. SDI.

Funds authorized to be appropriated for fiscal year 1993 for the use of defense agencies in connection with the Strategic Defense Initiative shall not exceed $2,000,000,000.

S. 2934

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 "Deficit Reduction Through Intelligence Programs Reduction Act of 1992."

SEC. 2. FINDINGS.

Congress finds that—

(1) the Federal budget deficit has grown to such an extent that it poses a serious short, medium, and long-term threat to the health of the United States economy;

(2) gross interest costs now exceed defense expenditures in the Federal budget and are one of the fastest growing components in the Federal budget;

(3) the American people are demanding serious and fundamental changes in the Federal Government's management of spending priorities and over-all fiscal stewardship;

(4) programs that are not absolutely necessary to the health and well-being of the American people must be closely scrutinized for possible funding reduction or elimination;

(5) the end of the Cold War allows us to safely make cuts in defense and other related programs that had as their original or chief focus the military threat posed by the Soviet Union;

(6) a reduction of $3,100,000,000 in intelligence programs would leave adequate funds for intelligence protection in this post Cold War era.

TITLE I—REDUCTIONS IN EXPENDITURES

SEC. 101. INTELLIGENCE.

Of the funds authorized to be appropriated for the programs in support of the intelligence community of the Federal Government, $3,100,000,000 shall be available only for deficit reduction.•

By Mr. BOND (for himself, Mr. BENTSEN, Mr. STEVENS, and Mr. LUGAR):

S. 2935. A bill to provide surveillance, research, and services aimed at prevention of birth defects, and for other purposes; to the Committee on Labor and Human Resources.

BIRTH DEFECTS PREVENTION ACT

• Mr. BOND. Mr. President, last year, I introduced the Families in Need Act, S. 1380, to address a number of important health, nutrition and housing needs of families in crisis situations. In the bill, I proposed efforts that would lead to a

coordinated effort to reduce the incidence of birth defects. Simultaneously, I worked in the Appropriations Committee to obtain funding for this effort at the Centers for Disease Control which today is the basis for CDC's efforts in this area. Today, I am introducing the Birth Defects Prevention Act of 1992 which is a continuation of efforts in this area. This bill is being simultaneously introduced in the other body by Congressman SOLOMON ORTIZ.

Efforts to prevent birth defects are desperately needed. Just listen to the following sad story of how the lack of a birth defects registry has delayed the response to an outbreak of birth defects and may have needlessly cost innocent lives. About 1 year ago, health professionals in Texas observed that six infants were born with anencephaly over a 6-week period. Anencephaly is a fatal birth defect characterized by an absence of brain tissue. After this information was reported to the Texas Department of Health, a subsequent study revealed that since 1989, at least 30 infants in south Texas had been born without most of their brains. Because Texas does not have a birth defects registry or surveillance program, it was not recognized that there was a serious problem until the incidence of anencephaly was so high that it was difficult to miss.

Federal officials have expanded their efforts to attempt to discover the cause of this tragic event. Most of the mothers of these infants lived within a 2.4 mile radius of the Rio Grande. The investigation is focusing on whether environmental factors have led to the birth defects. Studies will examine whether water from the Rio Grande, air pollutants, or chemical waste played a role.

The tragic situation in south Texas underlines the need for a coordinated national effort to discover the causes of birth defects and develop prevention strategies. Without a birth defects registry, it is quite possible that somewhere in America today, infants are being born with serious birth defects that could have been prevented.

This bill that I am introducing today has been developed through extensive work by the March of Dimes and the Centers for Disease Control. They are to be commended for their commitment to this important cause and their hard and persistent work. This proposal has two main components.

First, the bill would establish a National Birth Defects Surveillance and Prevention Research system. This would provide funding for States to put in place or improve existing surveillance programs. This bill would also establish regional birth defects Centers of Excellence to focus research efforts on the causes of birth defects including clusters of birth defects. Discovering what causes a birth defect is the first step.

The Centers of Excellence would also develop prevention strategies such as outreach efforts to inform mothers of the need to take folic acid to prevent spina bifida or the need to get adequate prenatal care. The Center for Disease Control would serve as the clearinghouse for birth defects prevention activities and for the collection and storage of data generated from State birth defects monitoring programs.

Second, the bill would authorize demonstration projects for the prevention of birth defects and would provide funding and technical assistance to States to implement programs of proven effectiveness.

Birth defects are the leading cause of infant mortality in this country and I fear that efforts to reduce the incidence of this very tragic problem are not receiving the resources and emphasis as they should be. Birth defects cause more infant deaths in this country than any other single factor. In Missouri, birth defects account for 21 percent of infant deaths. There are many factors which put an infant at higher risk. Lack of adequate prenatal care is primary among these. Nearly 75,000 babies will be born this year to mothers who received no prenatal care at all. Many of these will be stillborn, more will die before reaching their first birthday and others will live with long-term disabilities. A strong family lifestyle in which children are born without having been exposed to cigarette smoke, alcohol, or drugs is also critical.

This year, at least 250,000 infants will be born with a birth defect and for those infants who manage to survive, the painful lifetime cost of this tragedy is hard to imagine. Many of these infants born with a serious birth defect do not live to see their first birthday.

Reducing our infant mortality rate, preventing birth defects and making sure that every pregnant woman receives adequate prenatal care should be priorities in this country. We must, in turn, prioritize our needs in this country by cutting unneeded or unduly expensive programs to address these urgent needs. We can afford to prevent these infant deaths.

Mr. President, this legislation is an important step toward reducing birth defects This is a tragic problem as we have shown with the events that have taken place in south Texas. I hope that it won't take more tragedies like this one before Congress acts.●

● Mr. STEVENS. Mr. President, I rise to support this birth defects prevention legislation which my colleague from Missouri has sponsored, because it offers some real and positive steps to address the prevention of birth defects in our Nation.

My primary concern has been with the impact of maternal drinking during pregnancy, and my State's extremely high rates of fetal alcohol syndrome [FAS] and fetal alcohol effect [FAE].

For the period of January 1, 1981 through May 30, 1986, the State average for Alaska Native births was 5.2 per 1,000 live births—the national average ranged between 1 to 3 FAS cases per 1,000 live births. In one area of my State, which has the distinction of the highest per capita rate of fetal alcohol syndrome, the rate was 31 per 1,000 live births. There is no reliable data for the Alaskan non-Native.

For 1988, a State legislative researcher computed lifetime costs per FAS birth at more than $1.35 million each, and a total cost for that year at more than $39.8 million.

There is little data on fetal alcohol effect [FAE]; however, I understand that researchers in the Area have suggested that the FAE rate is from 2 to 15 times the actual number of cases of FAS. There were 26 Native FAS births in 1988 in Alaska, and so by inference, perhaps 260 Native babies were born with fetal alcohol effective in that year.

The statistics I have highlighted for Alaska alone show the health care costs to the Federal Government in services provided to Alaska Natives through the Indian Health Service. The Downstream costs for this group as a whole are high, and my belief is that we must do what we can to ensure these children are born healthy and able to contribute in a meaningful way to their communities. I believe this legislation is a good start toward this end.●

By Mr. BINGAMAN (for himself and Mr. RIEGLE):

S. 2936. A bill to amend the Competitiveness Policy Council Act to provide for reauthorization, to rename the Council, and for other purposes; to the Committee on Commerce, Science, and Transportation.

REAUTHORIZATION OF COMPETITIVENESS POLICY COUNCIL

● Mr. BINGAMAN. Mr. President, together with Senator RIEGLE I am introducing today a bill to reauthorize the Competitiveness Policy Council, a bipartisan government-industry-labor advisory committee established as part of the 1988 Trade Act.

We received the first annual report of this council in March of this year. The report was unveiled at a joint hearing of the Senate Banking and Joint Economic Committees, which had the highest attendance of any hearing on any subject I have participated in this year. The report laid the groundwork and outlined a program the Council would propose to pursue to develop recommendations for a comprehensive competitiveness strategy for this country.

The Council's report drew much praise on both sides of the aisle. That is a tribute to the hard work of the members of the Council, led by Fred Bergsten, the Council's Chairman.

The bill I am introducing today will authorize the Council to continue its work for 4 more years. It would rename the Council the "National Competitiveness Policy Commission" so as to avoid confusion with the private sector Council on Competitiveness and the governmental Competitiveness Policy Council, chaired by the Vice President. These institutions have quite different functions, but unfortunately share very similar or indeed identical names.

The bill also makes several technical changes, which have been requested by the Council. I ask unanimous consent that the full text of the bill and a section-by-section analysis be included at the end of my statement.

Mr. President, I hope that this legislation will receive broad bipartisan support. This Commission represents a real opportunity to build a consensus among all the key actors for fundamental changes in Government policy to ensure a competitive American economy in the 21st century. Let's give it an opportunity to complete its work.

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

S. 2936

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REAUTHORIZATION.

Section 5209 of the Competitiveness Policy Council Act (15 U.S.C. 4808) is amended by striking "1991 and 1992" and inserting "1993, 1994, 1995, and 1996".

SEC. 2. RENAMING OF COUNCIL.

The Competitiveness Policy Council Act (15 U.S.C. 4801 eq seq.) is amended as follows:

(1) In the subtitle heading—

(A) insert "**National**" before "**Competitiveness**"; and

(B) strike "**Council**" and insert "**Commission**".

(2) In section 5201—

(A) insert "National" before "Competitiveness" ; and

(B) strike "Council" and insert "Commission".

(3) In section 5202(b)(2)—

(A) insert "National" before "Competitiveness"; and

(B) strike "Council" and insert "Commission".

(4) In section 5203—

(A) in the section caption, strike "**COUNCIL**" and insert "**COMMISSION**";

(B) insert "National" before "Competitiveness"; and

(C) strike "Council" each place it appears and insert "Commission".

(5) In section 5204—

(A) in the section caption, strike "**COUNCIL**" and insert "**COMMISSION**";.

(B) strike "Council" and insert "Commission".

(6) In sections 5205 through 5208, strike "Council" each place such term appears and insert "Commission".

(7) In section 5207, in the section caption, strike "**COUNCIL**" and insert "**COMMISSION**".

(8) In section 5210—

(a) in paragraph (1)—

(i) insert "National" before "Competitiveness"; and

(ii) strike "Council" each place it appears and insert "Commission"; and (B) in paragraph (2)—

(i) insert "National" before "Competitiveness"; and

(ii) strike "Council" and insert "Commission".

SEC. 3 DUTIES OF THE COMMISSION.

Section 5204 of the National Competitiveness Policy Commission Act (15 U.S.C. 4803) is amended by striking paragraphs (11) and (12) and inserting the following:

"(11) prepare, publish, and distribute reports that—

"(A) contain the analysis and recommendations of the Commission; and

"(B) comment on the overall competitiveness of the American economy, including the report described in section 5208; and

"(12) submit an annual report to the President and to the Congress on the activities of the Commission.".

SEC. 4. EXECUTIVE DIRECTOR AND STAFF OF COMMISSION.

Section 5206 of the National Competitiveness Policy Commission Act (15 U.S.C. 4805) is amended—

(1) in subsection (a)(1), by striking "GS–18 of the General Schedule" and inserting "the highest level allowed under section 5376 of title 5, United States Code";

(2) by striking subsection (b)(1) and inserting the following:

"(b) STAFF.—

"(1) FULL-TIME STAFF.—The Executive Director may appoint such officers and employees as may be necessary to carry out the functions of the Commission in accordance with the Federal civil service and classification laws, and fix compensation in accordance with the provisions of title 5, United States Code.

"(2) SENIOR EXECUTIVE SERVICE.—The Commission may establish positions in the Senior Executive Service in accordance with the provisions of subchapter II of chapter 31 of title 5, United States Code.

"(3) TEMPORARY STAFF.—The Executive Director may appoint such employees as may be necessary to carry out the functions of the Commission for a period of not more than 1 year, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, at rates not to exceed the maximum rate payable under section 5376 of title 5, United States Code."; and

(3) in subsection (c), strike "GS–16 of the General Schedule" and insert "the maximum rate payable under section 5376 of title 5, United States Code.".

SEC. 5. POWERS OF THE COMMISSION.

Section 5207 of the National Competitiveness Policy Commission Act (15 U.S.C. 4806) is amended—

(1) by inserting before the period at the end of subsection (b)(1)(B) ", except that such information may be provided to members and staff of the Council subject to existing national security laws and regulations";

(2) by redesignating subsections (g) and (h) as subsections (h) and (i), respectively; and

(3) by inserting after subsection (f) the following:

"(g) CONTRACTING AUTHORITY.—Within the limitation of appropriations to the Commission, the Commission may enter into contracts with State agencies, private firms, institutions, and individuals for the purpose of carrying out its duties under this subtitle.".

SEC. 6. REPORTING REQUIREMENTS.

Section 5208 of the National Competitiveness Policy Commission Act (15 U.S.C. 4807) is amended—

(1) by striking the caption and inserting the following:

"SEC. 5208. ANNUAL PUBLICATION OF ANALYSIS AND RECOMMENDATIONS.";

(2) in subsection (a)—

(A) by striking the subsection heading and inserting "(a) PUBLICATION OF ANALYSIS AND RECOMMENDATIONS.—"; and

(B) by striking "on" and inserting "not later than"; and

(3) by adding at the end the following:

"(d) PERIODICAL REPORTS.—The Commission may submit to the President and the Congress such other reports containing analysis and recommendations as the Commission deems necessary.".

SECTION-BY-SECTION ANALYSIS

Section 1. This section reauthorizes the Commission for 4 years, through fiscal year 1996, at current levels.

Section 2. This section changes the name from Competitiveness Policy Council to National Competitiveness Policy Commission. This change may be needed to differentiate this organization from at least two other groups with similar names.

The remainder of the bill makes a number of technical changes.

Section 3. This section clarifies that the Commission mandated report on the competitiveness of the U.S. is not an agency annual report as defined under the printing laws. The Commission had a problem earlier in that the wording of the law caused its report to fall under the restrictions which govern agency annual reports.

Section 4. This section updates references to GS schedules to conform with changes in law, clarifies that the Commission is eligible for Senior Executive Service positions, which resolves a question with Office of Personnel Management, and allows the Commission to appoint temporary staff without regard to civil service rules and classifications, but with a salary cap.

Section 5. This section clarifies the ability of the Commission to receive classified information and gives the Commission explicit contract authority, which something that was inadvertently left out of the original statute.

Section 6. This section allows the Commission to publish its analysis of U.S. competitiveness before March 1 and clarifies the Commission's authority to print reports.•

By Mr. GORE (for himself, Mr. ROCKEFELLER, Mr. KERRY, Mr. PRESSLER, Mr. RIEGLE, Mr. ROBB, Mr. LIEBERMAN, Mr. KERREY, and Mr. BURNS):

S. 2937. A bill to expand Federal efforts to develop technologies for applications of high-performance computing and high-speed networking, to provide for a coordinated Federal program to accelerate development and deployment of an advanced information infrastructure, and for other purposes; to the Committee on Commerce, Science, and Transportation.

INFORMATION INFRASTRUCTURE AND TECHNOLOGY ACT

• Mr. GORE. Mr. President, earlier today Senator MITCHELL and 10 other Democratic Senators held a press conference to unveil an economic leadership strategy which will ensure the long-term health of the American economy. This package of legislation will help ensure that our children will have a higher standard of living than

our generation. It will improve American competitiveness and produce millions of high-paying jobs by revitalizing our research and technology base, developing and deploying advanced manufacturing technology, improving the commercialization of new U.S. inventions, training our workers for the job skills of the future, and strengthening our trade tools to open markets abroad.

One of the key components of the economic leadership strategy involves high-performance computing. The strategy recommends expanded funding for the multiagency High-Performance Computing Program established by Congress last year in the High-Performance Computing Act.

In addition, it endorses legislation I am introducing today to build of the High-Performance Computing Program. This bill, the Information Infrastructure and Technology Act, would develop and deploy new applications of high-performance computing for education, libraries, manufacturing, and health care. For example, it will fund development of new ways to use high-speed networks to link high schools and elementary schools so that teachers and students can communicate with their colleagues around the country, access digital libraries of information, and consult with experts in colleges, universities, Federal labs, and companies around the country. It will develop technology that will allow a doctor in rural Tennessee instantly send X-ray images to the Mayo Clinic in Minnesota or NIH in Maryland for a second opinion. It will accelerate development of supercomputers, massive data bases, and the software needed to use them, so that even the most remote library can tap into more information than is stored in the entire Library of Congress. The bill will also speed development of computer technology for advanced manufacturing, so that an engineer can design a new product with CAD/CAM software, test it using a supercomputer simulation, and build a prototype without leaving his or her computer workstation. With this technology, computer systems can replace the drafting table and clay models. Computer-controlled machining equipment means that an engineer can design a product in the morning and get a prototype that afternoon. The potential of advanced computing to transform American industry is almost unlimited; we just need vision and the investment to make it happen.

By funding the development of new computer technology, this bill will improve the competitiveness of American industry, improve the education and training of American workers, and create entirely new industries. That will mean jobs—good-paying, high-technology jobs—for us and for our children. This is exactly the kind of long-term investment we need to ensure a healthy U.S. economy in the next century.

The Information Infrastructure and Technology Act of 1992 would establish a multi-agency Information Infrastructure Development Program to be coordinated by the White House Office of Science and Technology Policy. The goal of this program is to ensure the widest possible application of high-performance computing and high-speed networking technology.

At present, there are programs at the National Science Foundation, NASA, the Defense Advanced Research Projects Agency, the Department of Energy, and other research agencies all developing on new applications for supercomputing and high-speed networks. Under this bill, OSTP would see that the participating agencies are not duplicating effort and identify and exploit opportunities for synergy between different agency programs. In addition, OSTP is to work with the agencies to define different roles for each in developing the information infrastructure that this country will need for the 21st century.

The bill also defines in detail the four components of the Information Infrastructure Development Program—education, libraries, manufacturing, and health care. It should be noted that this is not an exclusive list. It is quite likely that in the future the program will expand to include development of advanced computing technology for other fields as well.

The bill calls upon the National Science Foundation [NSF] to fund projects to connect primary and secondary schools to the NSFNET, a national computer network connecting hundreds of colleges and universities around the country. In addition, NSF is to develop educational software and provide teacher training.

The National Institute of Standards and Technology [NIST] at the Commerce Department is given responsibility for developing networking technology for manufacturing.

The National Institutes of Health [NIH], in conjunction with NSF and other agencies, is to develop applications of advanced computer and networking technology for health care. This includes networks to link hospitals, doctor's offices, and universities so health care providers and researchers can share medical data and imagery, like CAT scans and X-rays. NIH would also develop new software for manipulating medical imagery and data.

The bill provides funding to both NSF and NASA to develop technology for digital libraries, huge data bases that store text, imagery, video, and sound and are accessible over computer networks like NSFNET. The bill also funds development of prototype digital libraries around the country.

For each component, the bill lists several applications of computing technology and the various agencies in developing them. It authorizes funding for fiscal years 1993–97 for the National Science Foundation, NASA, the National Institute of Standards and Technology [NIST] at the Department of Commerce, and the National Institutes of Health, particularly the National Library of Medicine. In all, the bill authorizes a total of $1.15 billion over 5 years. Due to jurisdictional considerations, this bill does not authorize funding for the Department of Defense and its Defense Advanced Research Projects Agency and the Department of Energy, both of which have important roles to play in developing new applications for supercomputing and networking technology. I am particularly familiar with the activities of the Energy Department's Oak Ridge National Laboratory in Tennessee which has a very innovative program to use computer networking to excite students about science and mathematics. Oak Ridge is committed to making sure that advanced computer technology is not just for researchers.

Like its predecessor, the High-Performance Computing Act, this new bill has been developed after consultation with industry and academia. Many of the provisions in this bill parallel proposals made last December by the computer systems policy project, an affiliation of CEO's of the top 12 American computer companies, in its review of the High-Performance Computing Program. While praising the research being funded by the Program, the CEOs felt there was a need to do more in areas like health care, lifelong learning, databases, and manufacturing.

In addition to the computer industry, the communications industry, the information industry, and other high-technology industries are excited about this effort. So are doctors, university researchers, and teachers and librarians in every state.

I look forward to working with these various groups and with my colleagues to expand and perfect this legislation. I hope to hold a hearing of the Science Subcommittee on this bill later this month and to move this legislation forward.

I ask unanimous consent that a table summarizing the authorizations provided by this bill and the full text of the bill be included in the RECORD.

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

S. 2937

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 "Information Infrastructure and Technology Act of 1992".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds the following:

(1) High-performance computing and high-speed networks have proven to be powerful

tools for improving America's national security, industrial competitiveness, and research capabilities.

(2) Federal programs, like the High-Performance Computing Program established by Congress in 1991, have played a key role in maintaining United States leadership in high-performance computing, especially in the defense and research sectors.

(3) High-performance computing and high-speed networking have the potential to revolutionize many fields, including education, libraries, health care, and manufacturing, if adequate resources are invested in developing the technology needed to do so.

(4) The Federal Government should ensure that the technology developed under research and development programs like the High-Performance Computing Program can be widely applied for the benefit of all Americans.

(5) A coordinated, interagency program is needed to identify and promote development of applications of high-performance computing and high-networking which will provide large economic and social benefits to the Nation. These so-called "Grand Applications" should include tools for teaching, digital libraries of electronic information, computer systems to improve the delivery of health care, and computer and networking technology to promote United States competitiveness.

(6) The Office of Science and Technology Policy is the appropriate office to coordinate such a program.

(b) PURPOSE.—It is the purpose of this Act to help ensure the widest possible application of high-performance computing and high-speed networking. This requires that the United States Government—

(1) expand Federal support for research and development on applications of high-performance computing and high-speed networks for—

(A) improving education at all levels, from preschool to adult education, by developing new educational technology;

(B) building digital libraries of electronic information accessible over computer networks like the National Research and Education Network;

(C) improving the provision of health care by furnishing health care providers and their patients with better, more accurate, and more timely information; and

(D) increasing the productivity of the Nation's workers, especially in the manufacturing sector; and

(2) improve coordination of Federal efforts to deploy these technologies in cooperation with the private sector as part of an advanced, national information infrastructure.

SEC. 3. INFORMATION INFRASTRUCTURE DEVELOPMENT PROGRAM.

The National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6601 et seq.) is amended by adding at the end the following new title:

"TITLE VII—INFORMATION INFRASTRUCTURE DEVELOPMENT PROGRAM

"SEC. 701. The Director of the Office of Science and Technology Policy, through the Federal Coordinating Council for Science, Engineering, and Technology (hereafter in this title referred to as the 'Council'), shall, in accordance with this title—

"(1) establish an Information Infrastructure Development Program (hereafter in this title referred to as the 'Program') that shall provide for a coordinated interagency effort to develop technologies needed to apply high-performance computing and high-speed networking in education, libraries, health care, manufacturing, and other appropriate fields; and

"(2) develop an Information Infrastructure Development Plan (hereafter in this title referred to as the 'Plan') describing the goals and proposed activities of the Program.

"SEC. 702. (a) The Plan shall contain recommendations for a five-year national effort and shall be submitted to the Congress within one year after the date of enactment of this title. The Plan shall be resubmitted upon revision at least once every two years thereafter.

"(b) The Plan shall—

"(1) establish the goals and priorities for the Program for the fiscal year in which the Plan (or revised Plan) is submitted and the succeeding four fiscal years;

"(2) set forth the role of each Federal agency and department in implementing the Plan;

"(3) describe the levels of Federal funding for each agency and department, and specific activities, required to achieve the goals and priorities established under paragraph (1); and

"(4) assign particular agencies primary responsibility for developing particular Grand Applications of high-performance computing and high-speed networks.

"(c) Accompanying the Plan shall be—

"(1) a summary of the achievements of Federal efforts during the preceding fiscal year to develop technologies needed for deployment of an advanced information infrastructure;

"(2) an evaluation of the progress made toward achieving the goals and objectives of the Plan;

"(3) a summary of problems encountered in implementing the Plan; and

"(4) any recommendations regarding additional action or legislation which may be required to assist in achieving the purposes of this title.

"(d) The Plan shall address, where appropriate, the relevant programs and activities of the following Federal agencies and departments:

"(1) The National Science Foundation.

"(2) The Department of Commerce, particularly the National Institute of Standards and Technology, the National Oceanic and Atmospheric Administration, and the National Telecommunications and Information Administration.

"(3) The National Aeronautics and Space Administration.

"(4) The Department of Defense, particularly the Defense Advanced Research Projects Agency.

"(5) The Department of Energy.

"(6) The Department of Health and Human Services, particularly the National Institute of Health and the National Library of Medicine.

"(7) The Department of the Interior, particularly the United States Geological Survey.

"(8) The Department of Education.

"(9) The Department of Agriculture, particularly the National Agricultural Library.

"(10) Such other agencies and departments as the President or the Chairman of the Council considers appropriate.

"(e) In addition, the Plan shall take into consideration the present and planned activities of the Library of Congress, as deemed appropriate by the Librarian of Congress.

"(f) The Council shall—

"(1) serve as lead entity responsible for development of the Plan and interagency coordination of the Program;

"(2) coordinate the high-performance computing research and development activities of Federal agencies and departments undertaken pursuant to the Plan and report at least annually to the President, through the Chairman of the Council, on any recommended changes in agency or departmental roles that are needed to better implement the Plan;

"(3) review, prior to the President's submission to the Congress of the annual budget estimate, each agency and departmental budget estimate in the context of the Plan and make the results of that review available to the appropriate elements of the Executive Office of the President, particularly the Office of Management and Budget; and

"(4) consult and ensure communication between Federal agencies and research, educational, and industry groups and State agencies conducting research and development on and using high-performance computing.

"(g) The Director of the Office of Science and Technology Policy shall establish an advisory committee on high-performance computing and high-speed networking and their applications, consisting of prominent representatives from industry and academia who are specially qualified to provide the Council with advice and information on uses of high-performance computing and high-speed networking. The advisory committee shall provide the Council with an independent assessment of—

"(1) progress made in implementing the Plan;

"(2) the need to revise the Plan;

"(3) the balance between the components of the Plan;

"(4) whether the research and development funded under the Plan is helping to maintain United States leadership in the application of computing technology;

"(5) ways to ensure government-industry cooperation in implementing the Plan; and

"(6) other issues identified by the Director.

"(h)(1) Each Federal agency and department involved in the Program shall, as part of its annual request for appropriations to the Office of Management and Budget, submit a report to that Office identifying each element of this high-performance computing activities, which—

"(A) specifies whether each such element (i) contributes primarily to the implementation of the Plan or (ii) contributes primarily to the achievement of other objectives but aids Plan implementation in important ways; and

"(B) states the portion of its request for appropriations that is allocated to each such element.

"(2) The Office of Management and Budget shall review each such report in light of the goals, priorities, and agency and departmental responsibilities set forth in the Plan, and shall include, in the President's annual budget estimate, a statement of the portion of each appropriate agency or department's annual budget estimate that is allocated to efforts to develop applications of high-performance computing.

"SEC. 703. In this title, the following definitions apply:

"(1) The term 'Grand Application' means an application of high-performance computing and high-speed networking that will provide large economic and social benefits to a broad segment of the Nation's populace.

"(2) The term 'information infrastructure' means a network of communications systems and computer systems designed to exchange information among all citizens and residents of the United States.".

SEC. 4. APPLICATIONS FOR EDUCATION.

(a) RESPONSIBILITIES OF NATIONAL SCIENCE FOUNDATION AND OTHER AGENCIES.—In ac-

cordance with the Plan developed under section 701 of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6601 et seq.), as added by section 3 of this Act, the National Science Foundation and other appropriate agencies shall provide for the development of high-performance computing and high-speed networking technology for use in education at all levels. Such applications shall include but not be limited to the following:

(1) Pilot projects that connect primary and secondary schools to the Internet and the National Research and Education Network to aid in development of the software, hardware, and training material needed to enable students and teachers to use networks to—

(A) communicate with their peers around the country;

(B) communicate with educators and students in colleges and universities;

(C) access databases of electronic information; and

(D) access other computing resources.

(2) Development of computer software, computer systems, and networks for teacher training.

(3) Development of advanced educational software.

(b) COOPERATION.—In carrying out this section, the National Science Foundation shall work with the computer and communications industry, authors and publishers of educational materials, State education departments, local school districts, and the Department of Education, as appropriate.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the National Science Foundation for the purposes of this section, $20,000,000 for fiscal year 1993, $40,000,000 for fiscal year 1994, $60,000,000 for fiscal year 1995, $80,000,000 for fiscal year 1996, and $100,000,000 for fiscal year 1997.

SEC. 5. APPLICATIONS FOR MANUFACTURING.

(a) ADVANCED MANUFACTURING SYSTEMS AND NETWORKING PROJECTS.—In accordance with the Plan developed under section 701 of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6601 et seq.), as added by section 3 of this Act, the National Institute of Standards and Technology (hereafter in this section referred to as the "Institute") shall establish an Advanced Manufacturing Systems and Networking Project (hereafter in this section referred to as the "Project"). The purpose of the Project is to create a collaborative multiyear technology development program involving the Institute, United States industry, and, as appropriate, the Defense Advanced Research Projects Agency, the National Science Foundation, other Federal agencies, and the States in order to develop, refine, test, and transfer advanced computer-integrated electronically-net-worked manufacturing technologies and associated applications.

(b) ELEMENTS OF PROJECT.—The Project shall include but not be limited to—

(1) an advanced manufacturing research and development activity at the Institute;

(2) one or more technology development testbeds within the United States, selected through the Advanced Technology Program established under section 28 of the National Institute of Standards and Technology Act (15 U.S.C. 278n) whose purpose shall be to develop, refine, test, and transfer advanced manufacturing and networking technologies and associated applications; and

(3) one or more information dissemination contracts selected through section 25(d) and (e) of the National Institute of Standards and Technology Act (15 U.S.C. 278k(d) and (e)) for the purpose of providing information and technical assistance regarding advanced manufacturing and networking technologies to small- and medium-sized manufacturers.

(c) ACTIVITIES.—The Project shall, under the coordination of the Director of the Institute, include—

(1) testing and, as appropriate, developing the equipment, computer software, and systems integration necessary for the successful operation within the United States of advanced manufacturing systems and associated electronic networks;

(2) establishing at the Institute and the technology development testbed or testbeds—

(A) prototype advanced computer-integrated manufacturing systems; and

(B) prototype electronic networks linking the manufacturing systems;

(3) assisting industry to implement voluntary consensus standards relevant to advanced computer-integrated manufacturing operations, including standards for integrated services digital networks, electronic data interchange, and digital product data specifications.

(4) helping to make high-performance computing and networking technologies an integral part of design, production, sales, distribution, and service of products;

(5) conducting research to identify and overcome technical barriers to the successful and cost-effective operation of advanced manufacturing systems and networks;

(6) facilitating industry efforts to develop and test new applications for manufacturing systems and networks;

(7) involving, to extent practicable, both those United States companies which make manufacturing and computer equipment and those United States companies which buy the equipment, with particular emphasis on including a broad range of company personnel in the Project and on assisting small-and-medium-sized manufacturers;

(8) training, as appropriate, company managers, engineers, and employees in the operation and applications of advanced manufacturing technologies and networks, with a particular emphasis on training production workers in the effective use of new technologies and thereby expanding the skill base of the workforce and increasing production flexibility and adaptability;

(9) working with private industry to develop standards for the use of advanced computer-based training systems, including multimedia and interactive learning technologies; and

(10) exchanging information and personnel, as appropriate, between the technology development testbeds and the Regional Centers for the Transfer of Manufacturing Technology created under section 25 of the National Institute of Standards and Technology Act (15 U.S.C. 278k).

(d) SUPPORT FROM OTHER FEDERAL DEPARTMENTS AND AGENCIES.—The Director of the Institute may request and accept funds, facilities, equipment, or personnel from other Federal departments and agencies in order to carry out responsibilities under this section.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the National Institute of Standards of Technology for the purposes of this section, $30,000,000 for fiscal year 1993, $40,000,000 for fiscal year 1994, $50,000,000 for fiscal year 1995, $60,000,000 for fiscal year 1996, and $70,000,000 for fiscal year 1997.

SEC. 6. APPLICATIONS FOR HEALTH CARE.

(a) DEVELOPMENT OF TECHNOLOGIES BY NATIONAL INSTITUTES OF HEALTH.—In accordance with the Plan developed under section 701 of the National Science and Technology Policy, Organization and Priorities Act of 1976 (42 U.S.C. 6601 et seq.), as added by section 3 of this Act, the National Institutes of Health, and particularly the National Library of Medicine, in cooperation with the National Science Foundation and other appropriate agencies, shall develop technologies for applications of high-performance computing and high-speed networking in the health care sector. Such applications shall include but not be limited to the following:

(1) Testbed networks for linking hospitals, clinics, doctor's offices, medical schools, medical libraries, and universities to enable health care providers and researchers to share medical data and imagery.

(2) Software and visualization technology for visualizing the human anatomy and analyzing imagery from X-rays, CAT scans, PET scans, and other diagnostic tools.

(3) Virtual reality technology for simulating operations and other medical procedures.

(4) Collaborative technology to allow several health care providers in remote locations to provide real-time treatment to patients.

(5) Database technology to provide health care providers with access to relevant medical information and literature.

(6) Database technology for storing, accessing, and transmitting patients' medical records while protecting the accuracy and privacy of those records.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the National Library of Medicine for the purposes of this section, $20,000,000 for fiscal year 1993, $40,000,000 for fiscal year 1994, $60,000,000 for fiscal year 1995, $80,000,000 for fiscal year 1996, and $100,000,000 for fiscal year 1997.

SEC. 7. APPLICATIONS FOR LIBRARIES.

(a) DIGITAL LIBRARIES.—In accordance with the Plan developed under section 701 of the National Science and Technology Policy, Organization and Priorities Act of 1976 (42 U.S.C. 6601 et seq.), as added by section 3 of this Act, the National Science Foundation, the National Aeronautics and Space Administration, and other appropriate agencies shall develop technologies for "digital libraries" of electronic information. Development of digital libraries shall include the following:

(1) Development of advanced data storage systems capable of storing hundreds of trillions of bits of data and giving thousands of users nearly instantaneous access to that information.

(2) Development of high-speed, highly accurate systems for converting printed text, page images, graphics, and photographic images into electronic form.

(3) Development of database software capable of quickly searching, filtering, and summarizing large volumes of text, imagery, data, and sound.

(4) Encouragement of development and adoption of standards for electronic data.

(5) Development of computer technology to categorize and organize electronic information in a variety of formats.

(6) Training of database users and librarians in the use of and development of electronic databases.

(7) Development of technology for simplifying the utilization of networked databases distributed around the Nation and around the world.

(8) Development of visualization technology for quickly browsing large volumes of imagery.

(b) DEVELOPMENT OF PROTOTYPES.—The National Science Foundation, working with the supercomputer centers it supports, shall develop prototype digital libraries of scientific data available over the Internet and the National Research and Education Network.

(c) DEVELOPMENT OF DATABASES OF REMOTE-SENSING IMAGES.—The National Aeronautics and Space Administration shall develop databases of software and remote-sensing images to be made available over computer networks like the Internet.

(d) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated to the National Science Foundation for the purposes of this section, $10,000,000 for fiscal year 1993, $20,000,000 for fiscal year 1994, $30,000,000 for fiscal year 1995, $40,000,000 for fiscal year 1996, and $50,000,000 for fiscal year 1997.

(2) There are authorized to be appropriated to the National Aeronautics and Space Administration for the purposes of this section, $10,000,000 for fiscal year 1993, $20,000,000 for fiscal year 1994, $30,000,000 for fiscal year 1995, $40,000,000 for fiscal year 1996, and $50,000,000 for fiscal year 1997.

SEC. 8. ACCESS TO SCIENTIFIC AND TECHNICAL INFORMATION.

(a) ASSOCIATE DIRECTORS.—Section 203 of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6612) is amended—

(1) by striking "four" in the second sentence and inserting in lieu thereof "five"; and

(2) by adding at the end the following new sentence: "Among other duties, one Associate Director shall oversee Federal efforts to disseminate scientific and technical information.".

(b) FUNCTIONS OF DIRECTOR.—Section 204(b) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6613(b)) is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting in lieu thereof "; and"; and

(3) by inserting immediately after paragraph (4) the following new paragraph:

"(5) assist the President in disseminating scientific and technical information.".

AUTHORIZATIONS BY AREA AND AGENCY

[In millions of dollars]

Agency	Fiscal year—					Total
	1993	1994	1995	1996	1997	
NSF						
Education	20	40	60	80	100	300
Libraries	10	20	30	40	50	150
NIST: Manufacturing	30	40	50	60	70	250
NIH: Health care	20	40	60	80	100	300
NASA: Libraries	10	20	30	40	50	150
Totals	90	160	230	300	370	1150•

• Mr. ROCKEFELLER. Mr. President, I am proud to be an original cosponsor of the Information Infrastructure and Technology Act, which I believe will help Americans reap the full benefits of the amazing advances that are being made in computer technology. Almost every week, there is another press report about a new faster computer chip, a new more powerful supercomputer, or a new faster, more sophisticated computer network. No other field has seen such sustained progress for so many years.

Last year the Congress passed and the President signed the High-Performance Computing Act, which will help ensure that the United States maintains its leadership in supercomputing and high-speed networking. For more than 40 years, the United States has led the world in the development of the world's fastest, most powerful, and most versatile computers. We invented the supercomputer. However, our foreign competitors are catching up. The Japanese, in particular, have targeted the supercomputer industry and are investing hundreds of millions of dollars to narrow the gap between their best machines and ours. To maintain our lead we are going to have to run faster, and the High-Performance Computing Act will help us do that.

However, it is not enough. That bill focussed on the research needed to develop the next generation of supercomputers and high-speed networks. That is essential, but we need to do more. We need to invest in developing applications for that technology. The fastest supercomputer in the world is useless if you do not have the applications software to run on it.

The bill being introduced today would accelerate the development of the technology needed to use supercomputers and high-speed networks in manufacturing, in libraries, in K–12 education, in health care, and in other fields. For instance, it would provide funding for development of the networking technology needed to link our hospitals and doctor's offices, so that health care providers could exchange patient records and images from x rays, CAT scans, and other diagnostic equipment. High-speed networks can mean cheaper, better, and faster health care for all Americans.

The technology being developed would provide huge benefits for small, rural States like West Virginia. By providing for development of digital libraries which users could access over computer networks, this bill will make more information available to more Americans—students, teachers, small businessmen and women, housewives—anyone who has a question and is looking for an answer. By connecting to networks like the Internet, a small rural library or a small high school would be able to instantly access thousands of electronic data bases containing everything from census data to electronic maps to weather forecasts.

Such networks can also help small businesses stay in contact with customers and spot new opportunities for business. Today, in many industries, it does not much matter where you are located as long as you have good communications links with customers and subcontractors. In West Virginia, we have Software Valley where dozens of software firms are developing state-of-the-art software for Government and industry. These firms will benefit from the faster, more effective communications provided by computer networks like the Internet. They also have a key role to play in developing some of the applications mentioned in this bill.

I look forward to working with Senator GORE and other members of the Commerce Committee as this bill moves through Congress. This is important legislation that can play a key role in maintaining American competitiveness.•

ADDITIONAL COSPONSORS

S. 88

At the request of Mr. DURENBERGER, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 88, a bill to amend the Internal Revenue Code of 1986 to make permanent the deduction for health insurance costs for self-employed individuals.

S. 89

At the request of Mr. DURENBERGER, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 89, a bill to amend the Internal Revenue Code of 1986 to permanently increase the deductible health insurance costs for self-employed individuals.

S. 765

At the request of Mr. SPECTER, his name was added as a cosponsor of S. 765, a bill to amend the Internal Revenue Code of 1986 to exclude the imposition of employer Social Security taxes on cash tips.

S. 1002

At the request of Mr. SHELBY, the name of the Senator from Georgia [Mr. NUNN] 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. 1100

At the request of Mr. KERRY, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 1100, a bill to authorize the Secretary of Housing and Urban Development to provide grants to urban and rural communities for training economically disadvantaged youth in education and employment skills and to expand the supply of housing for homeless and economically disadvantaged individuals and families.

S. 2103

At the request of Mr. MOYNIHAN, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 2103, a bill to amend title XVIII of the Social Security Act to provide for increased Medicare reimbursement for nurse practitioners, clinical nurse specialists, and certified nurse midwives, to increase the delivery of health services in health professional shortage areas, and for other purposes.

S. 2244

At the request of Mr. THURMOND, the name of the Senator from Washington

[Mr. GORTON] was added as a cosponsor 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 United States participation in that conflict.

S. 2387

At the request of Mr. LEAHY, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of S. 2387, a bill to make appropriations to begin a phase-in toward full funding of the special supplemental food program for women, infants, and children [WIC] and of Head Start programs, to expand the Job Corps Program, and for other purposes.

S. 2491

At the request of Mr. HATFIELD, the name of the Senator from Oregon [Mr. PACKWOOD] was added as a cosponsor of S. 2491, a bill to amend the Job Training Partnership Act to establish an Endangered Species Employment Transition Assistance Program, and for other purposes.

S. 2553

At the request of Mr. INOUYE, the name of the Senator from New Hampshire [Mr. RUDMAN] was added as a cosponsor of S. 2553, a bill to amend the Civil Liberties Act of 1988 to increase the authorization for the trust fund under the act, and for other purposes.

S. 2682

At the request of Mr. BUMPERS, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 2682, a bill to direct the Secretary of the Treasury to mint coins in commemoration of the 100th anniversary of the beginning of the protection of Civil War battlefields, and for other purposes.

S. 2686

At the request of Mr. BOND, the names of the Senator from Mississippi [Mr. COCHRAN] and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 2686, a bill to amend title XIX of the Social Security Act to provide for improved delivery of and access to home care and to increase the utilization of such care as an alternative to institutionalization.

S. 2696

At the request of Mr. DOMENICI, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 2696, a bill to establish a comprehensive policy with respect to the provision of health care coverage and services to individuals with severe mental illnesses, and for other purposes.

S. 2710

At the request of Mr. MCCAIN, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 2710, a bill to provide for improvement of the health care system under chapter 55 of title 10, United States Code, for members and former members of the uniformed services and their dependents and survivors.

S. 2810

At the request of Mr. GORE, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 2810, a bill to recognize the unique status of local exchange carriers in providing the public switched network infrastructure and to ensure the broad availability of advanced public switched network infrastructure.

S. 2870

At the request of Mr. RUDMAN, the names of the Senator from Maryland [Ms. MIKULSKI], the Senator from Maine [Mr. MITCHELL], and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of S. 2870, a bill to authorize appropriations for the Legal Services Corporation, and for other purposes.

S. 2888

At the request of Mr. EXON, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of S. 2888, a bill to amend title XVIII of the Social Security Act to provide for guidelines clarifying the reclassification of one rural area to another rural area for purposes of determining reimbursement rates to hospitals under medicare.

S. 2900

At the request of Mr. DOMENICI, the names of the Senator from Idaho [Mr. CRAIG] and the Senator from Texas [Mr. GRAMM] were added as cosponsors of S. 2900, a bill to establish a moratorium on the promulgation and implementation of certain drinking water regulations promulgated under title XIV of the Public Health Service Act (commonly known as the Safe Drinking Water Act) until certain studies and the reauthorization of the Act are carried out, and for other purposes.

SENATE JOINT RESOLUTION 270

At the request of Mr. THURMOND, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of Senate Joint Resolution 270, a joint resolution to designate August 15, 1992, as "82d Airborne Division 50th Anniversary Recognition Day."

SENATE JOINT RESOLUTION 306

At the request of Mr. D'AMATO, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of Senate Joint Resolution 306, a joint resolution designating October 1992 as "Italian-American Heritage and Culture Month."

SENATE CONCURRENT RESOLUTION 17

At the request of Mr. HATCH, the names of the Senator from New Hampshire [Mr. SMITH], the Senator from Mississippi [Mr. COCHRAN], the Senator from Idaho [Mr. CRAIG], and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of Senate Concurrent Resolution 17, a concurrent resolution expressing the sense of Congress with respect to certain regulations of the Occupational Safety and Health Administration.

SENATE CONCURRENT RESOLUTION 126

At the request of Mr. SHELBY, the name of the Senator from California [Mr. SEYMOUR] was added as a cosponsor of Senate Concurrent Resolution 126, a concurrent resolution expressing the sense of the Congress that equitable mental health care benefits must be included in any health care reform legislation passed by the Congress.

SENATE RESOLUTION 303

At the request of Mr. LEAHY, the names of the Senator from Iowa [Mr. HARKIN], the Senator from Kansas [Mr. DOLE], and the Senator from Kentucky [Mr. MCCONNELL] were added as cosponsors of Senate Resolution 303, a resolution to express the sense of the Senate that the Secretary of Agriculture should conduct a study of options for implementing universal-type school lunch and breakfast programs.

AMENDMENT NO. 2451

At the request of Mr. MITCHELL the name of the Senator from Texas [Mr. BENTSEN] was added as a cosponsor of Amendment No. 2451 intended to be proposed to S. 25, a bill to protect the reproductive rights of women, and for other purposes.

SENATE CONCURRENT RESOLUTION 128—AUTHORIZING THE PRINTING OF "YEAR OF THE AMERICAN INDIAN, 1992: CONGRESSIONAL RECOGNITION AND APPRECIATION"

Mr. INOUYE (for himself, Mr. ADAMS, Mr. AKAKA, Mr. BENTSEN, Mr. BUMPERS, Mr. BURDICK, Mr. BURNS, Mr. COCHRAN, Mr. CRANSTON, Mr. D'AMATO, Mr. DECONCINI, Mr. DOMENICI, Mr. FOWLER, Mr. GARN, Mr. HATCH, Mr. HATFIELD, Mr. KASTEN, Mr. KENNEDY, Mr. LEVIN, Mr. MCCAIN, Mr. METZENBAUM, Mr. MITCHELL, Mr. PELL, Mr. REID, Mr. SASSER, Mr. STEVENS, and Mr. WELLSTONE) submitted the following concurrent resolution; which was referred to the Committee on Rules and Administration:

S. CON. RES. 128

Resolved by the Senate (the House of Representatives concurring), That the book entitled "Year of the American Indian, 1992: Congressional Recognition and Appreciation", prepared under the direction of the Joint Committee on Printing, shall be printed as a Senate document, with illustrations and suitable binding. In addition to the usual number there shall be printed 123,000 copies of the document, of which 88,000 copies shall be for the use of the House of Representatives, 20,000 copies shall be for the use of the Senate, and 15,000 copies shall be for the use of the Joint Committee on Printing.

SEC. 2. For purposes of this resolution:

(1) The term "Indian" means a person who is a member of an Indian tribe.

(2) The term "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaska

Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

• Mr. INOUYE. Mr. President, on behalf of myself and 26 colleagues, I am pleased to submit a Senate concurrent resolution that will provide for the printing of a book entitled "Year of the American Indian, 1992: Congressional Recognition and Appreciation" as a Senate document.

As you know, in December 1991, the President signed into law a joint resolution which designates 1992 as the "Year of the American Indian," in recognition of the fact that for the past 500 years, this Nation's First Americans have shared what was once their land, as well as their culture, language and survival skills with those who came here from various nations seeking a better life.

The proposed book will include works of art in the Capitol relating to American Indians as well as answers to frequently asked questions concerning American Indians.

More importantly, in printing of this book the Congress will recognize and show its appreciation to native Americans. This book will provide a means for the American public to better understand why the Congress and the President have joined together to assure that the native Americans of this country will be honored for their contributions to this Nation in 1992—the Year of the American Indian.

I invite my colleagues to join in adding their names as sponsors of this concurrent resolution.•

SENATE CONCURRENT RESOLUTION 129—RELATING TO CONTINUED SUPPORT FOR THE TAIF AGREEMENT

Mr. MITCHELL (for himself and Mr. DOLE) submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 129

Whereas Lebanon's sixteen-year civil war finally was ended by the Taif Agreement, brokered by the Arab League on October 22, 1989;

Whereas the Taif Agreement is intended to lead to full restoration of Lebanon's sovereignty, independence, and territorial integrity;

Whereas Syria continues to exert undue influence upon the government of Lebanon and maintains an estimated 40,000 Syrian armed forces in Lebanon;

Whereas truly free and fair elections in Lebanon will not be possible in areas of foreign military control;

Whereas under the Taif Agreement the Syrians must withdraw their armed forces to the gateway of the Bekaa Valley by September 1992; and

Whereas the success of the Taif Agreement depends upon timely Syrian withdrawal: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring)—

(1) expresses continuing support for the Taif Agreement, signed in 1989;

(2) calls upon Syria to withdraw its armed forces to the gateway of the Bekaa Valley in September 1992, as required under the Taif Agreement, and as a prelude to complete withdrawal from Lebanon;

(3) urges immediate consideration of possible alternatives to ensuring security in Beirut following the Syrian withdrawal, including the establishment of a United Nations or other multilateral presence in Beirut, if necessary; and

(4) urges the government of Lebanon to hold elections if they can be free and fair, conducted after the Syrian withdrawal and without outside interference, and witnessed by international observers.

SENATE RESOLUTION 321—AUTHORIZING TESTIMONY BY AN EMPLOYEE OF THE SENATE

Mr. FORD (for Mr. MITCHELL, for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 321

Whereas, an appeal is currently pending from a determination by the Office of Unemployment Compensation for the District of Columbia to award compensation to a former employee of the Senate;

Whereas, the Office of Unemployment Compensation has requested that the Senate provide witnesses with personal knowledge of facts relevant to the appeal;

Whereas, Joan Drummond and Debra Wood, employees in the office of Senator Byrd, have information relevant to the appeal pending before the Office of Unemployment Compensation;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That Joan Drummond, Debra Wood, and any other employee of the Senate from whom testimony may be required are authorized to appear and testify in the hearing on the appeal pending before the Office of Unemployment Compensation, except concerning matters for which a privilege should be asserted.

SENATE RESOLUTION 322—AUTHORIZING TESTIMONY BY AN EMPLOYEE OF THE SENATE

Mr. GORTON (for Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 322

Whereas, in the case of *Senator William S. Cohen, et al. v. Donald Rice, Secretary of the Air Force, et. al.*, Civil No. 91-0282-B, pending in the United States District Court for the District of Maine, counsel for plaintiffs Senator William S. Cohen and Senator George J. Mitchell have requested the testimony of Dale Gerry, an employee of the Senate on the staff of Senator Cohen, and Robert J. Carolla, an employee of the Senate on the staff of Senator Mitchell;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That Dale Gerry and Robert J. Carolla are authorized to testify in *Senator William S. Cohen, et al. v. Donald Rice, Secretary of the Air Force, et al.*, except concerning matters for which a privilege should be asserted.

SENATE RESOLUTION 323—AUTHORIZING TESTIMONY BY AN EMPLOYEE OF THE SENATE

Mr. FORD (for Mr. MITCHELL) submitted the following resolution; which was considered and agreed to:

S. RES. 323

Whereas, in the case of *United States of America v. Clair E. George*, Crim. No. 91-521, pending in the United States District Court for the District of Columbia, the Independent Counsel has requested testimony from Senator John F. Kerry, former Senator Thomas F. Eagleton, Fred Ward, an employee of the Senate on the staff of the Select Committee on Intelligence, Daniel P. Finn, a former employee of the Senate on the staff of the Select Committee on Intelligence, and contract court reporters who reported testimony at proceedings of the Committee on Foreign Relations and the Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(2), the Senate may direct its counsel to represent Members and employees of the Senate with respect to any subpoena, order, or request for testimony relating to their official responsibilities;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, by Rule VI of the Standing Rules of the Senate, no Senator shall absent himself from the service of the Senate without leave;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That Senator John F. Kerry, former Senator Thomas F. Eagleton, Fred Ward, Daniel P. Finn, and contract court reporters who reported testimony at proceedings of the Committee on Foreign Relations and the Select Committee on Secret Military Assistance to Iran and the Nicaraguan Oppo-

sition are authorized to testify in the case of *United States of America v. Clair E. George*, except, with respect to Senator Kerry, when his attendance at the Senate is necessary for the performance of his legislative duties, and except concerning matters for which a privilege should be asserted.

SEC. 2. That the Senate Legal Counsel is authorized to represent Senator Kerry, former Senator Eagleton, Fred Ward, and Daniel P. Finn, in connection with their testimony in *United States of America v. Clair E. George*.

AMENDMENTS SUBMITTED

FREEDOM FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES AND OPEN MARKETS ACT

PELL AMENDMENT NO. 2646

Mr. PELL proposed an amendment to the bill (S. 2532) entitled the "Freedom for Russia and Emerging Eurasian Democracies and Open Market Support Act, as follows:

On page 30, line 17, strike "sums as may be necessary" and insert in lieu thereof "$620,000,000";

On page 37 lines 12 and 13, strike "sums as may be necessary" and insert in lieu thereof "$18,000,000" and on line 22, strike "sums as may be necessary" and insert in lieu thereof "$6,000,000";

On page 44, line 20, strike "Acts." and insert in lieu thereof "Acts, and provide that no net budget outlays result therefrom."; and

On page 51, line 8 and 9, strike "sums as may be necessary" and insert in lieu thereof "$850,000,000".

On page 52, strike lines 7–13.

CHAFEE (AND OTHERS) AMENDMENT NO. 2647

Mr. CHAFEE (for himself, Mr. DOLE, Mr. FOWLER, Mr. WARNER, Mr. GARN, Mr. RIEGLE, Mr. D'AMATO, Mr. PRESSLER, Mr. SIMPSON, Mr. WOFFORD, Mr. DODD, Mr. PACKWOOD) proposed an amendment to the bill S. 2532, supra, as follows:

Amend section 5 by adding under (b) Ineligibility for Assistance a new number (6) as follows:

(6) is not fully cooperating with the United States Government in uncovering all evidence of the presence of live or deceased American prisoners-of-war who came under Soviet control during or after the Vietnam war, Korean war, World War II, or during other American operations in or around the former Soviet Union during the cold war.

LEAHY AND OTHERS AMENDMENT NO. 2648

Mr. LEAHY (for himself, Mr. BYRD, Mr. WOFFORD, and Mr. DECONCINI) proposed an amendment to the bill S. 2532, supra, as follows:

On page 49, strike line 24 and all that follows through page 50, line 14.

LEAHY (AND OTHERS) AMENDMENT NO. 2649

Mr. LEAHY (for himself, Mr. LUGAR, Mr. KERREY, Mr. GRASSLEY, and Mr. KASTEN) proposed an amendment to the bill S. 2532, supra, as follows:

On page 48, strike lines 1 through 9 and insert the following new subsection:

(b) AMENDMENTS TO THE FOOD SECURITY ACT OF 1985.—Section 1110 of the Food Security Act of 1985 is amended—

(1) in subsection (b)—

(A) by inserting after "such countries" the following: "(including the independent states of the former Soviet Union)"; and

(B) by striking out "or cooperatives" and inserting in lieu thereof "cooperatives, private businesses, or other private entities";

(2) in subsection (f), by striking out paragraph (1) and inserting in lieu thereof the following new paragraph:

"(1) The Commodity Credit Corporation may provide for grants, or sales on credit terms, of commodities made available under section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)) for use in carrying out this section.";

(3) in subsection (g), by inserting before the period the following: ", except that this tonnage limitation shall not apply with respect to commodities furnished to the independent states of the former Soviet Union during fiscal years 1992 and 1993"; and

(4) by adding at the end the following new subsection:

"(m)(1) In carrying out this section, the President shall encourage private voluntary organizations and cooperatives to submit proposals that provide for—

"(A) the sale of a commodity in a country that is eligible under this section, including the marketing of the commodity through the private sector; and

"(B) the use of the proceeds generated in the humanitarian and development programs of the organization or cooperative, as provided in paragraph (3).

"(2) The President shall make available not less than 10 percent of the aggregate amounts of all commodities distributed under this section in each fiscal year to generate foreign currency proceeds as provided in this subsection.

"(3) Foreign currencies generated from any partial or full sale or barter of commodities by a private voluntary organization or cooperative under an agreement under this section may—

"(A) be used to transport, store, distribute, and otherwise enhance the effectiveness of the use of agricultural commodities provided under this title;

"(B) be used to implement income generating, community development, health, nutrition, cooperative development, agricultural, and other developmental activities within the recipient country; or

"(C) be invested, and any interest earned on the investment may be used, for the purposes for which the assistance was provided to that organization, without further appropriation by Congress.".

On page 48, strike lines 13 through 15 and insert the following new paragraph:

(1) by striking out subsections (a) and (b) and inserting in lieu thereof the following new subsections:

"(a) GUARANTEES AND CREDITS TO BE MADE AVAILABLE.—For the fiscal years 1991 through 1995, the Commodity Credit Corporation—

"(1) shall make available, for the promotion of exports to emerging democracies, not less than $1,000,000,000 of export credit guarantees under section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622), in addition to the amounts required under section 211 of such Act (7 U.S.C. 5641) for credit guarantees; and

"(2) may make available, for the promotion of exports to emerging democracies, direct credits under section 201 of such Act (7 U.S.C. 5621).

"(b) IMPROVEMENT OF FACILITIES, SERVICES, AND AGRICULTURAL GOODS AND MATERIALS.—

"(1) USE OF GUARANTEES.—A portion of direct credits or export credit guarantees available under subsection (a) shall be made available for the establishment or improvement by United States persons of eligible projects in emerging democracies to improve the handling, marketing, processing, storage, or distribution of imported agricultural commodities and products of the commodities.

"(2) ELIGIBLE PROJECTS.—A project shall be eligible under this subsection for credits or guarantees if—

"(A) the project includes facilities, services, and agricultural goods and materials; and

"(B) the Secretary of Agriculture determines that the credits or guarantees will primarily promote the export of United States agricultural commodities (as defined in section 102(7) of the Agricultural Trade Act of 1978 (7 U.S.C. 5602(7)).

"(3) PRIORITIES.—The Commodity Credit Corporation shall give priority under this subsection—

"(A) to opportunities or projects identified under subsection (d)(1);

"(B) to projects on private farms or cooperatives in emerging democracies; and

"(C) to United States persons who agree to assume a relatively larger share of the value of the project of United States origin.

"(4) LEVEL OF GUARANTEES.—The Commodity Credit Corporation shall not provide guarantees or credit in excess of 85 percent of the value of the project of United States origin.

"(5) FOREIGN AGRICULTURAL COMPONENTS.—Notwithstanding section 202(h) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(h)), the Commodity Credit Corporation shall finance or guarantee under this section only projects predominantly of United States origin. The Commodity Credit Corporation shall not finance or guarantee under this section the value of any foreign component of the project.";

On page 48, lines 21 and 22, strike "President" and insert "Secretary".

On page 49, strike lines 5 through 23 and insert the following new paragraph:

(1) ASSISTANCE FOR PRIVATE VOLUNTARY ORGANIZATIONS.—The President is encouraged to use funds made available under section 109 of Public Law 102–229 (105 Stat. 1708), and any funds made available under this Act, to assist private voluntary organizations and cooperatives in carrying out food assistance programs for the independent states of the former Soviet Union under—

(A) section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o);

(B) section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431); or

(C) title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.).

On page 50, between lines 14 and 15, insert the following new paragraphs:

(2) AGRICULTURAL TRADE ACT OF 1978.—

(A) DEFINITIONS.—Section 102(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5602(1))

is amended by striking out "feed, or fiber," and inserting in lieu thereof "feed, fiber, or livestock,".

(B) DIRECT CREDIT SALES PROGRAM.—Section 201 of the Agricultural Trade Act of 1978 (7 U.S.C. 5621) is amended by adding at the end the following new subsection:

"(f) RESTRICTIONS.—The Commodity Credit Corporation may not make export sales financing authorized under this section available in connection with sales of an agricultural commodity to any country that the Secretary determines cannot adequately service the debt associated with such sale.".

(C) PROCESSED AND HIGH-VALUE AGRICULTURAL COMMODITIES.—Section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622) is amended by adding at the end the following new subsection:

"(k) SALES TO THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.—

"(1) PROCESSED AND HIGH-VALUE AGRICULTURAL COMMODITIES.—In each of the fiscal years 1993 through 1995, the Commodity Credit Corporation shall establish an objective that not less than 35 percent of the agricultural commodities sold in connection with the guarantees provided under this section to the independent states of the former Soviet Union are processed products of agricultural commodities and high-value agricultural commodities.

"(2) ANNUAL REVIEW.—At the end of each of the fiscal years 1993 through 1995, the Secretary shall determine the extent to which sales of processed products of agricultural commodities and high-value agricultural commodities made to the independent states of the former Soviet Union during the fiscal year meet the objective set forth in paragraph (1).

"(3) JUSTIFICATION AND PLAN.—If the Secretary determines, on the basis of a review conducted under paragraph (2), that sales of processed products of agricultural commodities and high-value agricultural commodities do not meet the objective set forth in paragraph (1), the Secretary shall prepare a justification for why the minimum level was not achieved and what action the Secretary will take during the immediate subsequent fiscal year to increase sales of processed products of agricultural commodities and high-value agricultural commodities.

"(4) NOTIFICATION TO CONGRESS.—The Secretary shall provide the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate with the results of the annual reviews conducted under paragraph (2) and, as required by paragraph (3), any justification and plans for future action.

"(5) DEFINITION.—As used in this section, the term 'independent states of the former Soviet Union' means the countries that were formerly part of the Soviet Union, including Armenia, Azerbaijan, Byelarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.".

(3) AGRICULTURAL FELLOWSHIP PROGRAM FOR MIDDLE INCOME COUNTRIES AND EMERGING DEMOCRACIES.—Section 1543 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3293) is amended—

(A) in subsection (b), by adding at the end the following new paragraph:

"(4) INDEPENDENT STATES OF THE FORMER SOVIET UNION.—In addition to the countries that are eligible under paragraphs (1) through (3), the Secretary may determine that any newly independent state of the former Soviet Union may be eligible to participate in the program. The states shall include Armenia, Azerbaijan, Byelarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan."; and

(B) in subsection (d), by adding at the end the following new sentence: "The Secretary may provide fellowships under the program authorized in this section to private agricultural producers from eligible countries.".

LEAHY AMENDMENTS NOS. 2650 AND 2651

Mr. LEAHY proposed two amendments to the bill S. 2532, supra, as follows:

AMENDMENT NO. 2650

On page 42, line 18, strike "and the Budget Enforcement Act of 1990" and insert "the Budget Enforcement Act of 1990, the Food, Agriculture, Conservation, and Trade Act of 1990, section 901b(c) of the Merchant Marine Act, 1936, the Agricultural Trade Act of 1978, the Agricultural Trade Development and Assistance Act of 1954, section 416 of the Agricultural Act of 1949, and the Commodity Credit Corporation Charter Act".

On page 43, line 19, strike "The" and insert "(a) IN GENERAL.—The".

On page 44, between lines 2 and 3, insert the following new subsection:

(b) ADVANCE NOTICE OF CERTAIN ACTIONS.—The President shall notify in writing the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives at least 15 days in advance of the implementation of an activity described in subparagraphs (B) and (C) of section 7(2) or subsection (b), (c), or (d) of section 18.

AMENDMENT NO. 2651

Section 7 of S. 2532, the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act, is amended—

(1) on page 34, line 6, by inserting ", scholarly," after "educational";

(2) on page 35, line 14, by striking "and";

(3) on page 35, line 19, by striking the period at the end thereof and inserting "; and"; and

(4) on page 35, after line 19, by inserting the following new paragraph:

"(10) to support training for and preparation of American participants in assistance programs and related activities, including language, area, and technical background study at accredited institutions of higher education.".

WELLSTONE (AND OTHERS) AMENDMENT NO. 2652

Mr. WELLSTONE (for himself, Mr. HARKIN, and Mr. GORTON) proposed an amendment to the bill S. 2532, supra, as follows:

On page 52, after line 13, add the following:

TITLE II—INTERNATIONAL LOCAL GOVERNMENT EXCHANGE ACT OF 1992

SEC. 201. SHORT TITLE.

This title may be cited as the "International Local Government Exchange Act of 1992".

SEC. 202. FINDINGS; POLICY.

The Congress finds that—

(1) the independent states of the former Soviet Union have requested the assistance of American Federal, State, and local officials in making the transition from Communist political systems and centrally planned economies to democratic societies based on local and regional self-government;

(2) the United States is well-positioned, because of its long democratic heritage and traditions, to make a substantial contribution and traditions of the independent states of the former Soviet Union to a more democratic polity and to democratic institutions by building on current technical and talent assistance programs with the newly independent republics of the former Soviet Union;

(3) it is in the immediate economic and national security interests of the United States to ensure the peaceful, orderly, and successful transformation of such states into fully democratic societies;

(4) provision by the United States of the requested assistance would promote development of a democratic polity and would help establish democratic institutions responsive to the needs of the people, particularly in the localities and regions of the independent states of the former Soviet Union;

(5) establishment of democratic local and regional governance that fosters the development of a decentralized market economy and preserves local autonomy and minority rights is essential in order to prevent the destabilization of the independent states of the former Soviet Union by serious economic and political deterioration or by interethnic tensions;

(6) such states have an educated labor force and the capability for productive economies, but they lack many of the basic organizations, institutions, skills, attitudes, and traditions of civil society on which democracy must ultimately rest;

(7) traditional United States foreign assistance programs and mechanisms are inadequate for responding to this new challenge because they are not designed to mobilize the practical expertise of the American people or to target and deliver practical assistance at the grassroots level in the widely divergent societies of the region;

(8) there is great willingness on the part of United States citizens to offer hands-on, person-to-person training, advice, support, and technical assistance to the peoples of the independent states of the former Soviet Union;

(9) State and local government officials in the United States can provide a vast pool of skills, talents, and experience which may be drawn upon to meet these urgent needs for democratic ideas and institutions;

(10) direct grassroots, people-to-people exchanges are the most appropriate means of ensuring that the rapid yet uneven evolution of social and political change will be responsive to the desires of the people of the independent states of the former Soviet Union;

(11) such exchanges can assist in the establishment of democratic regional and local governments where they do not now exist, and can assist existing local and regional governments to develop laws, policies, administrative and judicial procedures, regulatory competence, broad-based tax systems and effective service delivery mechanisms; and

(12) participants in such exchanges can work with national, regional and local officials to encourage intergovernmental cooperation through the establishment of laws, regulatory regimes, institutions, and channels of communication among government officials at all levels.

SEC. 203. STATEMENT OF PURPOSE.

The purpose of this title is to facilitate the establishment of—

(1) legitimate, democratically elected local and regional governments throughout the

independent states of the former Soviet Union that will be able to provide for self-governance and the full range of efficient and equitable public services and management practices expected of such governments in a free society;

(2) cooperative intergovernmental relations between and among the independent states of the former Soviet Union and among its regional and local governments that will provide effectively for such common needs as economic development, intermodal transportation, environmental protection, and joint service provision;

(3) permanent governmental and nongovernmental institutions throughout the independent states of the former Soviet Union able that will provide continuing training, research, and development with respect to local and regional governance and intergovernmental cooperation; and

(4) ongoing ties of assistance and friendship between the officials and institutions of State and local governments in the United States and the independent states of the former Soviet Union.

SEC. 204. DEFINITIONS.

As used in this title—

(1) the term "eligible organization" means—

(A) any organization of elected or appointed States, local, or regional governmental officials determined by the agency administering section 205 to have the capacity to engage in educational and technical assistance exchanges in public administration; or

(B) any private, nonprofit organization having expertise in public administration and experience in providing training or technical assistance; and

(2) the term "independent states of the former Soviet Union" includes the following states that formerly were part of the Soviet Union: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

SEC. 205. AUTHORITY.

(a) IN GENERAL.—(1) The President, acting through such agency as he may designate, is authorized to establish a program for technical assistance in local and regional self-government to the independent states of the former Soviet Union to carry out the purposes of this title.

(2) Of the amounts authorized to be appropriated, an appropriate amount should be made available for necessary administrative expenses by the implementing agency.

(b) GRANTS.—In providing assistance under subsection (a), the President shall, subject to the availability of appropriations, make grants to eligible organizations to cover the travel and administrative expenses incurred by such organizations in conducting—

(1) an assessment of the need by any independent state of the former Soviet Union for fiscal, legal, and technical expertise at the local and regional level; and

(2) training of local and regional governmental officials in democratic institution-building and public administration.

(c) LOCATION.—Funds made available under this title may not be used for any period in excess of 6 months with respect to any single visit authorized by this section.

SEC. 206. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—In addition to amounts otherwise available for such purposes, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

(b) AVAILABILITY OF FUNDS.—Funds authorized to be appropriated pursuant to subsection (a) are authorized to remain available until expended.

SEC. 207. TERMINATION.

This title shall terminate 5 years after its date of enactment.

NUNN (AND OTHERS) AMENDMENT NO. 2653

Mr. NUNN (for himself, Mr. WARNER, Mr. BINGAMAN, Mr. COHEN, Mr. EXON, Mr. LEVIN, Mr. LOTT, Mr. MACK, Mr. MCCAIN, Mr. SHELBY, Mr. SMITH, Mr. THURMOND, and Mr. WALLOP) proposed an amendment to amendment No. 2653 proposed by Mr. NUNN (and others) to the bill S. 2532, supra, as follows:

Beginning on page 35, strike out line 21 and all that follows through line 22 on page 36 and insert in lieu thereof the following:

(a) DEMILITARIZATION OF THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.—

(1) CONGRESSIONAL FINDING ON SIGNIFICANCE OF DEMILITARIZATION.—The Congress finds that it is in the national security interest of the United States—

(A) to facilitate, on a priority basis—

(i) the transportation, storage, safeguarding, and destruction of nuclear and other weapons of mass destruction of the independent states of the former Soviet Union;

(ii) the prevention of proliferation of weapons of mass destruction and destabilizing conventional weapons of the independent states of the former Soviet Union, and the establishment of verifiable safeguards against the proliferation of such weapons;

(iii) the prevention of diversion of weapons-related scientific expertise of the former Soviet Union to terrorist group or third countries; and

(iv) other efforts designed to reduce the military threat from the former Soviet Union;

(B) to support the conversion of the massive defense-related industry and equipment of the independent states of the former Soviet Union for civilian purposes and uses; and

(C) to use existing authorities and funding to expand military-to-military contacts between the United States and the independent states of the former Soviet Union.

(3) AUTHORITY.—The President is authorized, consistent with paragraph (1), to establish programs for—

(A) transporting, storing, safeguarding, disabling, and destroying nuclear, chemical, and other weapons of the independent states of the former Soviet Union, as described in section 212(b) of the Conventional Forces in Europe Treaty Implementation Act of 1991 (Public Law 102-228);

(B) establishing verifiable safeguards against the proliferation of such weapons;

(C) preventing diversion of weapons-related scientific expertise of the former Soviet Union to terrorist groups third countries;

(D) facilitating the conversion of military technologies and capabilities and defense industries of the former Soviet Union into civilian activities; and

(E) establishing science and technology centers in the independent states of the former Soviet Union for the purposes of engaging weapons scientists and engineers previously involved with nuclear, chemical, and other weapons of mass destruction in productive, nonmilitary undertakings.

(3) FUNDING AUTHORITY.—In recognition of the direct contributions to the national security interests of the United States of the activities specified in paragraph (2), the President is authorized to make available such sums as may be necessary of funds made available under sections 108 and 109 of Public Law 102-229, funds made available to carry out the provisions of section 23 of the Arms Export Control Act, and funds made available to carry out this Act, to carry out the provisions of paragraph (2).

(4) PRIOR NOTICE OF OBLIGATIONS TO CONGRESS.—Not less than 15 days before obligating any funds made available for a program under paragraph (2), the President shall transmit to the appropriate congressional committees a report on the proposed obligation. Each such report shall specify—

(A) the account, budget activity, and particular program or programs from which the funds proposed to be obligated are to be derived and the amount of the proposed obligation; and

(B) the activities and forms of assistance under paragraph (2) for which the President plans to obligate such funds.

(5) QUARTERLY REPORTS ON PROGRAMS.—Not later than 30 days after the end of each fiscal year quarter for fiscal years 1992 and 1993, the President shall transmit to the appropriate congressional committees a report on the activities carried out under paragraph (2). Each such report shall set forth, for the preceding fiscal year quarter and cumulatively, the following:

(A) The amounts expended for such activities and the proposes for which they were expended.

(B) The source of the funds obligated for such activities, specified by program.

(C) A description of the participation of all United States Government departments and agencies in such activities.

(D) A description of the activities carried out under paragraph (2) and the forms of assistance provided under that paragraph.

(E) Such other information as the President considers appropriate to fully inform the Congress concerning the operation of the programs authorized under paragraph (2).

(6) DEFINITIONS.—As used in paragraph (4) and (5)—

(A) the term "appropriate congressional committees" means—

(i) the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Appropriations of the House and the Senate, wherever the account, budget activity, or program is funded from appropriations made under the international affairs budget function (150), and the activity funded is a foreign relations activity;

(ii) the Committees on Armed Services and the Committees on Appropriations of the Senate and the House of Representatives, wherever the account, budget activity, or program is funded from appropriations made under the national defense budget function (050), and the activity funded in a defense activity; or

(iii) all congressional committees referred to in clauses (i) and (ii)—

(I) wherever the account, budget activity, or program is funded from appropriations made under the national defense budget function (050), but the activity is a foreign relations activity; or

(II) wherever the account, budget activity, or program is funded from appropriations made under the international affairs budget function (150), but the activity funded is a defense activity;

(B) the term "defense activity" means any activity which, if the subject of legislation, would require such legislation to be referred, under the rules of the respective House of

Congress, to the Committee on Armed Services of the Senate or the Committee on Armed Services of the House of Representatives; and

(C) the term "foreign relations activity" means any activity which, if the subject of legislation, would require such legislation to be referred, under the rules of the respective House of Congress, to the Committee on Foreign Relations of the Senate or the Committee on Foreign Affairs of the House of Representatives.

On page 44, line 2, insert "(other than section 8(a))" after "Act".

WARNER (AND OTHERS) AMENDMENT NO. 2654

Mr. WARNER (for himself, Mr. NUNN, Mr. BINGAMAN, Mr. COHEN, Mr. EXON, Mr. LEVIN, Mr. LOTT, Mr. MACK, Mr. MCCAIN, Mr. SHELBY, Mr. SMITH, Mr. THURMOND, and Mr. WALLOP) proposed an amendment to amendment No. 2653 proposed by Mr. NUNN (and others to the bill S. 2532, supra, as follows:

At the end of proposed section 8(a)(1), as proposed to be inserted by the Nunn, et al, amendment, insert the following new paragraph and renumber remaining paragraphs and internal references to paragraphs in the Nunn, et al, amendment accordingly:

"(2) EXCLUSIONS.—In addition to the conditions on eligibility set forth in section 5(b), United States assistance under paragraph (3) may not be provided unless the President certifies to the Congress, on an annual basis, that the proposed recipient is committed to—

(A) making a substantial investment of its resources for dismantling or destroying such weapons of mass destruction, if such recipient has an obligation under a treaty or other agreement to destroy or dismantle any such weapons;

(B) forgoing any military modernization program that exceeds legitimate defense requirements and forgoing the replacement of destroyed weapons of mass destruction;

(C) forgoing any use in new nuclear weapons of fissionable or other components of destroyed nuclear weapons; and

(D) facilitating United States verification of any weapons destruction carried out under section 212 of the Conventional Forces in Europe Treaty Implementation Act of 1991 (Public Law 102-228)."

BURNS (AND ADAMS) AMENDMENT NO. 2655

Mr. LUGAR (for Mr. BURNS, for himself and Mr. ADAMS) proposed an amendment to the bill S. 2532, supra, as follows:

On page 34, between lines 17 and 18, insert the following new paragraph:

(6) to support the use of telecommunications technologies to deliver, to any of the independent states of the former Soviet Union, educational and instructional programming produced in the United States by grant recipients under the Star Schools Program Assistance Act or under the Distance Learning Program established under subtitle D of title XXIII of the Food, Agricultural, Conservation, and Trade Act of 1990, including instruction pertaining to kindergarten through grade 12 education, democracy, market economics, job training, and agricultural technical assistance.

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EXON AMENDMENT NO. 2656

Mr. EXON proposed an amendment to the bill S. 2532, supra, as follows:

At the appropriate place in the bill insert the following:

SEC. . STRATEGIC DIVERSIFICATION.

The Office of Barter within the U.S. Department of Commerce and the Interagency Group on Countertrade shall within six months from the date of enactment report to the President and the Congress on the feasibility of using barter, countertrade and other self-liquidating finance methods to facilitate the strategic diversification of United States oil imports through cooperation with the former Soviet Union in the development of their energy resources. The report shall consider among other relevant topics the feasibility of trading American grown food for oil, minerals or energy produced by the former Soviet Union.

PRESSLER (AND DECONCINI) AMENDMENT NO. 2657

Mr. PRESSLER (for himself and Mr. DECONCINI) proposed an amendment to the bill S. 2532, supra, as follows:

On page 52, after line 13, add the following new section:

SEC. . POLICY TOWARD MOLDOVA.

(a) FINDINGS.—The Congress finds that—

(1) many, including civilians, have died in the conflict in Moldova in recent weeks;

(2) on June 17, 1992, Presidents Bush and Yeltsin signed a Charter for American-Russian Partnership and Friendship in which the countries agreed to "reaffirm their respect for the independence and sovereignty and the existing borders of the CSCE-participating states, including the new independent states, and recognize that border changes can be made only by peaceful and consensual means, in accordance with the rules of international law and the principles of CSCE";

(3) actions by Transdniester officials for secession from Moldova, including their use of force and the imposition of an economic blockade, violate CSCE principles and international law;

(4) the presence of the Russian 14th army in Moldova and the use of at least some of its units in the Moldovan conflict aggravates the situation, violates international law and the independence and sovereignty of the Republic of Moldova;

(5) the presence of the Russian army in foreign countries formerly part of the Soviet Union without the agreement of the host country is a potential cause of instability and conflict; and

(6) the appointment of international observers, under the aegis of the United Nations, the CSCE, or other international fora to monitor the withdrawal of Russian troops from Moldova would serve to lessen tensions and promote a more orderly withdrawal of former Soviet troops.

(b) POLICY.—It is the sense of the Congress that—

(1) the United States should urge, through all possible means, the Russian Government to withdraw the 14th army from the independent and sovereign state of the Republic of Moldova;

(2) the United States should urge the parties to the conflict in Moldova to abide by a cease-fire and urge an end to the economic blockade of the Republic of Moldova;

(3) during and after the negotiating process on a timetable for the withdrawal of Russian armed forces from Moldova, the United States should support the establishment of a joint military monitoring committee consisting of representatives of the military of all affected states, the United States, and the representatives of other countries, as mutually agreed upon, to observe the orderly and expeditious withdrawal of former Soviet troops from Moldova; and

(4) the activities of this group should be similar to the greatest extent practicable to the activities of the Joint Military Monitoring Committee on Angola.

PRESSLER AMENDMENT NO. 2658

Mr. PRESSLER proposed an amendment to the bill S. 2532, supra, as follows:

On page 52, after line 13, add the following new section:

SEC. 21. RUBLE STABILIZATION.

(a) FINDINGS.—The Congress finds that—

(1) the lack of a convertible currency is a significant obstacle to the achievement of economic growth and a barrier to United States trade and investment in the independent states of the former Soviet Union;

(2) due to the nature of the Communist economic system, the economies of the states of the former Soviet Union have inherited a monetary system in which the ruble remains the medium of commerce and trade;

(3) the sovereign states of Estonia, Latvia, and Lithuania have indicated their intent to issue, or have issued, currencies independent of the Russian ruble;

(4) the sovereign state of Ukraine, as well as other states of the former Soviet Union, have indicated their desire to issue separate currencies independent of the Russian ruble;

(5) the International Monetary Fund requires control of fiscal and monetary policy as well as the establishment of a commercial banking system and a central bank compatible with international norms, as a prerequisite for a stabilization fund;

(6) section 10(b) of this Act states that the United States will support the establishment of a fund or, alternatively, funds, under the International Monetary Fund;

(7) the introduction of a stabilization fund for the Russian ruble without similar stabilization programs for the Ukraine grivna, Lithuanian litas, Latvian lett, Estonian kroon, and other currencies issued by states currently tied economically to the ruble could precipitate disastrous fiscal and monetary conditions, including higher inflation, devaluation of property, commodity hording, shortages, and a further decline in agricultural and industrial production that will complicate the steps these governments have taken toward genuine market reform; and

(8) Article IV, section 1, subsection (iii) of the IMF Articles of Agreement states that each member shall "avoid manipulating exchange rates or the international monetary system in order to prevent effective balance of payments adjustment or to gain an unfair competitive advantage over other members".

(b) POLICY.—It is the sense of the Congress that the President should urge the Secretary of the Treasury to instruct the United States executive director to the International Monetary Fund to take concrete steps to support the right of these sovereign and independent states to issue currencies independent of the Russian ruble.

RIEGLE (AND GARN) AMENDMENT NO. 2659

Mr. PELL (for Mr. RIEGLE, for himself and Mr. GARN) proposed an amend-

ment to the bill S. 2532, supra, as follows:

On page 31, after line 24, insert a new paragraph as follows:

"(C) technical assistance administered by the Department of the Treasury designed to encourage reform and restructuring of banking and financial systems and better understanding of international norms of financial policy and regulation;"

On pages 32 and 33, redesignate paragraphs (C) through (F) as paragraphs (D) through (G).

Strike all from page 33, line 19 through page 34, line 5 and insert the following:

"(4) to fund additional export promotion activities by the Department of Commerce in support of expanded trade and investment relations with United States businesses including—

"(A) trade missions to bring United States firms together with trade and investment partners from the region;

"(B) creation of additional Foreign Commercial Service posts and assignment of additional Foreign Commercial Service officers in the region;

"(C) an information center to provide market and sectoral information on the independent states to United States firms;

"(D) creation of binational business development committees to identify problems and opportunities in key business sectors and to address policy constraints and problems facing individuals investments;

"(E) establishment of additional American Business Centers in the region, pursuant to the provisions of section 10 of this Act, to provide information and services for United States firms, trade associations and State development agencies engaged in support of mutually beneficial trade;

"(F) identification of priority business sectors, business training and exchange, and technical assistance for development of standards; and

"(G) support for trade promotion activities of industry consortia and demonstration projects."

At the appropriate place in the bill, insert the following new section:

"SEC. . EXPORT CONTROL POLICY.

"(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that the United States should—

"(1) cooperate with and assist the independent states of the former Soviet Union in developing export control systems and enforcement mechanisms capable of barring proliferation of military systems, militarily critical technologies, and weapons of mass destruction; and

"(2) consistent with such nonproliferation objectives, implement a licensing policy and cooperative arrangements through COCOM that will—

"(A) encourage expanded trade and investment between COCOM member states and the independent states of the former Soviet Union;

"(B) encourage development of economic infrastructure, such as telecommunications and banking systems, capable of supporting market reforms; and

"(C) assist redeployment of defense capabilities to civilian uses.

"(b) TECHNICAL ASSISTANCE.—The Secretary of Commerce, the Secretary of State and the heads of other agencies as appropriate should provide the greatest possible technical assistance in support of the efforts described in subsection (a)(1)."

MCCONNELL (AND KERRY) AMENDMENT NO. 2660

Mr. MCCONNELL (for himself and Mr. KERRY) proposed an amendment to the bill S. 2532, supra, as follows:

On page 35, after line 19:

( ) To promote drug education, interdiction and eradication programs including:

(A) initiatives to ban poppy growth;

(B) law enforcement training and measures to reduce the flow of precursor chemicals and illicit narcotics in and through the Republics;

(C) coordination and cooperation at the regional and international level with organizations such as the United Nations;

(D) the establishment of bilateral counternarcotics agreements to assist law-enforcement agencies in conducting criminal investigations and gathering narcotics related information.

SYMMS AMENDMENT NO. 2661

Mr. MCCONNELL (for Mr. SYMMS) proposed an amendment to the bill S. 2532, supra, as follows:

On page 35, line 14, strike out "and".

On page 35, line 19, strike out the period and insert in lieu thereof "; and".

On page 35, between lines 19 and 20, insert the following new paragraph:

(10) to support the establishment of an efficient intermodal transportation system to ensure the safe and efficient movement of its people, products, and materials by providing—

(A) technical assistance in developing laws and regulations for the procurement of transportation construction-related services;

(B) technical assistance in preparing transportation construction-related feasibility studies, and project design, specifications and management; and

(C) transportation infrastructure construction services and products, including the provision of materials, equipment, and supplies. In undertaking the activities in this paragraph, the United States agencies shall, whenever possible, use the services and expertise of established transportation associations, academic institutions and private entities.

MCCONNELL AMENDMENT NO. 2662

Mr. MCCONNELL proposed an amendment to the bill S. 2532, supra, as follows:

At the appropriate place in the bill, insert the following new section:

Subsection 132(f) and 132(g) of PL 102-138 are hereby repealed.

D'AMATO (AND OTHERS) AMENDMENT NO. 2663

Mr. D'AMATO (for himself, Mr. DECONCINI, and Mr. PRESSLER) proposed an amendment to the bill S. 2532, supra, as follows:

On page 52, after line 13, insert the following new section:

SEC. 21. None of the funds made available by this Act may be used to pay indebtedness of the republics of the former Soviet Union to international financial institutions.

DECONCINI (AND OTHERS) AMENDMENT NO. 2664

Mr. DECONCINI (for himself, Mr. PRESSLER, Mr. RIEGLE, Mr. D'AMATO, Mr. LAUTENBERG, Mr. HELMS, Mr. WALLOP, Mr. SYMMS, Mr. GORE, Mr. BRADLEY, Mr. ADAMS, Ms. MIKULSKI, Mr. DODD, and Mr. WOFFORD) proposed an amendment to the bill S. 2532, supra, as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . RESTRICTIONS ON ASSISTANCE FOR RUSSIA.

(a) IN GENERAL.—No United States economic assistance (other than humanitarian assistance) may be provided by the Government of the United States to the Government of Russia until the President of the United States determines, and so certifies to Congress, that—

(1) significant progress toward removal of Russian or Commonwealth of Independent States armed forces from Estonia, Latvia, and Lithuania has been achieved;

(2) no artillery exercise or similar training operation by Russian or Commonwealth of Independent States armed forces on the territory of Estonia, Latvia, or Lithuania is any longer being conducted, without the express permission of the government of such country;

(3) the air and naval forces of Russia or the Commonwealth of Independent States are not interfering with traffic in the air space or territorial waters of Estonia, Latvia, and Lithuania; and

(4) neither the Government of Russia nor the military command of the Commonwealth of Independent States has introduced into Estonia, Latvia, or Lithuania any additional armed forces since the date of enactment of this Act, including any additional military personnel, military equipment, or related civilian personnel, without the express permission of the host government.

(b) INTERNATIONAL MONITORING OF TROOP WITHDRAWAL.—During and after the negotiating process on a timetable for withdrawal of troops a joint military monitoring committee shall be formed consisting of representatives of the military of all affected states, the United States, and representatives of other countries, as mutually agreed upon. The activities of this group should be similar to the greatest extent practicable to the experience of the Joint Military Monitoring in Angola.

(c) DATE OF CERTIFICATION.—Any certification made under subsection (a) shall be effective for a period of six months, and the President may recertify the requirements of that subsection for additional periods of 6 months.

(d) REPORT.—Whenever the President makes determinations under paragraphs (1) through (4) of subsection (a), the President shall submit a report to the Congress setting forth the basis for each such determination.

(c) DEFINITIONS.—For purposes of this section—

(1) the term "humanitarian assistance" means food, clothing, medicine, or other humanitarian assistance; and

(2) the term "United States economic assistance" means economic assistance (including in-kind assistance) provided by grant, sale, loan, lease, credit, guarantee, or insurance, or by any other means (including contributions to international financial institutions), by any agency or instrumentality of the United States Government, and such term does not include funds transferred under section 221 of the Soviet Nuclear Threat Reduction Act of 1991 (Public Law 102-228) for use in reducing the Soviet military threat in accordance with that Act.

PELL (AND LUGAR) AMENDMENT NO. 2665

Mr. PELL (for himself and Mr. LUGAR) proposed an amendment to amendment 2664 prepared by Mr. DECONCINI (and others) to the bill S. 2532, supra, as follows:

In the pending amendment, strike all after the first word and insert the following:

RESTRICTIONS ON ASSISTANCE FOR RUSSIA

(a) IN GENERAL.—Commencing twelve months following enactment of the Act, no United States economic assistance (other than humanitarian assistance) may be provided by the Government of the United States to the Government of Russia until the President of the United States determines, and so certifies to Congress, that—

(1) significant progress toward removal of Russian or Commonwealth of Independent States armed forces from Estonia, Latvia, and Lithuania has been achieved;

(2) no artillery exercise or similar training operation by Russian or Commonwealth of Independent States armed forces on the territory of Estonia, Latvia, or Lithuania is any longer being conducted, without the express permission of the government of such country;

(3) the air and naval forces of Russia or the Commonwealth of Independent States are not interfering with traffic in the air space or territorial waters of Estonia, Latvia, and Lithuania; and

(4) neither the Government of Russia nor the military command of the Commonwealth of Independent States has introduced into Estonia, Latvia, or Lithuania any additional armed forces since the date of enactment of this Act, including any additional military personnel, military equipment, or related civilian personnel, without the express permission of the host government.

(b) INTERNATIONAL MONITORING OF TROOP WITHDRAWAL.—During and after the negotiating process on a timetable for withdrawal of troops a joint military monitoring committee shall be formed consisting of representatives of the military of all affected states, the United States, and representatives of other countries, as mutually agreed upon. The activities of this group should be similar to the greatest extent practicable to the experience of the Joint Military Monitoring in Angola.

(c) DATE OF CERTIFICATION.—Any certification made under subsection (a) shall be effective for a period of six months, and the President may recertify the requirements of that subsection for additional periods of 6 months. The last sentence of section 5(b) applies to ineligibility for assistance under this section.

(d) REPORT.—Whenever the President makes determinations under paragraphs (1) through (4) of subsection (a), the President shall submit a report to the Congress setting forth the basis for each such determination.

(c) DEFINITIONS.—For purposes of this section—

(1) the term "humanitarian assistance" means food, clothing, medicine, or other humanitarian assistance; and

(2) the term "United States economic assistance" means economic assistance (including in-kind assistance) provided by grant, sale, loan, lease, credit, guarantee, or insurance, or by any other means by any agency or instrumentality of the United States Government, and such term does not include funds transferred under section 221 of the Soviet Nuclear Threat Reduction Act of 1991 (Public Law 102-228) for use in reducing the Soviet military threat in accordance with that Act.

SPECTER AMENDMENT NO. 2666

(Ordered to lie on the table.)

Mr. SPECTER submitted an amendment intended to be proposed by him to the bill S. 2532, supra, as follows:

At the end of the bill insert the following new section:

SEC. . 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 manufacture, 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, producers, 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.".

(e) 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).

COCHRAN AMENDMENT NO. 2667

Mr. COCHRAN proposed an amendment to the bill S. 2532, supra, as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . TRAINING IN ECONOMIC SECURITY AND DEVELOPMENT SKILLS.

Chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.) is

amended by adding at the end thereof the following new section:

"SEC. 546. TRAINING IN ECONOMIC SECURITY AND DEVELOPMENT SKILLS.—(a) The President is authorized to allocate a portion of the funds made available each fiscal year to carry out this chapter for use in providing education and training of foreign military personnel described in subsection (b) in economic security and development skills, including skills in the development of agriculture, rural enterprise, and rural health and sanitation.

"(b) The foreign military personnel referred to in subsection (a) are members of the armed forces of a foreign country who are being separated, within one year, from active duty with such armed forces.".

GRAMM (AND OTHERS) AMENDMENT NOS. 2668 AND 2669

Mr. GRAMM (for himself, Mr. DOLE, Mr. SYMMS, Mr. MACK, Mr. HELMS, and Mr. SIMPSON) proposed two amendments to the bill S. 2532, supra, as follows:

AMENDMENT NO. 2668

On page 44, line 20, insert before the period the following:

", and may use his voice and vote in the Fund to promote the use of the resources of the Fund for the establishment and/or support of currency boards in those cases where a currency board would be more likely to achieve success in promoting a stable currency and sustained economic growth".

AMENDMENT NO. 2669

On page 41, strike lines 7 through 22 and insert in lieu thereof the following:

"SEC. 12. SUPPORT FOR MACROECONOMIC STABILIZATION.

"(a) IN GENERAL.—In order to promote macroeconomic stabilization, the integration of the independent states of the former Soviet Union into the international financial system, enhance the opportunities for trade, improve the climate for foreign investment, and strengthen the process of transformation of the former socialist economies into free enterprise systems and thereby progressively enhance the wellbeing of the citizens of these states, the United States should in appropriate circumstances take a leading role in organizing and supporting multilateral efforts at macroeconomic stabilization and debt rescheduling, conditioned on the appropriate development and implementation of comprehensive economic reform programs.

"(b) CURRENCY STABILIZATION.—In furtherance of the purposes and consistent with the conditions described in subsection (a), the Congress expresses its support for United States participation, in sums of up to $3,000,000,000, in a currency stabilization fund or funds for the independent states of the former Soviet Union. Such amounts may also be used for the establishment and/or support of currency boards in those cases where the President determines that a currency board would be more likely to achieve success in promoting a stable, convertible currency and sustained economic growth.".

CRANSTON AMENDMENT NO. 2670

Mr. CRANSTON proposed an amendment to the bill S. 2532, supra, as follows:

At the appropriate place in the bill, insert the following section:

SEC. . The Secretary of State, in consultation with the Secretary of Defense and the Secretary of Energy, shall, within a period not to exceed 180 days, present to the chairmen of the Senate Foreign Relations Committee and the House Committee on Foreign Affairs, a report on the possible alternatives for the ultimate disposition of ex-Soviet special nuclear materials (SNM).

The report shall include a cost-benefit analysis comparing (1) the relative merits of the indefinite storage and safeguarding of such materials in the republics of the former Soviet Union and (2) its acquisition by purchase, barter or other means by the United States.

Such a report shall include relevant issues such as the protection of United States uranium producers from dumping, the relative vulnerability of these SNM stocks to illegal proliferation, and the potential electrical and other savings associated with their being made available in the fuel cycle in the United States.

The report shall also include a discussion of how high enriched uranium stocks could be diluted for reactor fuel. Further, it shall include an analysis of the potential costs to the United States of a default on community credit loans by the recipient republics of the former Soviet Union, and how this could be ameliorated by authorities allowing for the bartering for food.

HATCH AMENDMENT NO. 2671

Mr. LUGAR (for Mr. HATCH) proposed an amendment to the bill S. 2532, supra, as follows:

On page 32, line 5, insert "and in processing facilities necessary to convert raw agricultural products into food," after "systems,".

BAUCUS (AND CHAFEE) AMENDMENT NO. 2672

Mr. BAUCUS (for himself and Mr. CHAFEE) proposed an amendment to the bill S. 2532, supra, as follows:

On page 31, line 23, insert "environmental and health protection laws," after "agricultural policy laws".

On page 35, after line 7, insert the following:

"(F) to control the emissions of air pollutants that may present a risk to public health and the environment;

(G) to protect and restore all waters;

(H) to restore areas contaminated by hazardous substances;

(I) to conserve biological diversity;

(J) to prevent environmental threats to the United States or the Arctic/subarctic ecosystem;

STEVENS AMENDMENTS NOS. 2673 AND 2674

Mr. STEVENS proposed two amendments to the bill S. 2532, supra, as follows:

AMENDMENT NO. 2673

Amend the section titled "Sales to the Independent States of the Former Soviet Union—Processed and High Value Agricultural Commodities" by inserting after the phrase "agricultural commodities" the phrase "(including fish and fish products, without regard to whether such fish are harvested in aquacultural operations)".

AMENDMENT NO. 2674

At the appropriate place in the bill insert the following new sections:

SEC. . FOREIGN COMMERCIAL SERVICE OFFICERS.

To ensure adequate U.S. support for business development in the Russian Far East, the Secretary of Commerce should place United States & Foreign Commercial Service Officers in the Russian Federation cities of Vladivostok and Khabarovsk.

SEC. . TECHNICAL ASSISTANCE CENTER.

(a) The President is authorized to establish a technical assistance center at an American university, in a region which receives nonstop air service to and from the Russian Far East as of the date of enactment of this legislation, to facilitate U.S. business opportunities, free markets and democratic institutions in the Russian Far East.

(b) There are authorized to be appropriated such sums as may be necessary to operate the center established under subsection (a).

BOREN (AND OTHERS) AMENDMENT NO. 2675

Mr. BOREN (for himself, Mr. BENTSEN, Mr. BYRD, Mr. BAUCUS, Mr. LIEBERMAN, Mr. CONRAD, Mr. DOLE, and Mr. KASTEN) proposed an amendment to the bill S. 2532, supra, as follows:

On Page 52, after line 13, add the following:

SEC. . TIED AND CREDIT PROGRAM; CASH TRANSFER ACCOUNTABILITY; RESTRICTIONS ON WAIVERS.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the recent agreement by the Organization for economic Cooperation and Development (hereafter in this section referred to as the "OECD agreement") to limit tied aid covers the independent states of the former Soviet Union;

(2) this agreement is nonbinding;

(3) it contains "grandfather" clauses which will allow foreign countries to shelter tied aid projects;

(4) the mechanisms for enforcing this agreement may be insufficient to prevent foreign countries from continuing predatory export financing practices that disadvantage the United States; and

(5) while the United States should make its best efforts to abide by the terms of this agreement, it should at the same time be prepared to match any tied aid offer made by foreign countries in violation of the agreement.

(b) COUNTERING TIED AID IN THE FORMER SOVIET UNION.—(1)(A) The President should give priority attention to combatting the tied aid practices of foreign countries in the independent states of the former Soviet Union, the Baltic states, and the states of Eastern and Central Europe, when such practices are deemed by the Secretary of the Treasury to be in violation of the OECD agreement.

(B) Funds for this purpose shall be available for grants made by the Export-Import Bank under the tied aid credit program pursuant to section 15(b) of the Export-Import Bank Act of 1945 and to reimburse the Bank for the amount equal to the concessionality level of any tied aid credits authorized by the Bank.

(2) The Chairman of the Export-Import Bank is authorized to use funds made available under section 15(e)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 635i—3(e)(1)) in such amounts as may be necessary to match specific predatory financing practices of foreign countries in the independent states of the former Soviet Union, in the Baltic states, and in the Central and Eastern European states.

(3) From funds made available under this Act, there are authorized to be appropriated to the Tied Aid Credit Fund established in section 15(c) of the Export-Import Bank Act of 1945 such sums as may be necessary to carry out this subsection.

(c) CASH TRANSFER ACCOUNTABILITY.—Not later than one year after the date of enactment of this Act, the President shall submit a report to the Congress stating—

(1) the amounts of assistance provided under this Act as cash transfer;

(2) the recipients of such cash transfers; and

(3) the extent to which commodity or capital financing were utilized in lieu of such cash transfers.

(d) PROCUREMENT RESTRICTIONS.—Funds made available for assistance under this Act may be used for procurement—

(1) in the United States, the recipient countries, or a developing country; or

(2) in any other country but only if—

(A) the provision of such assistance requires commodities or services, or defense articles or defense services, of a type that are not produced in and available for purchase in any country specified in paragraph (1); or

(B) the President determines, on a case-by-case basis, that procurement in such other country is necessary—

(i) to meet unforseen circumstances, such as emergency situations, where it is important to permit procurement in a country not specified in paragraph (1), or

(ii) to promote efficiency in the use of United States foreign assistance resources, including to avoid impairment of foreign assistance objectives.

MACK (AND OTHERS) AMENDMENT NO. 2676

Mr. MACK (for himself, Mr. HELMS, Mr. D'AMATO, Mr. GRAHAM, and Mr. MCCAIN) proposed an amendment to the bill S. 2532, supra, as follows:

On page 29, in line 15, strike "or";

In line 19, strike the period and insert a semicolon in lieu thereof;

After line 19, add the following new subsection:

"(6) with respect to assistance provided six months after enactment of this Act, is supplying or selling nuclear fuel, technical advisors, or construction assistance to nuclear reactor complexes under construction in Cuba unless the President certifies and justifies in writing to the Congress that such state has provided appropriate assurances to the United States that such state will not provide nuclear fuel rods to Cuba unless—

(A) Cuba has provided assurances that it will not act in a manner inconsistent with the basic principles of the Nuclear Nonproliferation Treaty and the Treaty of Tlatelolco;

(B) Cuba has committed to comply with the proposed IAEA standards of 1991 or the current country of origin (for example, Russia) reactor safety standards; and

(C) Cuba has committed to accept verification of compliance with such safety standards by a special international commission approved by the United States and such state, preferably in conjunction with the IAEA, except that this subparagraph shall only apply with respect to assistance provided twelve months after enactment of this Act.

GORTON AMENDMENT NO. 2677

Mr. GORTON proposed an amendment to the bill S. 2532, supra, as follows:

On page 35, line 14, strike "and".

On page 35, line 19, strike the period.

On page 35, between lines 19 and 20, insert the following new paragraph:

"(10) to support the printing of books and other informational materials for use in the educational systems of the independent states of the former Soviet Union, including support for the procurement of paper for such purpose.".

AUTHORITY FOR COMMITTEES TO MEET

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, July 1, 1992, at 10 p.m. to hold a hearing on the nomination of Timothy D. Leonard, to be U.S. district judge for the Western District of Oklahoma; Lourdes G. Baird, to be U.S. district judge for the Central District of California; Irma E. Gonzalez, to be U.S. district judge for the Southern District of California; and Rudolph T. Randa, to be U.S. district judge for the Eastern District of Wisconsin.

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

SELECT COMMITTEE ON INTELLIGENCE

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, July 1, 1992 at 1 p.m. to hold a closed markup on the fiscal year 1993 intelligence authorization.

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., July 1, 1992, to receive testimony on H.R. 1096, to authorize appropriations for programs, functions, and activities of the Bureau of Land Management for fiscal years 1992, 1993, 1994, and 1995; to improve the management of the public lands, and for other purposes.

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

SUBCOMMITTEE ON COMMUNICATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Communications Subcommittee of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on July 1, 1992, at 9:30 a.m., on mobile communications.

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, July 1, 1992, at 9:30 a.m., in open session, to conduct a hearing on the nominations of David S. Addington, to be General Counsel of the Department of Defense and Robert S. Silberman, to be Assistant Secretary of the Army for Manpower and Reserve Affairs; to consider certain pending civilian nominations; to consider certain pending Army and Air Force nominations; and to discuss, and possibly consider, certain pending Navy and Marine Corps nominations.

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

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Wednesday, July 1, 1992, at 9 a.m. for an executive session on pending business.

AGENDA

1. S. 25, Freedom of Choice Act.

2. S. 2870, Legal Services Reauthorization Act.

3. S. 2141, Long-term Care Insurance Improvement and Accountability Act.

4. S. 2257, to extend the terms of service of the Members of the National Commission on Children.

5. S. 2060, Orphan Drug Amendments.

6. Nominations:

To be Commissioner of Education Statistics, Department of Education: Emerson J. Elliott, of Virginia.

To be Chief Financial Officer, Department of Education: William Dean Hansen, of Idaho.

To be Assistant Secretary for Policy and Planning, Department of Education: Bruno Victor Manno, of Ohio.

To be a member of the National Commission on Libraries and Information Science: Shirley Gray Adamovich, of New York.

To be a member of the National Science Board, National Science Foundation: F. Albert Cotton, of Texas; Charles E. Hess, of California; and James L. Powell, of Pennsylvania.

To be a member of the National Council on the Arts: Hugh Hardy, of New York.

Routine list of Public Health Service Corps (list number 945, 946 and 961).

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

ADDITIONAL STATEMENTS

REPORT ON RECENT ELECTIONS IN KOSOVA

• Mr. LIEBERMAN. Mr. President, I would like to bring to the attention of my colleagues a report by the Congressional Human Rights Foundation on the recent elections in Kosova. The Foundation, which has done fine work in the human rights field, sent a delegation to the elections. They have made some important observations and recommendations.

Kosova's leaders called these elections to counter Serbian nationalist policies in the region, where approximately 90 percent of the population is ethnically Albanian. Since 1990 the region's formerly autonomous status has been revoked, its legislature disbanded, and its popularly elected representatives forced underground. Serbian authorities have subsequently imposed direct police and administrative control on the region, subjecting ethnic Albanians to direct repression, firing tens of thousands of professional positions, and closing down Albanian-language schools and media. The United States Government should oppose this wanton abuse of power, just as it has done in Croatia and Bosnia. I commend this report, therefore, to my colleagues.

THE FOUNDATION'S OBSERVATIONS ABOUT THE VOTE

After visiting over two dozen polling sites and local election-commission headquarters throughout the region on May 24, the Foundation's delegation regarded the vote as the unequivocal expression of support within Kosova for legitimate, local representation that is independent of Belgrade's authority. In defiance of the Serbian authorities, who declared the elections "illegal," approximately 95 percent of Kosova's Albanian, Muslim Slav, Turkish, and Croatian electorate voted for president and parliamentary deputies of an independent Republic of Kosova.

While no reports of violence on election day reached the delegation, the team was disturbed by the authorities' systematic campaign to intimidate the electorate. The delegation noted the ubiquity of police checkpoints, where documents were scrutinized and vehicles searched. Reports of arrests, detentions, closings of polling sites, and seizures of ballots also reached the team. Most distressingly, two members of the delegation and their local escorts were stopped at gunpoint and detained for 1½ hours at a Serbian police station.

According to the delegation, the vote was carried out under extremely hostile circumstances with ingenuity, organization, and care that were nothing short of extraordinary. Most of the irregularities that did take place were due to police intervention at polling sites and a lack of popular experience in multiparty politics. These problems notwithstanding, the delegation was impressed by the apparent effort to use every means, including alternate polling sites, to ensure that everyone was able to vote.

THE DELEGATION'S RECOMMENDATIONS

Kosova's aspirations for self-determination may be the next victim of Serbian aggression. Recent reports that Serbian civilians in Kosova are being armed by the military, much as they were in Croatia and Bosnia-Hercegovina prior to open bloodshed, give great cause for alarm. To prevent the spread of fighting to Kosova—and the threat of a Balkans-wide war—the international community must take the following steps:

First, consider the recently elected leaders of Kosova to be the legitimate representatives of the region. Such an action would put Milosevic on notice that his campaign to "Serbianize" Kosova through illegitimate political means will not stand.

Second, authorize the deployment of United Nations peacekeeping forces and human rights monitoring teams in Kosova to prevent the spread of the war. Again, such a move by the international community would demonstrate a strong concern for Kosova.

Third, exempt the people of Kosova from international sanctions currently imposed on Serbia and Montenegro.●

TRIBUTE TO RADCLIFF

● Mr. MCCONNELL. Mr. President, I rise today to recognize the town of Radcliff in Hardin County.

Radcliff is a company town, built to serve the officers stationed at the nearby Fort Knox military base. The base is the economic lifeblood of the community as practically everyone in the city is connected with the base in one way or another. Thirteen percent of the residents are serving this great Nation in the military.

Radcliff is a unique Kentucky city in that only 30 percent of the residents were born in State. Radcliff's lure has been attributed to the enormous support the base receives from the civilian community. This has led to great diversity for a city of Radcliff's size. Seven percent of Radcliff's residents are foreign-born, and another 6 percent were born to American parents abroad.

As Radcliff's economy is tied to Fort Knox, the residents are wary of Defense Department cuts. So far these cuts have not hit Fort Knox as hard as other bases. Right now, Radcliff is looking forward to becoming the new headquarters of the Army's Recruiting Command and welcoming 630 families from Fort Sheridan, IL. I pay tribute to Radcliff and recognize it as one of Kentucky's finest towns.

Mr. President, I would like an article from the Louisville Courier-Journal to be submitted into the CONGRESSIONAL RECORD.

The article follows:

[From the Louisville Courier-Journal, June 29, 1992]

AS LONG AS GUNS AT FORT KNOX KEEP BOOMING, SO WILL THIS TOWN

(By Joseph Gerth)

In the early 1960s, near the end of Elmer Hargan's term as mayor of Radcliff, he got a telephone call from a woman who complained that the artillery barrages fired each night on the nearby Fort Knox military reservation "made her nervous."

Hargan's response betrayed a different perspective.

"I told her, 'Ma'am, when I don't hear those guns, it makes me nervous,' "

Radcliff is a company town. It was built to serve the Army post and was named for a former officer stationed there. And, most important, its economy is tied to the base.

To Randy Acton, a local businessman, the guns don't sound like cannons. "It's more like 'cha-ching' to me."

When the Senate Armed Services Committee starts talking about base closings, Radcliff feels the tremors.

"If it weren't for the base, we wouldn't be here," Hargan said.

Practically everyone in the city is connected to Fort Knox in some way. Thirteen percent of residents are in the military, and 41 percent of residents 16 or older are either veterans or now in the military.

Many others are retired Army personnel or are related to someone who is or has been stationed at Fort Knox. Some are civilian employees at the post.

Only 30 percent of Radcliff residents were born in Kentucky.

William E. Campbell moved to Radcliff in 1969. When he retired as a sergeant after 27 years in the Army, he didn't even consider moving back home to New Jersey.

"After you've been in the Army so long, home doesn't feel like home anymore. When you go back with your family, you feel like an outsider. We just decided to stay here with our own kind," he said.

Others say military retirees like the idea of a community that supports the armed services.

Sgt. Donnie Dame plans to retire in a few years, and he hopes to stay in Radcliff. Dame said that he's never been on a base that receives more support from its civilian community.

"Second to none," is how Mayor Jennings Smith describes it.

Smith said that most residents think "the town itself was an inception to serve the needs of the military."

And from looking around the city it would be hard to argue with him.

There's a brand new sculpture in front of City Hall dedicated to armor soldiers who trained at Fort Knox. A tank stands guard—symbolically—over Dixie Highway.

Evidence of the base's dominating presence—or of the U.S. Treasury's gold depository, which has made Fort Knox synonymous with wealth—isn't limited to official monuments. It's everywhere.

The Triple Gold Cinemas and Best Western's Gold Vault Inn are among businesses that have latched on to the theme. Tourism brochures urge visitors to "Come to the Gold," although you can't get near the depository and there's no convenient place from which to view it.

During Operation Desert Storm, employees at U.S. Cavalry Inc., a mail-order military-supply company, worked long hours to outfit soldiers with supplies the Army didn't provide.

"It was phenomenal the way people worked to make sure orders got out to the troops," said Acton, the company's president.

Radcliff isn't a traditional Kentucky town. There's no downtown and nothing to mark the center of the state's 13th-largest city. To hear some tell the story, Radcliff wasn't built—it just appeared.

There are no old buildings. Jennings said that, while old buildings lend atmosphere to cities, he can live without the headaches.

"Sometimes I don't know if that's good or bad, but there are a lot of cities spending a lot of money to refurbish them," he said.

Fort Knox can trace its history back to 1903, when the Army leased 10,000 acres for maneuvers. It became Camp Henry Knox in 1918—during American involvement in World War I—when the War Department purchased 40,000 acres just north of what is now Radcliff. That same year, the Army decided to build an artillery center at Knox, but the war ended before the first soldiers arrived there. Over the next 22 years Knox went from the artillery center to a training camp to a mechanized calvary training center. It was even a national forest in the mid-1920s.

Then, in 1940, as World War II heated up in Europe, Knox was designated as the home of the Army's armor forces, the role it retains today.

Hargan, who has spent most of his 81 years near Radcliff, said that the city was nothing but farmland and a few stores until after World War II. It was then that retiring soldiers began building homes that would become Radcliff.

In 1956, the city was incorporated and Hargan was sworn in as the city board's first chairman—the equivalent to being mayor. He was later elected to that office.

A quick look and you know that Radcliff could be the "urban sprawl" poster child. The eight miles of Dixie Highway that run through the city look like one big shopping center.

Smith said that's mainly a result of the automobile. People have never needed to walk around Radcliff because the city wasn't built until after cars became common.

Pawn shops abound to capitalize on soldiers who struggle to make it from paycheck to paycheck.

Because Hardin County is dry there are no bars, strip joints or troubles associated with them. For a city of 20,000 folks say it's surprisingly quiet.

Radcliff has a diverse population because many servicemen and servicewomen married abroad and brought their spouses back to the United States. Seven percent of Radcliff residents are foreign-born, and another 6 percent were born to American parents abroad. In turn, the city has more than its share of ethnic restaurants.

Radcliff's growth has been rapid but steady. In 1960 the U.S. Census Bureau found only 3,384 people there, but by 1970 there were nearly 8,500. In 1980, the population was almost 15,000, and in the most recent census it topped out at 19,772.

Despite its growing population, Radcliff remains a tightknit community. At no time was that more evident than in the wake of a 1988 bus accident near Carrollton, KY, that shook the town to its core.

On May 14, 27 residents, all but three of them children were killed when a drunken driver slammed into a bus from the Radcliff Assembly of God Church returning from a trip to King's Island amusement park in Ohio.

The disaster showed that Radcliff "will pull together when there's something that affects everybody," said Dame, whose stepdaughter, Lori Kathleen Holzer, died on the bus. "Whether it's just a pat on the back or whatever, they're there."

Dame said the outpouring of support helped his family cope with the accident.

"It's still felt here," Smith said. "This has always been a strong community, but I think that incident really solidified it."

A monument to the dead and to the 40 who survived the crash stands on Logsdon Parkway, next to North Hardin High School, which some of the victims attended.

Smith said that the tragedy left its mark on the city and that only last year did the pall that set in the morning after the accident begin to lift.

Now that the city has turned that corner, he said, officials from throughout Hardin County are looking to the future and working together on a regional basis.

For years, Radcliff, Elizabethtown and Vine Grove nurtured an intense rivalry. Radcliff believed that Elizabethtown got preferential treatment—after all, it is the Hardin County seat and it had been the county's largest city. But Radcliff has surpassed Elizabethtown in population. Now, the cities work together to bring jobs, industry and state and federal dollars to the county.

Two years ago, officials formed the 2010 Group. Its goal is to put Hardin County in a better economic position in 20 years. He said the group meets once a month and works closely with civic groups.

Smith said that the city is now working to improve roads in the area while business leaders say they're looking for businesses to employ soldiers who expect to be displaced by the Pentagon's reduction in force, brought on by the winding down of the Cold War.

But so far the Defense Department's cuts have not hit Fort Knox as hard as other bases. In fact, the Army is transferring its Recruiting Command headquarters and 630 families from Fort Sheridan, Ill.

Business and political leaders, such as Smith, believe that the good fortune of Fort Knox—and Radcliffs—will continue.

"As a young city, I think the progress of the community has been good, and the future of the community looks good, and I think that we'll continue to grow."

FAMOUS FACTS AND FIGURES

Radcliff was named after Maj. William Radcliffe, a supply officer at Fort Knox who operated a grocery store in the area just after World War I. Elmer Hargan, the city's first mayor, said Radcliff leaders dropped the "e" on the end of it "because somebody saw where there was another city that did it and we liked the idea."

At least 286 businesses are advertised on free-standing signs along eight miles of Dixie Highway through Radcliff. That's about one sign every 147 feet.

The Patton Museum in nearby Fort Knox is one of the largest armor museums in the world.

The U.S. Bullion Depository was built in 1936 to store the government's gold bullion supply. But in the year since, it has been the wartime home to the U.S. Constitution, the Declaration of Independence, originals of Abraham Lincoln's inaugural and Gettysburg addresses, and one of four copies of the Magna Carta. The depository was used to store thousands of pounds of Turkish opium and morphine from the 1950s to at least 1975 as part of the government's emergency cache of critical emergency supplies. Bill Daddio, director of security for the U.S. Mint, refused to confirm if the drugs are still housed there. Only once, in 1974, have outsiders been allowed inside the vault, Congressmen and the press were allowed to view the gold after a book claimed President Richard Nixon had sent the gold to Arab oil sheiks. An audit showed that none of the gold was missing. There are more than 365,000 bars of gold worth more than $50 billion in the depository.●

CREDIBILITY AND AMERICAN POW/MIA'S

● Mr. SIMON. Mr. President, Monday I read a New York Times editorial that lamented the tragic Vietnam legacy that is only now becoming painfully clear. For years relatives of American POW/MIA's have been kept in the dark about the fate of their children, siblings and spouses who bravely fought in Vietnam. These families were told that there was no indication these servicemen were alive.

However, last week's Senate Select Committee on POW/MIA Affairs hearing suggested that the public, and the families in particular, may have been deceived. If the deception was not blatant, it appears that it may have been intentionally misleading. We ought not let any opportunity pass to learn the true fate of those POW/MIA's who have not been accounted for. Access to new information, such as the notes of former Secretary of State Henry Kissinger, pressure on the Governments of Vietnam, Cambodia and Laos, and finally, a firm commitment by the present administration to see this issue resolved should help the families of American POW/MIA's learn what happened to those who valiantly served their country.

I truly hope renewed efforts will reveal answers that can put to rest the agony of the POW/MIA families. But the fruits of this effort depend upon the cooperation of the Bush administration. The Senate Select Committee on POW/MIA Affairs needs, among other things, access to Secretary Kissinger's notes and a better working relationship with the Defense Intelligence Agency. Only then will we have the ability to make better informed inquiries into the fate of the missing soldiers. And only then can families receive the least of what they deserve—the truth.

At this point, Mr. President, I ask to have the editorial on misleading information on American POW's inserted into the CONGRESSIONAL RECORD.

The article follows:

[From the New York Times, June 29, 1992]

PRISONERS OF WAR—AND DECEPTION

The Pentagon knew better. Hanoi knew better. Yet in April 1973, the Nixon Administration insisted it had no indication "that there are any Americans alive in Indochina." Those words concealed a startling fact: The Administration did have the names of 244 Americans who had been captured alive but who failed to return with the other prisoners of war Hanoi released that year.

That news and more was disclosed last week by the Senate Committee on P.O.W.-M.I.A. Affairs. Led by two Vietnam veterans, Democrat John Kerry of Massachusetts and Republican Robert Smith of New Hampshire, the committee is giving Americans the chance to judge how successive Administrations handled the P.O.W.-M.I.A. issue.

The effort deserves full cooperation from the Bush Administration. Instead, the White House threatens to withhold documents.

Returning P.O.W.'s reported that 111 of those 244 missing Americans had definitely died in captivity. What about the other 133? If there was no "indication" they were alive, there was also no "indication" they were dead.

Yet according to sworn testimony released by the committee, William Clements, then

the Deputy Secretary of Defense, bluntly proclaimed, "they're all dead." When an informed subordinate corrected him, Mr. Clements reportedly replied: "You didn't hear me. . . . They're all dead."

At the least, officials twisted the truth. If their goal was to stifle public debate, their efforts backfired spectacularly and the price in credibility is still being paid. P.O.W. relatives were stonewalled along with everyone else; some later became easy marks for hustlers.

The cost may have been crueler still. Hanoi began bidding for U.S. recognition and aid in 1973. Washington might well have exploited Hanoi's need for international assistance to win a more satisfactory accounting of the missing soldiers. And additional Americans might have been located and returned alive.

Once-promising trails have grown cold. Americans who might have been under Hanoi's control in 1973 may have died or disappeared. Yet the committee is right to press forward. Ross Perot is scheduled to make a sworn deposition this week. Henry Kissinger has agreed to let the committee examine records of his negotiations with Hanoi over P.O.W. issues.

The Bush Administration, however, citing executive privilege, denies access to these records. That's perverse, for at last Americans have a chance to learn the truth about this painful legacy of a painful war. It may be too late to bring back any American prisoners. It's not too late to bring back the truth.•

CLEAN AIR ACT

• Mr. SIMON. Mr. President, last week, the Bush administration decided to allow industrial plants to increase toxic air pollution without first obtaining government approval. I find this to be a very disturbing action from a President who just 4 years ago declared himself the "environmental President."

The President's Council on Competitiveness, a nonelected group not accountable to the public, failed to take the advice of EPA Administrator William Reilly in allowing factories to make minor changes in their emissions without first getting the consent of the EPA. Although these modifications are characterized as minor, the environmental consequences could be very significant. Many experts believe that under this modification, factories could increase their emissions by thousands of tons each year.

My friend and colleague HENRY WAXMAN characterized this latest action accurately: "the administration has carved the heart out of the new Clean Air Act." Last summer, EPA General Counsel E. Donald Elliott wrote in a memo that the Clean Air Act requires the public to be notified and to have an opportunity to make comments if a company wants to increase the amount of toxic air pollution beyond the levels permitted. It is outrageous that our "environmental president" would allow factories to increase toxic emissions without holding a public hearing to explain why such increases are necessary.

This decision is discouraging for many of us in this body who worked so diligently to achieve a fair and equitable Clean Air Act. Once again, we are compelled to remain vigilant to ensure that the laws we pass are fully and properly implemented. I urge President Bush to reconsider this potentially devastating course of action.•

COEA SUMMARY

• Mr. D'AMATO. Mr. President, yesterday, I suggested that the Cost and Operational Effectiveness Analysis Summary for F/A–18 Upgrade Program being circulated by the Navy to the press was a fraud. You cannot summarize a COEA that does not exist. I also raised concerns that the COEA Summary, which I speculated was nothing more than a sales brochure by the contractor, might have been forwarded by the Assistant Secretary of Navy, Research, Development, and Acquisition, to the Under Secretary of Defense, Acquisition, as an authoritative cost-effectiveness analysis.

As it turns out, my suspicions were correct. In talking with my colleagues, I have discovered that the COEA Summary was widely circulated by the Navy last month on Capitol Hill. It was clearly identified at the time by the Navy to congressional staff as a contractor-generated study. This, however, did not diminish its value as an analysis, at least not to Assistant Secretary Cann. Thanks to the investigative skills of one of my Senate colleagues, a previously unknown cover memorandum from Mr. Cann forwarding the COEA Summary to Mr. Yockey was revealed at yesterday's House Armed Services Committee hearing on the IG's report of the F/A–18E/F DAB. I ask that this memorandum be inserted in the RECORD in its entirety at this point.

The memorandum follows:

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (ACQUISITION)

Subj: F/A–18E/F.

Ref: (a) ASN (RD&A) Memo of 28 April 92.

Encl: (1) Cost and Operational Effectiveness Analysis Summary for F/A–18 Upgrade Program.

Reference (a) provided a summary of the analytical process and results underpinning the Navy's recommendation to go forward with the F/A–18E/F program. Included was a logic path, in briefing chart format, that the Navy used in arriving at the decision to recommend the F/A–18E/F for a Milestone IV/II decision. Enclosure (1) summarizes the logic path in a narrative form.

GERALD A. CANN.

When the memorandum and the COEA Summary were raised by the HASC, Mr. Vander Schaaf, the Acting Inspector General, stated that the COEA Summary failed totally as both a comparative analysis of available naval aviation options and a means of establishing cost and performance thresholds for the F/A–18E/F, the two essentials of a proper COEA. He was especially critical of the complete lack of data supporting assertions made in the COEA Summary about the cost and performance of the F/A–18E/F and the options to which it was compared.

Disturbed that the Assistant Secretary of the Navy would be using what is widely understood to be a contractor study to justify an $88 billion program, I asked the Navy to identify the source of the COEA Summary. The preliminary answer was that the COEA Summary was drafted by the program executive officer-tactical, an organization that reports to the Assistant Secretary. This directly contradicts what the Navy has been telling Capitol Hill for the last month.

Mr. President, a fraud of massive proportions appears to have been perpetrated upon elements of the Pentagon bureaucracy, the Congress, and the American taxpayer. A contractor-Navy alliance has flouted DOD regulations and congressional direction, mischaracterized a major procurement to avoid normal acquisition requirements, and significantly understated costs in its mad rush to acquire the F/A–18E/F. If the F/A–18E/F is not to join the A–12 and the P–7 on the list of recent naval aviation development disasters, the Senate will have to insist on an event-based contract with a cost cap. I am confident we will do so.•

APPLAUDING EMERGENCY RELIEF EFFORTS OF MINNESOTANS

• Mr. DURENBERGER. Mr. President, I rise today not only to say I am one Minnesotan who is glad that June 1992 is over with, but also that I am very proud of the way the people of Minnesota are pulling themselves through two serious natural and man-made emergencies.

With characteristic compassion, calm, humor, pragmatism, attention to detail, efficiency and effectiveness, communities in southwestern Minnesota are cleaning up after some of the most severe tornadoes the State has withstood in years. And up north in Duluth, as well as Superior, WI, and surrounding communities, life is returning to normal after tens of thousands of people were ordered to leave their homes and businesses to avoid a toxic cloud of benzene gas that resulted from a train derailment. And they did so with the same characteristics.

I visited some of the farms and towns, that were splintered by the mid-month tornadoes and heavy rains. I heard stories of homes that were ripped from their foundations just as the families closed the door on the storm shelter. Personal belongings and farm materiel alike were scattered across fields belonging to neighbors and strangers. When someone found a retired farmer's golf clubs in the corn, he decided it was time to take a break from the clean-up.

A family whose house was severely damaged, posted a plywood sign in the front yard advertising a home for sale—air-conditioned, sun roof, swimming pool in basement. Strong spiritual faith and good humor, coupled with the assurance that their State and Federal governments were on hand to help, sustained the victims.

Everywhere I visited, people said "Thank God" for the Minnesota National Guard, for the Minnesota Department of Transportation. These were the agencies with very different primary responsibilities who were the first on the scene to clear streets and restore public safety. They worked closely with the men and women employees of many public and private utilities who worked 24 hour days to ensure safety and communication with the rest of the world.

The staff of the Federal Emergency Management Agency have worked well and closely with State and local officials to provide temporary housing along with vital early information about the availability of low-cost loans to help rebuild homes, farms and businesses.

The Red Cross, churches and other core community organizations and FEMA have done a great job keeping the small communities in southwestern Minnesota together. To honor all who have pitched in, the town of Cokato in Wright County is planning to throw a massive party on July 9.

In the meantime, the evacuation yesterday of 50,000 Minnesotans and Wisconsinites around the west end of Lake Superior to higher ground, away from the toxic air, was one of the largest and smoothest in recent history. Families were sheltered in high schools, student centers at the University of Minnesota-Duluth and the University of Wisconsin-Superior and the National Guard Armory. Senior citizens in nursing homes and high rises were moved to safe havens by bus and taxi.

Mr. President, local and State officials acted knowledgeably and swiftly. Many people deserve the thanks and gratitude of Minnesotans. On their behalf, I stand here today to recognize the hard work of John Reichensperger, a Minnesota native who heads up the Douglas County emergency services center in Superior, WI, and his colleague, Barbara Greskosperger, who skillfully used the center's emergency planning system to compute the potential damage of the chemical spill and the possible route of the toxic benzene cloud. They were at the heart of the evacuation and initial cleanup efforts that have included the Red Cross, Coast Guard, Environmental Protection Agency, Minnesota and Wisconsin Departments of Transportation, the States' pollution control agencies and health departments, National Guard troops from both States, and the Burlington Northern Railroad Co., among others.

Mr. President, such emergencies are difficult and unwanted, surely. But, when the mettle of a people is tested and proved so strong, we can all take heart. As we focus attention on the meaning of upcoming Independence Day holiday, I point with pride to my home State and our neighbors, and suggest to my colleagues: that's what the great American celebration is all about—the people, their faith in themselves and each other.

IN PRAISE OF ALBANIA'S PRESIDENT SALI BERISHA

• Mr. D'AMATO. Mr. President, I rise today to pay tribute to President Sali Berisha, to the courageous people of Albania and to those individuals whose leadership has provided the impetus for the emergence of democratic ideals in the former Soviet Republic.

In just over a year, Albania has undergone a dramatic political transformation. In what had once been the most devout Marxist and isolated state in Europe, Albania has established a parliamentary system with the largest democratic majority in Eastern Europe. President Sali Berisha and his Democratic Party advocate a strong adherence to human rights, liberal economic policies, and integration into Europe. It is as a result of President Berisha's leadership that Albania has been able to join the growing community of democratic states.

Berisha, one of the first Albanians to voice opposition to the former Communist government, has displayed courage and energy in his successful campaign to bring political pluralism to the country. Because of Berisha's unflagging efforts, Albania is no longer isolated from the rest of the world.

Through its resolve, the country has managed to cleanse itself of entrenched Stalinist mores. Foreigners are no longer scorned but embraced. The United States is seen as a savior, rather than as an imperialist.

Yet, the road toward democracy has not been a smooth one. The economy has collapsed, state factories and collective farms have severe shortages of raw materials, unemployment is soaring and the infrastructure is severely inadequate with a dilapidated road system, rail network, and distribution system that cannot deliver enough of the basic products. This situation has led to widespread lawlessness with desperate crowds vandalizing stores and warehouses. The police have been ineffective in maintaining order, possibly influenced by the old regime.

Although Albania faces serious obstacles, the Government can succeed. In order to normalize this situation Western technology and participation is necessary. We must not allow this achievement in democracy to fail.•

IMPLEMENTATION OF THE SAFE DRINKING WATER ACT

• Mr. DURENBERGER. Mr. President, today's Washington Post carries a story reporting the results of new research on the health impacts of certain contaminants found in the water that millions of Americans drink each and every day. This research indicates that chlorine compounds in our drinking water supplies may be imposing a significant cancer risk for the American people.

Chlorine is added to drinking water to kill the bacteria and other microbes that can cause serious illnesses and epidemics like cholera. Chlorinating drinking water supplies has a substantial public health benefit, but not without side effects. Chlorine not only kills bacteria, but may also combine with other organic materials in water supplies to create cancer-causing substances like chloroform.

Drinking water that is taken from surface water sources like lakes, rivers, and reservoirs is likely to have much higher organic content than ground water supplies. And in certain seasons of the year, in certain regions of the country, and during drought, the risk from these contaminants can be especially high.

The problem is well-understood by our public health agencies like the Environmental Protection Agency. EPA has the responsibility of carrying out the Nation's Safe Drinking Water Act. EPA already has a standard in place for some of these chlorine byproducts and is working on an additional set of rules to reduce the threat posed by others.

But a bill was introduced in the U.S. Senate last week that may halt our efforts to deal with these contaminants. Under that bill, S. 2900, the Safe Drinking Water Act program would be frozen in place and EPA would be prevented from moving forward on the problem of chlorine byproducts.

At the time the bill was introduced, one of the authors said that EPA has already dealt with the most serious contaminants in drinking water supplies and so a freeze would not be that harmful. Well, that is not the case, Mr. President.

The two sets of contaminants that present the highest risks of cancers from drinking water are: First, these chlorine byproducts discussed in the Post story, and, second, radionuclides including radon gas and other radioactive substances that may be dissolved in drinking water. While the greatest threat from chlorine byproducts is experienced by those served from surface water supplies, the radioactive contaminants pose the greatest threat to those drawing their water from ground water.

Neither the regulations for chlorine byproducts nor the regulations for radionuclides has been completed by

EPA. And both would be stopped by S. 2900.

The Washington Post story indicates that chlorine byproducts in drinking water may be responsible for 9 percent of bladder cancers and 15 percent of the rectal cancers occurring in the United States each year. That is not a small problem. That is 9,700 cancer cases per year caused by these drinking water contaminants. That health threat would be beyond the reach of EPA's regulatory authority if S. 2900 were to become the law.

Mr. President, I bring this article to the attention of the Senate because I believe that we will be debating S. 2900 here on the floor of the Senate at some point in the near future and I think it is important that the Senate understand the implications of that legislation. Mr. President, I ask that the story from the Post be printed in the RECORD at the conclusion of my comments.

The article follows:

[From the Washington Post, July 1, 1992]

CHLORINATED DRINKING WATER FOUND TO RAISE CANCER RISK

(By David Brown)

People who drink chlorinated water for prolonged periods have a greater risk of developing cancer of the bladder or the rectum than people who drink unchlorinated water, a new study has found.

The increased risk apparently stems from cancer-causing compounds that are formed in minute concentrations when chlorine gas reacts with naturally occurring organic contaminants in water.

The contaminants are more common in water systems supplied by rivers and reservoirs than in those supplied by wells. Slightly more than half the U.S. population—and most of the Washington area—is served by such chlorinated "surface" water systems, which pose the greatest risk.

The analysis, published in the today's edition of the American Journal of Public Health, estimates that about 9 percent of all bladder cancers and 15 percent of rectal cancers could be attributed to longterm consumption of chlorinated water. This amounted to about 4,200 cases of the former and 6,500 cases of the latter per year, the authors calculated.

Numerous studies done over the last decade have suggested a link between chlorinated water and cancer. The new report combined the best of these studies in a way that gives researchers a more powerful measure of their validity.

"It would be foolhardy to say we should not purify the water," and Robert D. Morris, an epidemiologist at the Medical College of Wisconsin, who headed the study. "It may be that this is just a risk we have to live with, but I think we need to examine that question more carefully."

The chlorination of drinking water, which began in Chicago in 1908, is almost certainly the single most important public health measure in history.

A cheap and easily obtained element, chlorine is either bubbled through water as a gas or added as a solid compound. Even at concentrations as low as 1 or 2 parts per million, it reacts with bacteria, killing them in sufficient quantity to make water potable without risk of infection.

Chlorine, however, also reacts with organic compounds that naturally leach into surface water from soil and vegetation. Among the byproducts are chloroform and other "halogenated hydrocarbons," many of which are carcinogenic.

Aquifers and wells contain a much lower concentration of organic material. Thus, chlorine-treated water from those sources is substantially lower in cancer-causing halogenated hydrocarbons.

The toxic compounds are concentrated in urine and feces. The authors speculate that the bladder and rectum are particularly vulnerable because they have the greatest and longest exposure to the compounds. In men, cancers of the rectum and bladder are among the five most prevalent cancers; in women, the incidence is lower.

The Environmental Protection Agency has been wrestling with the chlorine issue since 1979, when it first set limits on concentrations of one family of toxic chlorine compounds, trihalomethanes. New limits, which will probably lower the concentrations and lengthen the list of regulated chlorine compounds, will be drawn up by 1995, to take effect 18 months later, agency officials said.

An alternative purification method that still harnesses chlorine's antiseptic power while lowering its reactivity involves also adding small quantities of ammonia to water supplies.

In this process, called chloramination, chlorine and ammonia combined to form numerous compounds that are less toxic to microbes but also much less reactive with organic contaminants. Chloraminated water can become as microbe-free as chlorinated water, however, by treating it for longer periods.

Devised in World War II when chlorine was in short supply, chloramination is used in Denver, the Philadelphia suburbs, parts of Southern California, and several other areas, including the Fairfax County Water Authority locally. A survey done by the American Water Works Association found that of the 267 largest public water systems in the U.S. about 20 percent were using chloramination.

Another purification method, currently used by less than 1 percent of American water systems, treats water with highly reactive ozone gas. The gas, however, does not remain active for long, and hence may become essentially undetectable by the time the water is distributed to consumers, making it a less dependable antimicrobial in the view of many engineers.●

OPPOSING THE RESUMPTION OF UNITED STATES-IRAN RELATIONS

● Mr. D'AMATO. Mr. President, I rise today to oppose the resumption of United States relations with Iran.

Following the release of the last two westerners seized by Iranian-backed militants in Lebanon, there have been calls to improve United States-Iranian relations. Thirteen years of hostage taking and terrorism against Americans has shown Iran to be an implacable enemy. Its continued belligerence and warlike intentions are evidenced by its $12 billion shopping spree for weapons and its intensive effort to develop nuclear armaments. These facts make reapproachment out of the question.

Driven by a belief that it is its divine right to dominate and eventually rule the Muslim world, Iran's fundamentalist theocracy is rapidly becoming the most powerful military force in the Persian Gulf region. Iran's 5-year 1990–95 total defense budget allocation amounts to $50 billion. Coupled with its army and cadres of revolutionary guards, Iran might soon have the ability to counter Israel's military superiority in the region.

Along with conventional strength, Iran might well join the nuclear club before the end of the century. Israel's air force chief, Maj. Gen. Herzl Budinger, has stated that if Iran's progression toward nuclear capability is not stopped, it will achieve nuclear status.

Since 1979, the government of Iran has held nothing but utter contempt for the United States and Americans in general. They continue to stage anti-American demonstrations and routinely burn American flags. They have recently threatened that the kidnapping of Americans might be a necessity to solve the Arab-Israeli dispute. This is ludicrous.

Under no circumstances should we consider renewing relations with this terrorist regime. Iran's blatant belligerence and open hostility toward Americans merits isolation and designation as a pariah state. If we resume relations with Iran, we will reward these murderers for their past misdeeds and insult the memory of all those who gave their lives to Iranian-sponsored terrorist acts.●

ORDERS FOR TOMORROW

Mr. FORD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 8:30 a.m., Thursday, July 2; that following the prayer, the Journal of 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 10:30 a.m., with Senators permitted to speak therein for up to 5 minutes each; that immediately after the Chair's announcement, Senator NUNN be recognized to speak for up to 30 minutes; that Senators MCCAIN, GORTON, and PRYOR be recognized for up to 10 minutes each; with Senator SIMPSON, or his designee, recognized for up to 10 minutes; with the time from 9:30 a.m. to 10 a.m., under the control of the majority leader or his designee, Senator LIEBERMAN; that Senator GRASSLEY be recognized for up to 20 minutes; that at 10:30 a.m., the Senate resume consideration of S. 2532, the Freedom Support Act; that once the bill is resumed, Senator LIEBERMAN be recognized to offer an amendment relating to business centers; that upon disposition of the first Lieberman amendment, Senator LIEBERMAN be recognized again to offer an amend-

ment relating to science foundation; that no second degree amendments be in order to either of the Lieberman amendments; and that upon disposition of the second Lieberman amendment, Senator BRADLEY be recognized to offer an amendment relating to educational exchanges.

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

RECESS UNTIL 8:30 A.M. TOMORROW

Mr. FORD. Mr. President, if there is no further business to come before the Senate today, I ask unanimous consent that the Senate stand in recess as previously ordered.

There being no objection, the Senate, at 9:59 p.m., recessed until Thursday, July 2, 1992, at 8:30 a.m.

NOMINATIONS

Executive nominations received by the Senate July 1, 1992:

DEPARTMENT OF TRANSPORTATION

ROBERT E. MARTINEZ, OF NEW JERSEY, TO BE ASSOCIATE DEPUTY SECRETARY OF TRANSPORTATION, VICE ROBERT L. PETTIT, RESIGNED.

DEPARTMENT OF JUSTICE

JOHN S. SIMMONS, OF SOUTH CAROLINA, TO BE U.S. ATTORNEY FOR THE DISTRICT OF SOUTH CAROLINA FOR THE TERM OF 4 YEARS VICE E. BART DANIEL, RESIGNED.

IN THE AIR FORCE

THE FOLLOWING NAMED ASTRONAUT OF THE AIR FORCE FOR PERMANENT APPOINTMENT TO THE RESERVE GRADE OF COLONEL UNDER ARTICLE II, SECTION 2, CLAUSE 2 OF THE CONSTITUTION.

LT. COL. FRANCES A. GAFFNEY, xxx-xx-xx...

THE FOLLOWING NAMED ASTRONAUT OF THE AIR FORCE FOR PERMANENT APPOINTMENT TO THE RESERVE GRADE OF COLONEL UNDER ARTICLE II, SECTION 2, CLAUSE 2 OF THE CONSTITUTION.

LT. COL. CHARLES L. VEACH, xxx-xx-x...

THE FOLLOWING CADETS, UNITED STATES MILITARY ACADEMY, FOR APPOINTMENT AS SECOND LIEUTENANTS IN THE REGULAR AIR FORCE, UNDER THE PROVISIONS OF SECTIONS 541 AND 531, TITLE 10, UNITED STATES CODE, WITH DATES OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE.

CRAIG R BAKER, xxx-xx-x...
SHARON S BENNETT, xxx-xx-x...
DAVID M CURRY, xxx-xx-x...
LAKEISHA R FRIESON, xxx-xx-xx...
GREGORY P SARAKATSANNIS, xxx-xx-xx...

IN THE ARMY

THE FOLLOWING FOR APPOINTMENT AS PERMANENT PROFESSOR AT THE U.S. MILITARY ACADEMY UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 4333(B).

LT. COL. DAVID C. ARNEY

THE FOLLOWING NAMED ARMY NATIONAL GUARD OF THE U.S. OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF TITLE 10, U.S.C. SECTIONS 593(A); AND 3385:

ARMY PROMOTION LIST

To be colonel

EARL P. EWING, xxx-xx-x...
DONALD J. GOLDHORN, xxx-xx-x...
DANNY D. ISAACS, xxx-xx-x...
OWEN L. MAUFFRAY, JR., xxx-xx-xx...
MICHAEL A. SMITH, xxx-xx-x...
STEVEN P. SOLOMON, xxx-xx-x...

DENTAL CORPS

To be colonel

CLAUDE T. BEITLER, JR., xxx-xx-xx...

ARMY NURSE CORPS

To be colonel

BEVERLY E. WRIGHT, xxx-xx-x...

ARMY PROMOTION LIST

To be lieutenant colonel

LARRY E. ALFLEN, xxx-xx-x...
KAYWARD J. BOUILLION, xxx-xx-x...
STEPHEN C. BURRITT, xxx-xx-xx...
FELIXBERTO C. CASIMIRO, xxx-xx-x...
ALAN C. GAYHART, xxx-xx-x...
JOHN F. HOLECHIK, JR., xxx-xx-xx...
GREGORY A. HOWARD, xxx-xx-x...
ELMER J. KUHN III, xxx-xx-xx...
JAMES D. MCDANIEL, xxx-xx-x...
MURRAY A. NEEPER, xxx-xx-x...
CARL J. POSEY, xxx-x...
JAMES D. SHILEY, xxx-xx-xx...
JOSEPH H. TATE, JR., xxx-xx-xx...
MERREL W. YOCUM, xxx-xx-x...

JUDGE ADVOCATE GENERAL'S CORPS

To be lieutenant colonel

JAMES F. BUTLER, xxx-xx-xx...
BRUCE E. MUNSON, xxx-xx-x...
DAVID H. WELLES, xxx-xx-x...

MEDICAL SERVICE CORPS

To be lieutenant colonel

ROGER D. WILLIAMS, xxx-xx-x...