SENATE—*Monday, July 20, 1992*

(Legislative day of Thursday, March 26, 1992)

The Senate met at 2 p.m. and was called to order by the Honorable RICHARD H. BRYAN, a Senator from the State of Nevada.

PRAYER

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

Let us pray:

And it shall be, if thou do at all forget the Lord thy God, and walk after other gods, and serve them, and worship them, I testify against you this day that ye shall surely perish. As the nations which the Lord destroyeth before your face, so shall ye perish; because ye would not be obedient unto the voice of the Lord your God.—Deuteronomy 8:19–20.

Almighty God, Lord of Heaven and Earth, this sober warning from Moses in the Torah, though addressed to Israel, applies to all the nations of history. It rarely occurs to us in America that the real problem, from which all others derive, is Godlessness. We do not diagnose economic, political, social decay as a spiritual, moral problem. The Supreme Court permits desecration of the American flag and forbids prayer in the schools. It permits provocative, inflammatory words to be spoken in public but forbids the name of God to be spoken in a graduation.

Patient, forgiving Father in Heaven, how long will You abide our perversity? We are a pagan culture, while we boast of our sophisticated, modern, upbeat ways. Loving Lord, arouse us to the real error of our times, quicken us to repentance and renewal before it is too late.

In the name of Him who incarnated love, sacrifice, and forgiveness. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 20, 1992.

To the Senate:

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

ROBERT C. BYRD,
President pro tempore.

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

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 3 p.m. with Senators permitted to speak therein for up to 10 minutes each.

RECOGNITION OF THE REPUBLICAN LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

GIVE THE PEOPLE THE FACTS

Mr. DOLE. Mr. President, you can tell by the latest Presidential polls that the Democratic Party had a very successful convention in New York City, and I want to congratulate the party leaders for their hard work. It obviously has paid off. I watched almost every minute of the convention, and there was genuine excitement and some good speeches and, all in all, it was good television. I also want to congratulate my colleague, AL GORE, who also had a pretty good convention.

He looks like a good pick for Bill Clinton. Senator GORE and I differ on almost every issue, but I do respect him and wish him well. He will be a tough campaigner.

Now, I did say that the Democrats' convention was successful—successful for the Democratic Party, yes.

But good television, good theater, and good rhetoric do not have anything to do with good policy, or what is good for America.

So, despite all the hype coming out of Madison Square Garden last week, the basic Democratic product has not changed at all, unless you fell hook, line, and sinker for Bill Clinton's week-long campaign ad and hour-long speech.

Unfortunately, many reporters already have, as they gush and swoon over how moderate, centrist, and even conservative the Clinton-Gore ticket is. In fact, it looks like some reporters have become eager accomplices, sounding more like Clinton-Gore spin doctors than objective journalists.

Despite all the media-approved makeovers at the Democratic Convention, the Clinton-Gore ticket is still a liberal ticket—a very liberal ticket.

It is a liberal ticket that will cost working America dearly, with billions and billions of dollars in new taxes, wild spending, and the biggest Government the taxpayers' money can buy.

Now I understand why the Democratic Party was so eager to shed its image of liberalism, to look and sound more like mainstream America for a change.

That is why the Democrats turned Madison Square Garden into a giant repair shop where old, broken-down liberals became shiny new moderates, and where a tired old agenda became a fresh new covenant.

But all the body work, and all the makeup in the world cannot conceal a voting record, unless, like some in the media, voting records are already off limits.

You cannot talk about voting records. That is negative campaigning. You cannot say how anybody voted. That is negative. It is true but it is negative if they voted that way.

Let us face it, Clinton-Gore is really Clinton/more: More taxes, more spending, more government and more of the failed liberal agenda the American people have rejected by landslide after landslide.

Bill Clinton calls for tax increases twice as big as those proposed by Mondale and Dukakis combined. And Clinton backs Federal spending increases three times as large as those proposed by Mondale and Dukakis combined.

Governor Clinton calls his own budget proposal putting people first, but it looks more like putting people on the unemployment line. The Clinton plan would jack up taxes $150 billion in 4 years, and boost spending by $220 billion. Now, Governor Clinton and his handlers will tell you that their taxes are aimed at the fat cats on Wall Street, but they are really hitting the little guy on Main Street.

Let me tell you why. You see, the Clinton tax plan mandates nearly $70 billion in new payroll and employer taxes on small- and medium-size business to fund extravagant spending programs. Reportedly, his new taxes, and radical defense cuts, would cost working and earning America 2½ million jobs.

As for spending cuts, Governor Clinton has specifically targeted only two programs out of 1,800 Government accounts—the Pentagon, which is already being sensibly downsized, and the Honey Bee Program. In a still uncertain world, Governor Clinton would gut national defense by nearly $60 billion—that is on top of the $50 billion in defense savings already proposed by President Bush, and above what the

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Democrat chairmen of the Senate and House Armed Services Committees say they can support. Ask the more than 1 million service men and women, and defense workers who would be thrown out on the street by these radical cuts, and they will tell you gutting—not cutting—defense hardly puts people first.

Governor Clinton even proposes to save $10 billion with the line-item veto. I am all for the line-item veto—it is too bad Governor Clinton's allies in Congress, and his own running mate, are not. Governor Clinton must be assuming that the American people will elect Republican majorities in both Houses of Congress, Republican majorities that are dedicated to deficit fighting tools like the line-item veto and the balanced budget amendment.

More taxes, more spending and fewer jobs does not sound like putting people first—it all sounds like putting America down.

The bottom line is, Bill Clinton wants the American people to believe he is driving them down the middle of the road. But look at his map—the Democratic platform—and the American people will see there is a sharp turn to the left coming.

It is the same old left turn to its traditional leftwing, out-of-touch, special interest agenda: It is antibusiness, antifamily, antidefense, antijobs, antigrowth and antisuccess.

That is why the Democratic delegates soundly defeated the pro-business, pro-growth planks forwarded by Paul Tsongas supporters, planks described by the New York Times as "minority planks." The bottom line is still the same: If it is not liberal, forget it.

But do not take my word. Listen to our former colleague, George McGovern, a dedicated liberal who knows one when he sees one, and this is how he sees Clinton-Gore: "I have a hunch they are much more liberal underneath, and they will prove it once they are elected."

Now, the media can label the Democrat ticket moderate, and then they can look at the record.

While the moderates were voting "yes", Bill Clinton's running mate was voting against the Reagan budget cuts, the Reagan tax cuts, the balanced budget amendment, the line-item veto, the capital gains tax cut, entitlement spending caps and cutting the *Seawolf* submarine.

While the moderates were voting "yes", Bill Clinton's running mate was voting against tough anticrime measures such as habeas corpus reform and exclusionary rule reform.

While the moderates were voting "yes", Bill Clinton's running mate was voting against education choice, workfare, the flag amendment, school prayer, AIDS notification by infected doctors, and consideration of the national energy policy.

And, while the liberals were voting "yes", Bill Clinton's running mate was right there, too, voting for the democrats' tax increase bill, the Democrats' quota bill, taxpayer campaign funding, and Pell grants to prisoners.

So, if you look at the records of the Democrat ticket, they have already proved their first-class liberal credentials.

Nothing wrong with that; do not misunderstand me. Nothing wrong with that at all. We have liberals, we have moderates, we have conservatives, and we have others on the fringes. Nothing wrong with that, so long as you stand by that voting record, and do not run from it when it is time for election.

So I would just suggest we are going to have the Republican Convention later, and I am certain many of my colleagues will not be totally enthused about what happens in Houston, TX. But let us have a little truth in advertising. Let us have a vigorous debate on the issues, and let the American people decide. But let us make certain they have the facts and not the fakes.

I would just say in conclusion, we cannot change our records. They are public records. They are in print. They have been available. We cannot say things when we run for one office or change to another office: Well, I really did not mean that; I really meant this, or something else. And we cannot change our philosophy. Try as you may, you cannot change philosophy.

So I just suggest, as I said at the outset, they had a good convention. I watched it. I enjoyed it. I like to see people get excited. In this case, they were excited about their party. And that is good. That is America. That is the way it works. Hopefully, Republicans will have the same good fortune next month in Houston, TX.

But the question is not how much excitement or how many flags or how many bands or how many speakers or how long they talk. The question is policy, policy for America, what is good for America, what is good for American families, what is good for American children, what is good for American farmers and businessmen and businesswomen up and down the line. That is what the American people are concerned about.

Did Ross Perot make a contribution? Maybe. Maybe if the Perot forces release their economic package and maybe if the Perot forces then say to everybody running for Congress: Will you vote for this economic package? As I understand, it is a very tough economic package. But unless I am just totally wrong, speaking not in a partisan way, the number one concern of the American people—Republicans, Democrats, Independents, whatever—is how do we control the Federal deficit? How do we get a handle on spending. It is not what party we are in. It is how do we get a handle on spending.

That is the contribution made by Ross Perot to getting the American people, or at least millions, to focus on the deficit. The deficit is Public Energy No. 1. When you look at all that happened in the past week, notwithstanding all the success the Democrat Party enjoyed in New York, when it came to dealing with the deficit, they struck out—struck out.

I think that will be one of the main issues between now and November.

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

Mr. CRAIG addressed the Chair.

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

Mr. CRAIG. Mr. President, I would like to associate myself with my leader's remarks as they relate to the Democratic Convention just recently held in New York.

The ACTING PRESIDENT pro tempore. The distinguished Senator from West Virginia is recognized.

INHUMANITY AND HUMAN VALUES

Mr. BYRD. Mr. President, the recent riots in Los Angeles stunned this Nation.

But in our hazy attempts to fathom that violence, burning, and carnage, I believe that we should look beyond the particular economic and social problems confronting Los Angeles to an underlying decay besetting our country's social values.

Day after day, week after week, and month after month, our news media are filled to the point of numbness with stories of random violence—to the point that increasing numbers of otherwise decent men and women are ceasing to be shocked by incidents that once might have left them incredulous and sickened.

Mr. President, the word "civilization" is rooted in the Latin *civis*. A *civis*—a citizen—was a man who lived in a *civitas*—a city. To the classical mind, to be civilized was to live in a city—to practice the arts of the city, to dress as did people in the city, to practice the language and etiquette of the city, to observe the feasts and festivals of the city, and to observe the decorum of the city. Just by being in the city, the style of a rustic could be transformed and his values improved, or so the ancients thought.

Currently, our cities are increasingly viewed as sinister places in which decadence, depravity, and self-indulgence can flourish with impunity.

Currently, scenes and stories flashed around the world brand our cities—the great metropolitan centers of gleaming skyscrapers that mark America as the paramount product of centuries of Western civilization—as embodiments in steel and concrete of the barbarism that our ancestors sought to flee in ages past. Unfortunately, millions around the world believe that American cities are now ruled by the law of claw and fang.

In the wake of the looting and burning rampage in Los Angeles following the Rodney King court decision, a London tabloid came forth with an aerial photograph of burning Los Angeles and the word "Finished!" blazened across the cover.

In effect, many people around the world, in sorrow and glee alike, interpret the accumulations of unrest, drug-related crimes, drug addiction, mass and serial murders, the national divorce rate, the ominous expansion of the numbers of AIDS babies and drug-dependent newborns, crumbling urban areas, troubled schools and falling educational levels, decaying highways and bridges, lack of adequate health care, and a shrinking industrial base—all of these, Mr. President, as evidence that America is "Finished!"

Only the outplaying of history can answer that supposition with certainty.

But I remain a man of hope. The hour may be late, but I do not believe that America has reached the limits of its potential and possibility.

I believe that there is still time to reverse the negative flow of history and resume our country's forward movement.

But that reversal and resumption will demand the commitment of millions of Americans.

Mr. President, some decades ago, masses of people in the Western world, America included, believed sincerely in the moral perfectability of mankind. In fact, one French "pop psychologist," É'mile Coué, recommended that a person might increase his moral quality by looking in the mirror each morning and repeating aloud, "Every day, in every way, I am getting better and better."

At the same time, a number of American intellectuals held to a notion that, through the increased moral enthusiasm of masses of citizens, the virtual Kingdom of God was on the verge of becoming a reality—that all crime, all "psychological maladjustment," all "sin," all injustice, all slums, all poverty, and all wars would cease in the foreseeable future. All that was needed were higher salaries, regular trash pickup, a few more parks and playgrounds, increased diligence, more college-educated people, several scientific breakthroughs in medicine, and more people attending upper middle class churches.

Be that as it may, World War I, World War II, international communism, the Great Depression, nuclear weapons, the social turmoil of the 1960's, the drug plague, the murder epidemic, street gangs, and the whole range of the modern world's crises and disasters make that earlier picture of the incoming Kingdom of God look hopelessly simplistic and naive.

But is that simplistic and naive view of society—the hope for a utopian community through mass moral earnestness—more unrealistic than the secular gospel of the sixties?

In effect, we are currently reaping the harvest of an era—our own era—in which the historic Western tradition of individualism has been pushed beyond the bounds of reason.

Whether we like it or not, human society and community are fragile entities. Democracy, too, is fragile. And democracy is more than a condition in which everybody's "individual rights" are safeguarded.

At root, democracy—indeed, any voluntary human society—cannot function without "self-government."

I do not mean by that phrase "self-government" merely the assembling of elected representatives to make and enforce laws for their neighbors.

Though that is certainly one meaning of the phrase "self-government," I mean here by "self-government" the ability of people as individuals to hold themselves individually responsible for the obedience of just laws, without the need of a tyrant's heavy hand or the constant presence of a police force to make them obey the laws.

By "self-government," I mean men and women who do not steal, even when nobody is looking; who do not kill, even when nobody is looking; who do not vandalize their neighbor's property, even when nobody is looking; who do not rape, even when nobody is looking; who do not ignore traffic lights—even at 3 o'clock in the morning, when no other automobiles are at an intersection, and when nobody is looking.

By the phrase "self-government," I mean that democracy and voluntary human association can only be made to work by "selves" willing to "govern" themselves.

Mr. President, if we are to maintain our two centuries plus experiment in representative democracy to its fullest potentiality, millions of American will need to commit themselves anew to the governing of their own passions, envies, frustrations, fantasies, and darkest imaginings.

If necessary, we may need to remind ourselves that the promise of the American dream has never been "excess, license, and the pursuit of selfishness"; that the obverse of "individual rights" is "individual responsibilities"; and that American citizenship is more than doing anything that one wants until he gets caught at it by somebody in authority.

But, Mr. President, if we are to turn around the urban rot; end the drug epidemic; stop the spread of AIDS; and terminate the violence and inhumanity of street thugs—if there be any hope of correcting these malignancies and threats to the very continued existence of our society—all well-intended laws, social programs, and stiffened criminal penalties aside—then millions of Americans must again internalize values that preclude those actions and attitudes that make barbarism and outlawry possible.

A cursory examination of great codes of human conduct, the advice of sages, the great law codifications, and the holy writings of all of the great religious traditions—Hammurabi's Code, the Twelve Tables of Ancient Rome, Justinian's Code, the Koran, Confucius, and others—boil the formula for civilized human life down no better than do the teachings that we call the Ten Commandments, and I paraphrase and add others—thou shalt not kill, thou shalt not steal, thou shalt not covet, thou shalt not lie, thou shalt not dishonor and reject the wisdom of the past, thou shalt not treat the words and symbols of supreme value disrespectfully and venally, and, above all, thou shalt give worthship—worship—only to a Deity and values that are eternal and imperishable.

A close reading of history will demonstrate that civilizations that respect those and similar laws of value are long of life, and those civilizations that forget or mock those laws perish, either by the sword or by their own internal decay and rot.

Paramount to our moral recovery as a nation is the recovery first of a sense of personal obligation to others in the communities in which we live, and then our recovery of a sense of personal answerability to standards that transcend selfish whim, self-indulgence, sensual thrills, materialism, and impulse.

We do have individual rights, yes. But those individual rights can only be guaranteed by a society that is strong and stable enough to defend and uphold those rights. If a society or nation is too demoralized, too fragmented, too ambivalent about its own values, too racked by egoistic interest groups, too obsessed with rights as against responsibilities, and weakened by dissension and chaos, that society or nation is beyond protecting or ensuring the lives of its citizens, much less an advanced quality of life and equal rights.

Mr. President, the United States is currently emerging from a cast of mind and outlook necessitated by more than a half century of vigilance and militance against two of the most horrific challenges thrown against any civilization or culture at any time in history before.

For roughly five decades, we endured first the threats of Nazi Germany and Imperial Japan, and then of the Soviet Union. We have mourned the deaths of hundreds of thousands whom we lost on the battlefields of Europe and Asia. We have lived under the gnawing anxiety of nuclear annihilation. We have poured our treasure, energy, and military sinew into preserving for all mankind the possibility of free, unthreatened, unoppressed, and peaceful human life.

Let us now avail ourselves of the respite from external threat and international conflict afforded us by the ending of the cold war—a different sort of peace dividend, as it were—to reflect on means for truly ensuring that the core of American life be renewed, refreshed, nurtured, nourished, and strengthened. That task cannot be guaranteed by government, although sound government can help.

At root, Mr. President, this task amounts to a virtual recovery of America's mental health—a recovery of the down-to-earth, sound, humane, and health-giving perspective on life that has made this country a beacon of hope and a model for older nations seeking a better life, and better way of governing themselves the world over.

At root, Mr. President, this task of national renewal, refreshment, and strengthening also amounts to a recovery of America's spiritual health.

In the Book of Judges, at the period of greatest turmoil and lawlessness in the Old Testament Holy Land, at the time of oppression by the Philistines, we read these words, "In those days there was no king in Israel, but every man did that which was right in his own eyes." (Judges 17:6, KJV.)

Without a common, transcendent moral and spiritual referent—at times when every man does "that which was right in his own eyes"—the result is anarchy, chaos, savagery, inhumanity, nightly murders in the streets, decent people being forced to hide and lock themselves in their homes at night, babies born with crack-cocaine addiction, multiple births out of wedlock, unbridled materialism, corruption in business and Government, cultural decadence, and epidemics of sexually transmitted diseases.

As a species, man is a spiritual creature. If that spirituality is ignored—if man's soul is allowed to starve—the result is spiritual death. And no task of national renewal will be possible unless that effort is also a task of spiritual renewal.

That task is the duty of the family. That task is the duty of the church. That task should be the duty of the school. That task is the responsibility also of every man and woman and child in this country—to ensure that new generations rise in whose hearts are enshrined personally the values and self-governance without which America cannot long endure, "one and indivisible, with liberty and justice for all."

Mr. President, I yield the floor.

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

TODAY'S "BOXSCORE" OF THE NATIONAL DEBT

Mr. CRAIG. Mr. President, it is interesting and somewhat appropriate that I am standing at the desk of the Senator from North Carolina this afternoon, Senator JESSE HELMS, who is still home recuperating from his open heart surgery. And, of course, we here in the Senate send him our very best for a speedy recovery. But while he has gone through this personal ordeal, he has asked if I would—and I have for the last month—put for him in the RECORD the "Congressional Irresponsibility Boxscore."

My colleague from Kansas just finalized comments on the Democratic Convention remarking that they could not, nor were they able, to deal with this Government's and this country's No. 1 problem, the Federal deficit. And it is that score box and that score and those numbers that I have entered into the RECORD for this last month for my colleague and friend from North Carolina, Senator JESSE HELMS. So it is this afternoon that I would like to again enter into the RECORD some of those most important figures.

At the close of business Thursday, July 16, our Federal debt now stands at $3,980,220,685,811.05. That is the number most difficult for any of us to deal with, even to comprehend—trillions of dollars. We cannot associate it with our mind. I think most of us lose track of value if we cannot put value and item together. Very few of us can in any way picture something worth $3.980 trillion. It is not a car, it is not a house, it is not a piece of land, it is not an item that we can readily identify.

I think not only is that true of the average citizen, but it certainly is true of most Members of Congress. I think this Congress has, in fact, lost track of the size, the immensity, and the impact of a debt of that nature. But here is what it means to the average man, woman, and child in this country. It means that they, as citizens of this Republic, are responsible for that debt to the tune of $15,495.74 per citizen. This is an overwhelming number. I doubt that few young people today recognize that they have that kind of responsibility already when they have hardly had the opportunity or time to incur debt. But this Government, this Congress, has incurred it for them, some would argue in their behalf. Interest paid on this massive debt now averages $1,127.85 per year per citizen. The total of interest and debt impact, of course, is a substantial figure.

I enter those thoughts into the RECORD on behalf of my colleague, Senator JESSE HELMS, of North Carolina.

IN MEMORY OF THE FIRST ANNIVERSARY OF MR. CHIANG HSIAO-WU'S DEATH

Mr. CRAIG. Mr. President, on June 30, 1991, Mr. Chiang Hsiao-wu, the second son of the late President Chiang Ching-kuo of the Republic of China on Taiwan, died unexpectedly. After Mr. Chiang Hsiao-wu's death, his half-brother, vice Foreign Minister John Chang of the Republic of China, wrote a moving eulogy to his brother. This eulogy summarizes the difficulties of Mr. Chiang Hsiao-wu's short title life and sheds lights on the histories of both men. This piece is a credit to both Mr. Chiang Hsiao-wu and the author, showing the true love and affection of two men whose time to share the bond of brotherhood was all too short.

John Chang expressed his thoughts in an epistolary-style memorial piece, which is a unique Chinese literary genre. Through the work of Prof. Nathan Mao of Shippensburg University, an English translation of this very moving tribute now exists. In honor of the first anniversary of Mr. Chiang Hsiao-wu's death, I would like to share Mr. Chang's epistle to his departed brother with friends both here in Washington and the best of the English-speaking world.

I ask unanimous consent that epistle be printed in the RECORD.

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

IN MEMORIAM

(By John Chang of the Republic of China; excerpts translated by Nathan K. Mao)

BROTHER HSIAO-WU: Even though I am three years older than you (you were born in the year of the Rooster and I in the year of the Horse), I still called you Elder Brother the day before you died.

After you resigned your post as the Republic of China's Representative in Japan, you looked much more energetic than before. On June 14, you were scheduled to arrive at the CKS Airport at 7:25 p.m., but the plane was delayed. It was not until 11:30 p.m. or so that you deplaned, supporting your wife Hui-mei with one arm and walking briskly. You saw me from a distance. Like all the other times, you had a big smile and waved. You seemed to be especially happy that evening—very much like a homesick child finally returning home. Tightly you held my hand and excitedly you said, "Brother Hsiao-yen, this time, I have really come home. I feel very relaxed. I would not want to leave again."

Your words are still fresh with me but you have left me. This time you have gone much faster and much farther than ever before.

It seems that you never liked your post in Japan. In 1990 you invited my wife Mei-lun, my children and me to spend the lunar holidays with you in Tokyo. At the time, you and Hui-mei were staying at the Imperial Hotel. As soon as we arrived in Tokyo, you took us to the same hotel. You said that would allow us to spend more time together. Late one evening you invited me to your room for some conversation. We talked about a lot of things, and you mentioned, with a wry smile, your assignment as the Republic of China's Representative in Japan: "Brother Hsiao-yen, how could I have ever guessed that one day I would be assigned this post in Japan? You know how grandfather and father felt about the Japanese. In days past we have suffered grievously at the hands of the Japanese, and we have been victimized by them time and time again. Yet, today, my job is to strengthen our relationship with them and I have to please them." Indeed, few people would truly understand

the pressure and conflicting emotions that you must have experienced as our Representative in Japan. Yet you bore the pain, gritted your teeth, and wholeheartedly devoted yourself to your job. Your dedication was clear to us all.

A little more than two years ago, we began to get to know each other. At first, whenever the Generalissimo and President Ching-kuo were mentioned, you would always refer to them as "my grandfather" or "my father." Sometimes you would diplomatically use the honorific "HE." But soon after, every time either the Generalissimo or the late President was mentioned, you would directly call them "grandfather" or "father." Your true intent was obviously to include me as a member of the family. But even now every time I mentioned President Chiang Ching-kuo, either with you or with anyone else, I would still deferentially refer to him as "Mr. Ching-kuo." I had no particular reason, other than I did not want to overstep my bounds of decorum, even though many times in the past I would scream for "father, father" in my dreams—only to wake up in a start, my face streaked in tears.

More than once you spoke to me about "restoring my last name." You felt that it was something that should be done but hadn't been done. You worried that I was getting impatient; you did not want me to have any complaints. That time when you returned from Singapore, you must have seriously thought about the matter for a long time. In a serious tone of voice you said that it was a matter that must be attended to and that you had discussed it with Sister Hsiao-chang. But because of your mother's poor health, you were afraid that with the media's bent towards sensationalism, any act related to restoring my last name would add to your mother's distress. You wanted to know if I could wait a little longer. You even went so far to ask if I could wait until after your mother's death. My reply was that it was a matter without any time constraints, that it was not that urgent and that you should not worry about it at all. My twin brother Hsiao-chi and I both believe that this matter should let time take its course and that it should not embarrass or hurt anyone, including the living and the deceased. I concurred totally with your suggestion of not taking any immediate action. Brother Hsiao-wu, you knew perfectly well that before Mr. Ching-kuo died, he had instructed that Hsiao-chi and I have our last name properly restored. He said this approximately a year and a half before his death. He confided this matter to a close Kuomintang elder. On January 17, 1988, four days after Mr. Ching-kuo died, this elder invited me to his office and told me what Mr. Ching-kuo had said. He also added that he had given you the same message on the afternoon of the 14th.

This matter of restoring my last name is from the beginning without music or script. After forty-some years of vicissitudes we have neither the need nor the ability, at this time, to cover up, remedy or change anything for anyone. It would be much better to follow a natural course of action. Brother Hsiao-wu, who could have guessed that you would leave us before your mother?

Very few people really know that you and I had a very harmonious relationship for more than two years. During those days, both of us seemed to want to redouble our efforts to recapture the affections we should have felt for each other. Could it be that you sensed that your days were numbered? Could that be the reason that you were so direct in confessing to me your distress and your depression? Brother Hsiao-wu, you left me too soon. The times we spent together were too brief; the assistance I offered you was too meager. Two years ago in Singapore, you gave me a scroll of plum flowers painted by Mr. Ching-kuo. You said: "This was a painting by father. Many other scrolls are with Brother Hsiao-yung. Hsiao-chang also has a few scrolls. You too need to have one." My eyes welling up in tears and staring silently at the scroll, I felt speechless at the time. This scroll is the only item I have that belonged to Mr. Ching-kuo.

The you of more than three years ago I knew very little. Like everyone else, all I knew about you was either from gossip or from press reports. More than ten years ago, you were a symbol of special privilege. Many people denigrated you behind your back. It seemed a lot of people did not like you. Certainly a number of people were jealous of you. They could not put up with you; they even hated you. One late evening in April, 1991, you talked to me about your past. You admitted that you were a spoiled young man, that you had fights with people and that you had girlfriends. Even though you admitted your indiscretions with a smile, you did not look like you were proud of them. On the other hand, you showed that you were a little remorseful for what you did. If you had faults in the past, no one would deny that they were the result of your environment. I don't know anyone else, who, under the same circumstances, would not have behaved the way you did.

In the past, you had very little understanding of me either. The funny thing is that what you knew about me was also from gossip or press reports. I know for a fact that many troublemakers would say all kinds of things about me before you. More than ten years ago, after I returned from my tour of duty in the Chinese Embassy in Washington, D.C., I worked in the Department of North American Affairs in the Foreign Ministry and I gradually attracted the attention of many people, including the press. During those days a number of non-Kuomintang periodicals had all sorts of articles about my background. People told me that you were extremely uncomfortable about those reports and you wanted to thwart my career. As much as I heard that gossip, I never paid any attention to it. I never believed that you would do anything to harm me. Even if you could not tolerate me, it must be the result of other people's stirring you up. It couldn't be your intention. To tell you the truth, I was never jealous of you. On the other hand, I had much compassion and concern for you.

Brother Hsiao-wu, I have often thought that if as you were growing up, you could have omitted the appellation of being "Generalissimo's grandson" or "the President's son," you would have lived a more realistic, more substantial and more common but practical existence. The right to live a normal life, common to everyone, unfortunately had been taken away from you at birth. Because of your background, merciless destruction had always been your constant companion.

In the last two to three years you had changed a great deal. After a number of conversations with you, I sensed that you were pursuing a freedom, one that comes with everyone else. Yet this freedom became an unattainable goal for you. It was "a freedom to be ordinary." Your many sufferings and pain nearly all originated with the fact that you couldn't be an ordinary man, that you couldn't have an ordinary life, and even to the point that you couldn't have ordinary thoughts. This could probably be the reason why you became a Buddhist. You hoped that in the Buddha's world that you could capture the happiness of being a mere mortal and that you could be like everyone else. I seem to hear you screaming from the depth of your heart: "Give me the liberty of being an ordinary mortal."

The morning of July 1 was like any other morning. I was up before 6 a.m. But that morning, in a very strange way I was in no hurry to get into my car or to leave home. Soon the phone rang. Mei-lun and I almost simultaneously picked up the phone. All we heard was a man wailing. I heard Mei-lun say, "Some nut." Then she hung up the phone. Still holding the phone, I was stunned. I had a unprecedented bad feeling, wondering who would call at such an early hour and wail on the phone. As I was mulling over the matter, the phone rang again. Brother Hsiao-wu, it was your security man, Mr. Chou. He sobbed: "Vice Minister Chang, please hurry to Room 117, Veterans Hospital. Something's happened to Hsiao-wu. Please hurry, hurry." Then I knew that he had made the first call and that he was too distraught to have made any sense. Hurriedly I rushed to the Veterans Hospital. On the way there I thought you must be in some critical condition. It never occurred to me that you had died. Entering your hospital room, I saw Hui-mei holding your head and calling your name. You looked peaceful. I held your ice-cold arm, I shook you but you had no motion. You had truly left us. I remember two days ago that you, Hui-mei, Mei-lun and I were chatting happily in your in-laws' second floor living room. You looked fine, you spoke of the current political situation, and you mentioned that you would be leaving for Singapore on July 4th to spend some time with your children. Every time you talked about your children, you showed true happiness and satisfaction on your face. Your love for your children far surpassed that of many parents for their children. You were innocent and pure. Sometimes you appeared to be shy and you didn't care to make speeches in public. In fact, you were not good with words and you certainly could not be ranked among orators. Yet you could listen. You had an excellent memory, and you had a very amiable personality.

I knew that your health had not been good for a long time. After I returned from Japan in April, I told Mei-lun that you were sustained by medication. I can never forget the day before you died and the wonderful time we had together. When it was 7 p.m., you asked me to stay for dinner. I said I couldn't because I had an engagement at 7:30 that evening. Had I known that you would have a mere few hours in the human world, I would have given up everything to be with you. Your last words to me were "See you tomorrow." You were to be at a ceremony the next day to begin your new duties at the China Television Corporation. Who would know that you would be ice cold and dead the next day? That evening you went to the Veterans Hospital, not because of any medical urgency but because you wanted to feel perked up for the ceremony. You apparently intended to come home right away, because you did not even bother to lift up the covers on your hospital bed. Yet after taking two shots, you fell into a coma and never woke up again. The negligence of the staff at the Veterans Hospital was astounding.

Brother Hsiao-wu, your forty-six years on earth were filled with wind and rain, tidal waves and storm. Yet your last moments

were calm, unperturbed, without pain and affliction. My sole regret is that I hadn't been able to spend more time with you and that I hadn't been able to make Mr. Ching-kuo's spirit in heaven feel a bit happier. In remembering you I am reminded of Han Yü's "Lament for Shih-erh Lang" and especially the last sentences: "Alas, though words fail, love endureth. Dost thou hear or dost thou not hear. Woe is me. Heaven bless thee!" Brother Hsiao-wu, if you had any knowledge at all, I believe that you would know that I have sadly missed you and my longing for you is endless. Your sudden departure made me more deeply realize the evanescence of life. For many nights I could not fall asleep, so I silently mouthed the ode to the tune of "Green Jade Cup," penned by Sung poet Huang Ta-lin. This ode richly captures the sorrow of bidding farewell to a brother, and I am moved to tears as I read it:

"Thousand peaks hundreds mountains road to Yee Chou heavens sad, best friend gone. At dawn left my house Huang Shih-tu.

"Brother gray hair, distant mountains, calm waters one day return same place.

"Many cups wine drink farewell pavillion. Words of parting too distraught to make sense.

"Intestines broken how much more sorrow?

"Water village mountain inn, evening late, no sleep listen fully raindrops on empty steps."

Brother Hsiao-wu, you lightly waved your sleeve and managed to struggle free from the hustle of the human world. The way you left us was so calm. Finally you could leave the human world just like any ordinary mortal, taking with you the blessings of your family and friends—forever resting in peace. In pace requiescat! Brother Hsiao-wu. Respectfully, Hsiao-yen the evening of July 28th, 1991.

Mr. CRAIG. I yield the remainder of my time.

Mr. BYRD addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia [Mr. BYRD] is recognized.

THE LATEST NATION'S REPORT CARD IS IN

Mr. BYRD. Mr. President, in the late 1960's, in concern for the quality of educational achievement being attained by students in our public schools, Congress mandated a periodic national assessment of educational progress report. As instructed by Congress, the report measures student abilities and results in a variety of subjects and related influences on staggered annual bases.

Subsequently, this report was dubbed the Nation's report card.

The last national assessment of educational progress surveying reading was issued in 1990 and covered statistics collected in 1988.

The summary of reading-achievement portion of the latest national assessment of educational progress, which covers 1990, was recently published, indicating mixed performances by the students surveyed.

On the positive side, the latest Nation's report card in reading revealed a slight drop from 1988 in the percentage of the average number of hours of television viewing reported in 1990.

In 1990, 62 percent of fourth graders surveyed admitted that they spent 3 hours or more daily watching television, as opposed to 69 percent of this same age group owning up to such viewing times in 1988.

Similarly, 64 percent of 8th graders reported watching 3 hours or more of television daily compared with 71 percent from this group in 1988, and with 40 percent of the 12th graders watching 3 hours or more in 1990, versus 49 percent in 1988.

Though 19 percent of the 8th graders and 18 percent of the 12th graders said they read for fun during some of their leisure time in 1988, those percentages had increased in 1990 to 30 percent and 29 percent respectively.

Unfortunately, that was almost the only good news in the latest reading report.

Paradoxically, because 13,000 students were sampled in 1988 and 25,000 in 1990, the numbers of students who admitted to never reading for pleasure increased in 1990.

Of the fourth graders surveyed, one-quarter—25 percent—reported watching 6 or more hours of television daily.

Sixty-three percent of the 8th graders and 59 percent of the 12th graders said that they read 10 or fewer pages each day for their school work, while one-third of the 8th and 12th graders confessed to reading fewer than 5 pages per day for their school work in 1990.

Worse, as compared to 1988, in spite of efforts to encourage increased homework, more 12th graders reported that they did not have homework assigned or that they did not do the homework that was assigned.

Significantly, this report found that in homes in which reading material is readily available, in which children see their parents reading, and in which parents read to their children and even listen to their children's reading, students from those homes performed measurably better at reading than did students from homes in which those factors were absent or considerably lower.

Once again, reportedly, those students who watched less than 2 hours of television daily earned higher marks in their studies than did those who watched more than 2 hours of television daily.

Mr. President, though these latest findings on reading do offer some signs of encouragement in comparison to the 1988 statistics, I am still discouraged by their implications.

With all of the publicity that has been given to poor U.S. school performance; with the continuing theme broadcast that poor school achievement bodes ill for our future competitive foreign trade position; with the warnings again and again that job success will demand better and better education and training; with surveys continuing to connect chronic joblessness and even much homelessness with little or no education and poor schooling; and with businesses and industries reiterating their plaint that too many job-seekers come to them out of the public schools with less-than-adequate entry-level educations, one would think that the message might have gotten through.

Unfortunately, too many students are still treating their educational opportunities as obstacles to their recreation and social lives and frittering away learning possibilities and hours of instruction for which some of their forefathers might have paid almost any price.

At certain times and in certain places in the past, schooling was the province of the select few—an elite—and those of insufficient funds, improper caste, wrong gender or race, or dissenting religions were prohibited from attending certain schools or even being educated at all.

Part of American lore is the tale of young Abraham Lincoln, living on the frontier, far from an established school, borrowing books and educating himself by the light of a cabin fireplace.

As a child, Andrew Carnegie himself burned with a love of reading but lacked funds to buy books and suffered the nonavailability of public libraries through which he might have satisfied his hunger. Fortunately, a well-to-do and concerned Pittsburgh man with a large personal library allowed neighborhood children into his home weekly to browse and borrow books. There Carnegie went week by week as a young boy, thankful that someone cared enough for him and his comrades to open to them a library door, even if but for an hour or so weekly. Out of that passion for learning once denied, grew Carnegie libraries across the country—one man's living witness to the value of reading, learning, and education.

Perhaps if our public education system collapsed; if for a generation of more only the wealthiest, most privileged, or most gifted were permitted the benefits of education; if only a third-grade education were made available at taxpayers' expense to everybody and the remainder had to be paid out of the students' parents' pockets; if schools became so scarce that, once again as in the past, some children had to walk 3 or 4 or 5 miles just to reach a classroom; or if for 20 years no teachers came forth to meet their classes during the first week of September—perhaps then more people—adults as well as their children—would understand the value of our school system and the opportunity that a state-supported educational system affords to the descendants of men and women who longed for an education on other shores but were denied that privilege.

Aside from the practical and career-related dividends that a good educational foundation can afford students, I am also concerned about the potential impoverishment that is occurring in the lives of so many of our children—bright, unlimited, alert young boys and girls who face the real possibility of maturing into adulthood; never having experienced for themselves the joys of reading, the wonder of poetry and language, and the acquisition of perceptive talents that will allow them to differentiate cant and mediocrity from brilliance and worth, whether in books and magazines and newspaper stories or in the speeches of demagogues and the drivel that purports to be drama on television and in most movies. All of those resources of discrimination and judgment are the fruits of reading and learning to think about the subjects and topics concerning which one reads.

But whatever remedy one might hope for, one would think that at some point a society that makes millionaires out of semi-literate and quasi-articulate rock musicians, and that uncomplainingly pays baseball and football players salaries in annual seven figures, would get its priorities straight and put into proper perspective the value of our schools, our teachers, and the education that our children will need to survive in the world that is even now taking shape for them.

Mr. President, as with perhaps no other institution, a school is a covenant that conjoins three generations. In our schools, we repay the precious heritage that our parents bequeathed to us—the ideals, the dreams, the visions, the skills, the knowledge, the questions, and the values—by passing that heritage on to the next generation. Across the generations, from grandparents to parents to children, we share solutions that have worked in the past, persistent questions that need answers, hopes awaiting fulfillment, skills seeking perfection, and possibilities searching for embodiment and realization. More than any duty that one generation can perform for its predecessor or any responsibility that one generation can meet for the next, the education of our children demands a national commitment to quality and sacrifice.

If our children are our future, the quality of our schools will largely determine the quality of the future that our children will or will not enjoy. Good schools are the key to a fulfilling, prosperous future, both for our children and for the society in which they will have to live. Poor schools and wasted classtime are potential handicaps that have the power to condemn millions of American children to lives of near Third World poverty, public dependency, unproductivity, unemployment, crime, drug addiction, and desperation. A good education is the best life-quality insurance program that we can bequeath to our children and the best national economic security program that we can afford for our country.

As this decade moves forward, then, I hope that more and more Americans will again understand the imperative of education and the value of our schools, and that we will restore education to its rightful position as the primary key that opens doors onto the classic American dream of fulfillment in life as individuals and as a society. I hope that increased numbers of parents will become involved in monitoring their children's learning progress, in encouraging better performance at all levels of their children's schoolwork, and in holding up the arms and applauding the achievements of good and great teachers. I hope that increased numbers of children will rediscover the joys of reading, that increased percentages of students will find unfathomed challenges in mathematics and the sciences, and that a new generation of well-educated, keenly interested, and dedicated and industrious students will emerge from our schools to regain America's preeminence in every field of learning, business, industry, and endeavor known to man, and many fields yet unknown but waiting for some blade-sharp American intellects to invent and open doors to them.

LEAVE OF ABSENCE

Mr. STEVENS. Mr. President, I ask unanimous consent that I be excused from attendance in the Senate from 3 p.m., July 21, until the beginning of the session on July 27.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. STEVENS. Mr. President, that is because of a serious illness of a member of my family.

Thank you.

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

TRIBUTE TO J. NEIL "SKIP" STAHLEY

Mr. SYMMS. Mr. President, I will ask unanimous consent that at the end of these remarks the obituary of the late J. Neil "Skip" Stahley be printed in the RECORD.

Skip Stahley spent a good number of years at the University of Idaho both as head football coach and director of athletics, as well as at Portland State University as director of athletics, and as a professor, and was named by the State of Oregon as a professor emeritus when he completed his career.

He was very proud of that fact, in addition to his distinguished athletic career which started at Penn State University as an all-American football player, to coaching at Brown University and Yale University, the Chicago Cardinals, which are now the Phoenix Cardinals, George Washington University, the University of Washington, University of Idaho, and many others.

He was very proud of the fact that he was an English major in college and loved to associate with the faculty and teach, and he had a big impact, on many, many students.

I know for myself and all of the people who had the privilege to know Skip Stahley during the 1950's and in the early 1960's when we were at the University of Idaho, that he had a lasting impact on lives of many of us.

I well recall, Mr. President, when Coach Stahley guided Idaho to the first victory over Washington State in some 25 years in the fall of 1953, and they wanted to draft him immediately to run for Governor. His response was: Why would I want to do that? We already have a very good Governor, and he is a Republican in addition to that fact. So, the State is in good hands.

And that influence I think carried through to some of us that had the privilege to work with him as football players, because of his basic free enterprise philosophy that he exuded.

I know on behalf of many of the old Bengals from the 1950's that we mourn his loss and send our sympathy to Shirley his wife, his two daughters, his two stepsons, and Tim Kime, who I was in college with.

The family lost a truly great patriot, a great American, and a person who had a big positive influence on the lives of countless young people throughout his career.

Mr. President, I might just say that when I had the privilege with Senator SPECTER who brought the NCAA champion Penn State Nittany Lions here to the Capitol and I met Coach Paterno, I mentioned to him that I played for Skip Stahley in college. And he immediately picked up on that and said that Skip was his grand mentor, because Skip Stahley was the mentor for Rip Engle, who was Joe Paterno's mentor, and I am sure I speak for Joe as well that there is a great deal of sadness throughout the country for the loss of this great man.

Mr. President, I ask unanimous consent the obituary be printed in the RECORD at this point.

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

J. NEIL "SKIP" STAHLEY

J. Neil "Skip" Stahley, 83, a former University of Idaho athletic director, died of age-related causes Saturday at St. Vincent Hospital at Portland Ore.

He was a football coach at the UI from 1954 to 1961 and served as athletic director from 1960 to 1964.

"He was an outstanding football mind and had a lot of good friends in the state of Idaho," remembered Wayne Anderson, the current acting athletic director at the UI.

Anderson, who was baseball coach and assistant football coach during Stahley's tenure, recalled that Stahley led the UI football team to its first victory over Washington State College (now University) in nearly 30 years.

"That was a big deal at the time, people were very excited about it."

Stahley was born Sept. 22, 1908, at Lebanon, PA., to Jacob Stahley. His mother's name was unavailable. He grew up in Pennsylvania and attended Pennsylvania State University at University Park.

While a student there, he was an honorable mention All American in football and captain of both the basketball and lacrosse teams. He graduated in 1931.

During his career, Stahley also was football coach at Western Maryland University at Westminister, the University of Delaware at Newark, Harvard University at Cambridge, Mass., Brown University at Providence, R.I. George Washington College (now University) at Washington, D.C., the University of Toledo in Ohio and the University of Washington at Seattle.

He also served as assistant coach with the Chicago Cardinals (now the Phoenix Cardinals) in the National Football League.

After leaving the UI, Stahley moved to Portland and served as director of athletics at Portland State University until retiring in 1972.

He was a member of the Idaho Hall of Fame, the Western Pennsylvania Hall of Fame and the National Association of Collegiate Athletic Directors Hall of Fame.

He was married and divorced.

He married Shirely Kime on July 1, 1950, at Toledo, Ohio.

Survivors include his wife of Beaverton, Ore.; two daughters, Shirley Butler and Lynne Hunt both of Maryland; two stepsons, Tim Kime of Toledo and David Kime of Tucson, Ariz.; and eight grandchildren.

The funeral was Wednesday at Portland.

The family suggests memorials to the Skip Stahley Endowment Scholarship, in care of the University of Idaho Foundation in Moscow.

RODNEY A. HAWES

Mr. SYMMS. Mr. President, it brings sadness to me to report to the Senate that Rodney A. Hawes, an Idaho legend, died Monday, July 6, while we were out on recess. Rodney Hawes was the publisher of the Owyhee Nugget, one of the oldest newspapers in Idaho, and he has had a very big impact on southwestern Idaho in the development of this part of the State.

To his family, his wife Leona, and his three sons, Rodney, Robert, and Stanton, we extend our sympathy. I might just say as a personal note when I announced for the Congress 20 years ago, in February of 1972, my original announcement statement was printed on Rodney Hawes' printing press in his office at the Owyhee Nugget. He helped me edit it. I still have a copy of that on my office wall and I will cherish that printed statement. Rodney had a big impact on southwestern Idaho and he surely will be missed. I extend my sympathies to his family.

Mr. President, I ask unanimous consent that this obituary be printed in the RECORD at this point.

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

RODNEY A. HAWES

Rodney A. Hawes, an Idaho legend, died Monday, July 6, 1992, at the age of 75. He and his wife Leona, were publishers of the Owyhee Nugget Newspaper in Owyhee County for 47 years.

Funeral services will be held at 10 a.m. Friday, July 10, at Boone Memorial Presbyterian Church, Caldwell. Private graveside services will follow in Pioneer Cemetery, Boise, where he will be buried next to his mother and father.

Mr. Hawes was born Dec. 1, 1916, at Boise, a son of Fletcher A. and Eva Strickland Hawes. He was proud of his Idaho and Owyhee County heritage. His family first came to the Bruneau Valley in the 1860s. His grandfather, Benjamin F. Hawes, had a homestead which is now 16th and State Streets in Boise.

Rodney attended schools in Portland, Longview, Wash., and graduated from Bruneau High School where he was Valedictorian. He and Leona Strong married in Mountain Home in 1937. They purchased the Owyhee Nugget Newspaper from Charles Pascoe. The paper was founded in the Owyhee mountain town of DeLamar in 1891. They moved the Owyhee Nugget to Marsing from Bruneau in 1940.

Rodney, Leona and the Owyhee Nugget made its mark on Idaho history. The late U.S. Senator, Len Jordan, once stated, "Politics and journalism both have been admirably served by Rodney Hawes throughout his career in Idaho. His dedication to the state, to responsive government and to responsible journalism, are surpassed by none. On top of all that, he is a fine friend."

The late Senator Frank Church said, "The Owyhee Nugget has been a force for a long time in the development of southwestern Idaho, and few men have worked as tirelessly as Rodney Hawes for the good of his community and state."

Governor Cecil Andrus once described the paper as "honorable and venerable." And so too, does Rodney Hawes.

Through his front page editorials and tireless efforts he promoted new schools, paved roads, improved telephone systems and organized the Marsing-Homedale Cemetery District. He was Secretary/Treasurer of the Gem Highway District for 47 years.

An editorial in the Idaho Statesman Feb. 9, 1964, declared: "It's a good thing for Owyhee County, yea, even for Idaho, that Rodney Hawes is not content to graze peacefully in his pasture south of the Snake River."

His editorials are largely responsible for putting Highway 78 on the state system. Idaho flags now fly at the county seats of all 44 counties as a result of his efforts in 1963. He also promoted his beloved Bruneau Sand Dunes as a state park. He helped save the Guffy River Bridge from destruction.

In face of opposition he helped assure that placement of the Marsing Job Corp on the Snake River, saying, "Everybody deserves a chance." He was also instrumental in placing the County Agents Office, Soil Conservation, and Farmers Home Administration Offices in Marsing.

He was featured as the Idaho Statesman Distinguished Citizen in 1969 and was named "Honored Civic Leader" by the Marsing Chamber of Commerce in 1977. Upon retirement from the Owyhee Nugget, Rodney and Leona contributed most of their print shop to the Idaho Historical Society. It is on permanent display at the Old Penitentiary museum in Boise.

Rodney was proud of what he, Leona and the Owyhee Nugget has accomplished during his lifetime. What gave him the greatest pleasure was his family and friends. He was known by many, liked by most, loved by those who were close, and respected by all.

The list of Rodney's accomplishments and civic involvement is a long one. He helped incorporate Marsing and was the first chairman of the village board. He was one of the first presidents of Marsing Chamber of Commerce; president of the PTA; a member of the volunteer fire department; Rod & Gun Club, Elks Club; charter member of the Marsing Lions Club; president of the Southwestern Idaho Development Association; board member of the Idaho Press Club, Knife and Fork Club International, Owyhee County Fair Board, and the Children's Home Society of Idaho. He was active in Owyhee County Historical Society and was named as honorary lifetime member of the Owyhee Cattlemen's Association.

Survivors include Leona, his constant companion for 55 years; his three sons, Rodney Jr. of New Canaan, Conn., Robert of Kaloa, Kuai, Hawaii, and Stanton of Boise; his sister, Margaret Hall of Mountain City, Nev., two daughters-in-law, Beverly Eddy Hawes and Roma Richard Hawes; the grandchildren he dearly loved, Kimberly Oaks, Kelly Scott, Bill Hawes, Steve Hawes, Tammy Hawes, Tommy Hawes, Robert Hawes Jr., Angela Montellano, Raymond Hawes, Andrew Hawes, Allision Hawes, Richard Hawes Surber and Sara Surber Hawes; his great-grandchildren, Katherine Oaks, Matthew Oaks, Matthew Hawes, Elizabeth Hawes, and Courtney Scott.

Memorials may be made to the Marsing Ambulance Fund, Marsing 83639; or to a favorite charity.

Friends may call from 4 to 8 p.m. Thursday, July 9, at Dakan Funeral Chapel, Caldwell.

CHANGE

Mr. SYMMS. Mr. President, I want to associate myself with the remarks that the distinguished Republican leader made today. I, too, would join in my congratulations to our colleagues from the other side of the aisle for a very successful convention.

I do think, however, that now that the conversation is over it is time for Americans one and all to really analyze just what it is that those candidates offer the American people, and I hope that as we get into this election process this year that we will see a real debate of the philosophies and of the issues that stand before us, because I think if you get past the cover and the veneer of the Clinton ticket, what you find is more taxes, more spending, more Government. And from what I hear from my constituents that is what they are disgusted with, that is what they are tired of, that is what they want less of.

I would hope that if the American people really want change they will recognize that what they need to do is to change the leadership here in the Congress which has basically been dominated by the Democrats for the last 50 years. And I will hope that the President will make that case as he

goes forth with his campaign this fall to make the case that if the people want him to accomplish what it is he campaigns on he needs support in the Congress, and if they are not willing to do that, to get rid of divided Government, vote for the Republicans both in House and Senate races to back up the President, then it is a losing proposition for them if they think they can elect a Republican President, with a big majority, particularly in the House of Representatives, the way the rules work and ever accomplish the agenda that they think a Republican President can accomplish.

So I hope the President will get the issue back to basics with the American people, and simply invite them if they are not willing to vote for giving him support in the House of Representatives and the Senate then go lead and vote for the Clinton-Gore ticket and get a full pledge of big government and big high taxes, and then they can really see what it is all about and maybe in 4 years there will be another day.

Again, I want to compliment Senator DOLE on what I thought were excellent cogent remarks that he made, and share that point of view, and I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, under the order do I have 5 minutes?

The ACTING PRESIDENT pro tempore. The Senator may speak until 3 o'clock, which is the scheduled hour for morning business to conclude.

Mr. DOMENICI. If they are not ready on the bill I can seek consent for additional time?

The ACTING PRESIDENT pro tempore. That is the Chair's understanding.

Mr. DOMENICI. I thank the Chair.

THE ECONOMY

Mr. DOMENICI. Mr. President, I come to the Senate floor to talk a little bit about the economic situation in our country and the plan that Governor Clinton has put forth for the American people. I congratulate the Democratic Party and Senators from the other side of the aisle for their splendid national convention. They obviously feel good today. We will have ours soon, and then we will begin the battle and see how this is all going to turn out in November.

But frankly it seems to me that we should not wait until our convention to talk about the realities of the fiscal and tax proposals in the economic plan that Governor Clinton has put forth. So let me first say to those who care to listen that Governor Clinton says he is going to put the people first. Frankly, I am absolutely convinced that Governor Clinton is going to put taxes first, not people.

Let me just put it into perspective. The largest first year and 4-year tax increase in the history of the Republic is offered by Governor Clinton. I repeat, the largest 4-year tax increase. Now I think that is putting taxes first.

Mr. President, for the last 7 or 8 years the discussion in the U.S. Congress has been whether we should put on taxes to get rid of the deficit. It has been the Federal deficit that has put a drag on the American economy and is going to deny the legacy to our children of a higher standard of living.

Well, it might be a surprise that Governor Clinton's largest tax increase in the history of the Republic for 4 years is not going to be applied to the deficit. That might shock some people.

The second thing that this plan does is it puts $220 billion in new programs on the books of this country. Let me repeat. In 4 years this proposal asks not for $1 billion, not for $10 billion, not for $40 billion, but $220 billion in new programs for the American taxpayer to bear.

And now, Mr. President, if I were a honeybee I would be frightened to death, because the only program out of 1,800 or more that are already on the books of this great country, the only one being affected with a cancellation is no more subsidy for the honeybee. A program that costs the American taxpayer a grand sum of $40 million. I almost started this discussion by calling the proposals of Governor Clinton the saga of the honeybee, but I chose to say I thought people were what he was putting first while in truth he is putting taxes first. So I do not think this fiscal plan, this so-called blueprint for prosperity for the American people, is going to fix the economy. If anything, it is going to invest in more and bigger Government, more taxes and bigger spending.

If anyone is thinking that this proposal is going to revitalize America, I submit that you better look again because it will really revitalize Government intervention. It is a Government revitalization program, $220 billion more of revitalization and intervention in the lives of the American public.

I repeat that out of 1,800 or more programs during a major critical deficit period with many new programs being proposed, the only one that could be found for termination is a small program that affects the poor honeybee. And I might suggest, as our Republican leader has indicated, Governor Clinton's running mate has voted not once, twice, or three times, but a final check finds that Senator GORE has voted to keep the humble honeybee program four times. So we already have a little bit of nonassurance that even that that one program would ever be terminated.

Frankly, I think when you add up all of the new taxes, and an additional $61 billion in defense cuts—doubling the President's proposals and larger than those supported by the distinguished chairman of the Armed Services Committee, and twice as much as the President has requested, with the additional Federal taxes on the workplace, and the so-called tax on the upper income people which is really taxes on 72 percent of the small businesses out there—jobs will be lost not created.

The ACTING PRESIDENT pro tempore. The Chair would inform the Senator that the hour of 3 o'clock has arrived.

Mr. DOMENICI. I ask unanimous consent that I may have 3 additional minutes.

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

Mr. DOMENICI. Let me make this last point.

I believe this plan will not add jobs. It will cut jobs. Let me tell the Members of the Senate why.

The President submitted an additional $50 billion reduction in defense expenditures on top of the $170 billion we put in during the 1990 summit. This plan says double that $50 billion and more, put $61 billion on top of it. The best estimates that I can get is that will put the military men and women, civilian military, and defense industry workers out of work; that is 1 million.

The taxes that are going to be imposed on upper income Americans in that $150,000 bracket is actually going to fall between 62 and 77 percent on small business, small joint ventures, partnerships that elect to be treated as corporations, corporations that elect to be treated as partnerships in America and file as individuals. We think that is going to cost about 800,000 less jobs, rather than more.

Then we have a payroll tax of 1.5 percent, again hard hitting small businesses. When you add it up with other job losers the best estimate that we could put together is that 2.5 million Americans will be put out of work. This from a plan that is called stimulation to the economy and putting people to work.

So every way I look, I hope that the other side of the aisle and the opposition to President Bush understand that right now they have it kind of their way, but before long we will make sure the American people understand there is more than one side to this approach to revitalizing America and not the least of which is how big should Government be. It seems to me Governor Clinton is on the wrong track.

I am delighted to have had an opportunity to review it for a few moments. There is much more to be said about it.

I thank the Senate for the time and I yield the floor.

TRIBUTE TO BENJAMIN A. ATKINS, MORGANTOWN, WV

Mr. ROCKEFELLER. Mr. President, I rise in acknowledgement of the out-

standing achievements of Benjamin A. Atkins of Morgantown, WV. This May, Ben earned the distinction of being the valedictorian of the U.S. Naval Academy.

Since Ben's entry into the Naval Academy in July 1988, his performance has been exceptional. Ben majored in systems engineering, focusing on two academic tracks, robotics, and communications. He was invited to join Tau Beta Pi, an engineering honorary, and Phi Alpha Theta, a history honorary, in the spring of 1991; later that year he joined Phi Kappa Phi, an academic honorary, and was elected president of his senior year.

Ben graduated on May 27, 1992, finishing first in his class academically, with a 3.99 grade point average, and overall, reflecting his academic, professional, and physical abilities. He received the Blaney Award—top systems engineer—and the FitzGerald Scholarship, the latter enabling him to study philosophy, politics, and economics at Oxford University.

Ben also excelled in naval activities at the Academy. During his senior summer he was a battalion commander for the plebe summer detail, during which he worked with 80 upperclass midshipmen in training the battalion of 560 plebes. In the second semester of his senior year, he served as deputy brigade commander, second in command of the 4,300-member brigade.

During his sophomore year, Ben served for 10 weeks on the U.S.S. *Queenfish* [SSN 651], a nuclear fast attack submarine, earning his qualifications for enlisted submarines and leading him to choose nuclear submarines as his warfare specialty. After completing his 2 years at Oxford, he will train in the Navy's submarine program.

Despite the rigorous requirements of a naval experience, Ben finds time to exercise and enjoy leisure sports. A self-described avid audiophile, Ben also enjoys a number of West Virginia's outdoor activities, including hiking at Cooper's Rocks State Park, backpacking through Blackwater Falls and Canaan Valley, and white water rafting on the Cheat River.

Ben currently plans to serve as a career naval officer, but would eventually like to get involved in policymaking. The dedication to his country displayed by Ben should be a model to all. As a fellow West Virginian, I am proud to honor Ben for his past achievements and future potential. Mr. President, I ask my distinguished colleagues to join me in wishing Ens. Benjamin A. Atkins every success.

THE LEWIS AND CLARK NATIONAL TRAIL: PRESERVING AN AMERICAN LEGACY

Mr. PRESSLER. Mr. President, America's 17 National Scenic and Historic Trails play an important role in the protection and preservation of our Nation's heritage. One of these trails, the Lewis and Clark National Trail, passes through my State of South Dakota. As a symbol of one of the most significant explorations in U.S. history, the Lewis and Clark Trail deserves to be developed for the education and enjoyment of all Americans.

In 1804, President Thomas Jefferson commissioned an expedition of the newly purchased Louisiana Territory. Jefferson selected experienced Army officers Meriwether Lewis and William Clark to lead a corps of discovery through the unexplored land. Throughout the 8,000-mile journey from St. Louis, MO, to the Pacific Ocean and back again, Lewis and Clark meticulously recorded observations about the characteristics of the land they viewed and the culture of the Native American tribes they encountered.

Few explorers in all of history have matched Lewis and Clark in the accuracy and thoroughness of their records. On September 23, 1806—2 years, 4 months and 9 days after their departure—the Lewis and Clark Expedition returned to St. Louis with knowledge of the new land that would profoundly impact international boundaries and relationships around the world.

Mr. President, it is imperative that such a significant and dramatic episode in U.S. history be fully interpreted and preserved. In 1968, Congress passed the National Trails System Act establishing a commitment to the creation and development of a national system of scenic and historic trails. Regrettably, while other Midwestern States such as Nebraska and Iowa already are proceeding with the final phases of their interpretation projects along the Lewis and Clark Trail, the segments of the trail in South Dakota remain largely uninterpreted and undeveloped.

Many historic events occurred along the South Dakota portion of the trail. Near the present-day city of Yankton, SD, Lewis and Clark first encountered the Sioux Indians. A council was held to negotiate peace and to arrange for a meeting between the chiefs and President Jefferson. A similar council with the chiefs of the Teton Sioux was held near the modern-day State capitol of Pierre. Encounters with American Indian tribes in South Dakota were instrumental in providing the expedition with information about the land and in promoting peace between the Indians and the new American Government. These significant events in American history deserve public recognition and appreciation.

I have made two requests for funding to support the development of the Lewis and Clark Trail. In March 1992, I contacted the Senate Appropriations Subcommittee on Interior to request a $40,000 appropriation in fiscal year 1993 to develop an interpretive plan for the South Dakota segment of the trail. In the near future, the subcommittee will be receiving a letter from myself, Senator KOHL, and a number of other Senators requesting additional funding for all 17 national scenic and historic trails. By allocating $250,000 per trail, the Federal Government can support one full-time individual to administer each trail and to plan better coordination between Federal, State, and local governments on trails projects. I am confident that such appropriations, if passed, will better enable National Park Service officials, as well as interested parties at the State and local levels, to move forward with the development of the Lewis and Clark Trail in South Dakota and other States.

Mr. President, these trails are an effective and appropriate means of preserving the treasure of our Nation's history. I urge my colleagues to join me in supporting adequate funding for our national scenic and historic trails for the education and enjoyment of future generations.

THE 1992 MIDYEAR REPORT

The mailing and filing date of the 1992 mid-year report required by the Federal Election Campaign Act, as amended, is Friday, July 31, 1992. All principal campaign committees supporting Senate candidates must file their reports with the Senate Office of Public Records, 232 Hart Building, Washington, DC 20510-7116. Senators may wish to advise their campaign committee personnel of this requirement.

The Public Records Office will be open from 8 a.m. until 9 p.m. on the filing date for the purpose of receiving these filings. In general, reports will be available the next business day after receipt. For further information, please do not hesitate to contact the Office of Public Records on (202) 224-0322.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

INTERSTATE TRANSPORTATION OF MUNICIPAL WASTE ACT OF 1992

The ACTING PRESIDENT pro tempore. The Senate will now proceed to the consideration of S. 2877, which the clerk will now report.

The legislative clerk read as follows:

A bill (S. 2877), Interstate Transportation of Municipal Waste Act of 1992.

The Senate proceeded to consider the bill.

Mr. BAUCUS addressed the Chair.

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

Mr. BAUCUS. Mr. President, I am pleased that today we are considering

legislation to address the issue of interstate transportation of municipal waste.

Mr. President, I want my colleagues to understand and appreciate the significance of the bill before us. Absent action by the Congress, the States cannot impose restrictions on the interstate flow of municipal waste from another State. The commerce clause of the Constitution gives the Congress, not the States, power to regulate these movements.

As recently as last month, the Supreme Court struck down State restrictions on receipt of out-of-State waste as unconstitutional impediments to interstate commerce because Congress has not authorized such State action.

The bill before us fills that void. It authorizes States to impose substantial controls on the interstate flow of waste.

In doing so, it attempts to accommodate the needs of all States—those with acceptable interstate waste arrangements as well as those who have asked for more control of their borders. For this purpose, the legislation provides discretionary authority to both local authorities and to Governors.

This bill is the result of extensive hearings, meetings, and long negotiations to find a solution that accommodates the needs and concerns of all States and localities.

It does not give all States everything that they want. If does give them everything they need. The bill before us today is a sound and workable solution to the problem of interstate transportation of municipal waste.

BACKGROUND

The interstate transportation of waste issue has become known as the civil war of waste.

Today's waste war is being fought because some communities are being forced to take a disproportionate share of out-of-State trash. That is, a few States are not taking care of their own trash.

It seems that a few exporting States have taken the old adage, "it's better to give than to receive," to the extreme. They have been giving a lot of waste to other States.

In recent years, Mr. President, when it comes to trash, there has been too much giving and too much receiving—especially when those receiving the trash have had no say in the matter.

And the problem is exacerbated because we all are generating more garbage.

On average, we each toss out—that is each American—about 1,500 pounds of trash a year, or almost 200 million tons. More disturbing than the total amount is the trend in waste generation.

Thirty years ago, we threw out about half as much as we do today—some 88 millions tons. In 1970, we threw out 122 million tons. In 1980, we tossed out almost 150 million tons. In 1990, we Americans disposed of or at least put in our trash cans almost 200 million tons of trash.

Ten years from now, if present trends continue, each of us will throw out some 300 pounds more each year, nearly a ton of trash for each American.

We discard enough office and writing paper alone to build a 12-foot high wall from Los Angeles to New York each year. Maybe we should build this wall from New York to Florida so we can keep unwanted trash from moving west, where most of it is going.

Or maybe we should simply allow States to erect walls around their borders.

That would be the simple answer. But, as H.L. Mencken said, "For every problem there is a simple solution, and it is usually wrong."

The fact is that this is a complex problem which requires a solution that reflects the needs of all 50 States. There are at least four critical components of a long-term solution to the interstate waste problem.

First, less waste must be generated in the first place. We need to help communities and States develop real waste reduction programs. And we need to stimulate and maintain reliable recycling markets so that recovered paper and packaging is actually reused in new products. Not only will this save resources, it will reduce the need for landfills, incinerators, and waste exports.

Second, we need to ensure that all landfills are upgraded. The fact is, many landfills are nothing more than inexpensive, open dumps with no environmental controls. This makes these landfills attractive to exporting States. After all, it is cheaper to export to States that have very little or virtually no control.

But by establishing minimum environmental standards for all landfills, it will no longer be possible to move waste to inexpensive substandard facilities far from the States of origin in order to avoid the cost of sound environmental management.

Third, we need to be sensitive to the historical waste management arrangements that benefit both importing and exporting communities and States. Some 15 million tons of municipal waste is exported each year by 43 States. Forty-two States also import some waste.

The point is, nearly every State relies on other States to handle some portion of its waste.

Let me repeat that. Nearly every State relies on other States to handle some portion of its waste, because almost every State in this Nation either imports or exports solid waste. Once EPA's new landfill regulations go into effect in October 1993, some States may find that regional landfills serving communities in more than one State are the best or only way to provide the economies of scale necessary to meet the costs of new landfills.

Finally, we need to ensure that States and communities site new disposal facilities so that they can deal with their own municipal waste.

In many cases, however, intense local opposition has blocked new facilities. As a result, community officials export their trash out-of-State instead of dealing with the underlying problem—shortage of disposal capacity.

No State should be forced to take another State's trash because the exporting State does not have the political will to deal with its own waste.

"Not in my backyard" simply is not a protected right of the Constitution. Those who generate waste have a responsibility to find safe ways to dispose of it, in their own backyards or in other communities that welcome it.

S. 2877

Mr. President, since the Senate first debated this issue in 1990, we have made great progress in fashioning a sound, solid solution to the problem.

This bill grew out of our efforts on RCRA to deal with this issue. And with the exceptions of these provisions, I will detail later, it is identical to the interstate portion of S. 976 reported from the Environment and Public Works Committee in May.

Unfortunately, this interstate waste bill does not address the Nation's fundamental solid waste problems, as does the RCRA reauthorization, S. 976. But it does address an immediate need of some States. Let me describe the provisions of the bill now before the Senate.

The legislation before us gives States authority that they do not have now. That is, it allows the Governor of any State to prohibit and limit out-of-State waste at landfills and incinerators under certain circumstances.

There are two prerequisites for the use of the authority granted each Governor to impose limitations on out-of-State waste.

First, a Governor must receive a written request to restrict out-of-State waste, from both the local government that is home to the landfill or incinerator, and the local solid waste planning unit, if any exists under State law.

I realize that certain Governors would prefer to have unconditional, unfettered authority. But it is the local government and its citizens who live next door to a landfill or incinerator who are directly impacted by imports of out-of-State waste.

If it is the judgment of the local community that it should accept out-of-State waste, that judgment should not be overridden by a Governor.

Moreover, if Governors are given authority to immediately and unconditionally stop out-of-State waste it will likely create chaos in many of our Nation's cities. As I mentioned earlier,

nearly every State exports some of its waste to other States. If this option is taken away, then our trash will end up dumped on the side of the road or piled up on city streets. And that is not what we are trying to do.

I should also emphasize that all of the current authorities of the Governor to regulate waste remain intact. The Governor and State agencies will continue to issue permits, set and enforce standards, and exercise all of their powers to protect health and the environment.

Second, a Governor may not exercise the authority to ban or limit out-of-State waste in a manner that would prevent performance of preexisting contracts for out-of-State waste disposal between waste generators and public or private entities.

This bill clarifies, however, that this constitutional protection applies only to written, legally binding contracts. Additionally, to assist States in administering their interstate authority, the bill allows a Governor to require that all such contracts be filed with an appropriate agency in the State.

I am aware that some of my colleagues want to give Governors the authority to ban out-of-State waste without regard to preexisting contractual obligations. However, such a ban would be unconstitutional and inequitable.

The Constitution states explicitly that "no State shall pass any law impairing the obligation of contract."

The enactment of Federal legislation to provide authority under the commerce clause of the Constitution does not also absolve a State from its obligations under the contract clause.

In addition, it seems only fair that we should protect disposal arrangements that were made in good faith reliance on the commerce clause of the Constitution.

The decision as to whether a preexisting contract is legally binding will, of course, depend upon the facts, circumstances, and law of the State.

In some cases, for example, a renewal of a contract at a newly negotiated rate will be deemed a new contract that would not be protected. This bill leaves that decision to State law, as it should.

Once these two conditions have been met, a Governor may ban all out-of-State waste at any landfill or incinerator that did not receive out-of-State waste in 1991.

Now, for those facilities that did receive out-of-State waste during 1991, a Governor may ban waste at any facility that does not meet the State standards for operating such sites.

In addition, it allows any Governor to freeze municipal waste imports to those sites at 1991 or 1992 levels, whichever is less.

This is an expansion of the authority that was available under the bill reported by the Environment Committee. It allows any Governor to freeze municipal waste imports at 1991 or 1992 levels, whichever is less.

This gives States the authority to prevent imports from growing unless they chose to let them do so. And it protects those States, like Indiana, whose imports have dropped this year, from growing back to 1991 levels.

Governors of States that received more than 1 million tons of municipal waste in 1991 are authorized to impose additional restrictions. Governors of these States namely Virginia, Pennsylvania, Ohio and Indiana, may, with or without a local request, freeze municipal waste imports at 1991 or 1992 levels.

Governors of these States may also limit the amount of municipal out-of-State waste received at certain landfills to 30 percent.

This applies to landfills that took in more than 100,000 tons of out-of-State waste in 1991, if that accounted for at least 30 percent of the total amount of municipal waste received.

In addition, if requested by the local government, a Governor in a State that received more than 1 million tons in 1991, may also require that out-of-State municipal waste be disposed of in a landfill that meets the State's requirements for newly constructed landfills.

All Governors, however, must treat State-wide restrictions evenhandedly regardless of the origin of final destination of the waste.

Finally, in an effort to encourage all States to upgrade their landfills, beginning on January 1, 1997, a Governor will lose authority to restrict out-of-State waste unless one of two actions are taken.

Either all operating landfills in the State must meet Federal requirements for newly constructed landfills, or landfills that do not meet these standards must be on an enforceable schedule to shut down prior to January 1, 2000.

In the committee bill, States only had until 1995 to take one of the two actions. Because this was a problem for some States, this bill gives States two additional years to comply. This should provide adequate time to get a permit necessary to construct a new landfill cell or close the landfill.

In short, this bill empowers local communities in Montana and all other states to decide how much out-of-State municipal waste they will accept, whether it be none or a limited amount. And it is up to communities to let their Governor know whether or not they want to accept out-of-State waste.

For example, my bill allows a city like Billings or a town like Miles City to petition the Governor of Montana to freeze, ban or accept out-of-State waste into their communities. The same goes for Missoula, Glendive, Bozeman, Helena, Butte, and all towns and cities across Montana and across America.

Mr. President, these are the key elements in the interstate waste bill now before us. As I said before, I know they do not give everyone everything.

But I believe that the legislation provides States with the authority necessary to control out-of-State municipal waste in an orderly fashion, without seriously disrupting interstate commerce and without creating chaos in our municipal waste disposal system.

THE NEED FOR ACTION

Let me turn now, Mr. President, to some comments on the overall context of this legislation and how Senator CHAFEE and I would like to proceed.

Mr. President, if we are truly going to get to the heart of the interstate and other waste problems facing this Nation and not just treat the symptoms, we must enact comprehensive national waste reduction and recycling legislation.

That is why I had hoped that we could address the interstate waste issue as part of S. 976, the comprehensive Resource Conservation and Recovery Act bill reported by the Environment and Public Works Committee on May 20.

In addition to addressing the interstate waste issue, that bill also includes provisions to address a broad range of recycling and other solid waste issues.

For instance, it expands the reporting requirements under the very successful Community Right-to-Know Program, and requires pollution prevention planning by manufacturers.

It sets national recycling targets and for the first time requires companies, not just taxpayers, to help pay for recycling.

It directs the Federal Government, including the Congress and the judicial branch, to buy recycled products—even if they cost a little bit more.

It requires truth in environmental labeling so that consumers have complete and accurate information when it comes to environmental claims on products. It includes waste management requirements for scrap tires, used oil and batteries, and other orphan wastes; and it includes a number of other important provisions like research and development, and technical assistance to States.

I am, however, fully aware of the complexity of the reported RCRA bill and the need for more consultations with my colleagues before we are ready to proceed to that bill. I also understand the need for expeditious action on the issue of interstate waste transportation this year.

So in considering S. 2877, Senator CHAFEE and I will strongly oppose any amendments that are not directly related to interstate transportation of municipal solid waste.

My experience with S. 976, that is the larger bill reported out of the committee, suggests that such amendments would not be adopted without extensive controversy and expenditure of substantial time.

That would delay and possibly prevent passage of a solution to the interstate waste problem, and it would render even more difficult the effort to proceed with effective comprehensive RCRA legislation.

I still intend to work with my colleagues to bring S. 976 to the floor so we can debate the fundamental recycling issues that are not addressed in this bill. But using this bill as a vehicle for a broader debate on recycling would not be a constructive use of the Senate's time, as I see it.

Mr. President, tomorrow after the party conference lunches, I will try to get the Senate to agree to a unanimous-consent agreement to limit amendments on S. 2877 to those that deal with the interstate transportation of municipal waste.

I yield now to my distinguished colleague, who I see is not here, but I think the Senator from Indiana is probably standing in for Senator CHAFEE. I might add at this point, Mr. President, that Senator CHAFEE, the ranking member of the committee, is a wonderful person to work with. This is a bipartisan bill and bipartisan effort. We worked very, very closely together. I can think of no person I would rather work with in crafting legislation and working with to get legislation passed than the Senator from Rhode Island [Mr. CHAFEE]. He is not here at this moment.

The Senator from Indiana has also been very, very helpful in working with Senator CHAFEE and myself in crafting this interstate issue now on the floor, and I see he wishes to address the Senate. I say to the Senator from Indiana, as he well knows we have come a long way. It has been a year we have worked on this project. I think we finally have a solution. I look forward to working with the Senator to see this interstate issue finally resolved this year.

Mr. President, I yield the floor.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER (Mr. ROCKEFELLER). The Senator from Indiana.

Mr. COATS. Mr. President, it is my understanding that the minority leader may shortly be on the floor to address another subject for a brief period of time. I will be happy to yield to him when he comes to the floor. Let me begin, though, in the meantime by thanking my colleague from Montana for his comments and for his willingness as chairman of the Environment and Public Works Committee to deal with this difficult, contentious, controversial issue that has been the subject of many of my concerns and other Members' concerns for a period now of more than 2 years.

It has been a long battle to bring this particular issue to the floor. We have addressed it in amendment form to other legislation out of frustration in terms of our ability to bring it to the floor on a stand-alone basis. We have worked carefully with the chairman and the ranking member, Senator CHAFEE, who have been very helpful to us in addressing this concern and working this through the legislative process.

Let me, if I could, Mr. President, begin at the beginning: How did all this start; how did it come about? In my State of Indiana a decade ago we had no problem with out-of-State trash, but in the past several years, and just the past several years, a trickle of trash has become a deluge. In a few more years, any solution will be too late for my State. That explains our urgency and my persistence in pursing this issue. Once a State with 150 operating landfills just in 1980, we have seen that number reduced in half with plans to reduce it perhaps up to 40 to 50 percent more in just the next several years. So our capacity is declining as jurisdiction after jurisdiction determines that it will not site a new landfill.

It is one thing to site a new landfill if you are dealing with the waste disposal from your own jurisdiction. Many county councils, county commissioners, other jurisdictional bodies in Indiana have faced the very difficult political question and environmental question of whether or not to expand their landfill or to establish a new one. The effort is sometimes successful, sometimes not successful.

Often it is not successful because of what has become a growing problem, and that is importation of out-of-State trash. It is one thing to establish a new landfill for the purpose of dealing with your own trash. One community in my State was approached by its county council indicating that its current landfill was rapidly filling up and they wanted permission from the population of that area to create a new landfill. They received that permission on the promise that it would serve the needs of the community for 40 years. They projected the amount of waste generated over the next 40 years—this was about 12 years ago—and indicated that the amount of space they were seeking to add would take care of the community's needs for a 40-year period of time. And on that basis, permission was granted.

Now just 12 years later, the remaining capacity of that 40-year landfill is down to 3 years because it was discovered by out-of-State interests and a deluge of out-of-State trash has come into that particular landfill.

Now the plea to the community is, well, we need to expand again. The response is, what happened to the 40-year capacity? And the answer is, we have no control over the amount of waste going into that landfill because it is unconstitutional for us, under the commerce clause, to prohibit any trash coming from anywhere in this country into that landfill.

That is the problem that we seek to address here today and that is a problem that plagues State after State after State as some States have found an easy way to solve their own waste disposal problems: Simply transport it somewhere else, get it out of town, get it out of State, dump it in another State, dump it in someone else's landfill and that solves our problem.

In Indiana today, for every man, woman, and child in the State, we receive 525 pounds of out-of-State garbage. That is not uncommon in many Midwestern States and increasingly many States across our country.

New York State, for instance, according to a recent report by New York's Commission on Solid Waste Management, indicated that their exports of solid waste have increased 400 percent in just the past 5 years. The total amount of waste that was generated in New York State did not increase more than 2 percent in 1991, but its exports increased 19 percent. Fifty landfills in that State, the State of New York, stopped taking waste in 1991 and not a single new landfill opened. A New York assemblyman by the name of Maurice Henchey, who chairs that commission, sums up the obvious when he says: "We are relying more and more on out-of-State disposal."

In the next few years, Fresh Kills, which is New York City's principal, and the world's largest landfill, will close its door to the waste that once went to that location. All of that waste that goes to Fresh Kills will now need a new home. We might ask where that home will be.

Consider the case of Sainte Genevieve, MO, and I think you will begin to understand the problem that exists in many of our States and in many of our communities.

In Sainte Genevieve, MO, a trash company recently bought 170 acres of land under the name Sainte Genevieve County Lake Estates, Inc. Many assumed that harmless condos would be built and many were excited in the community as it appeared that an out-of-State developer, or at least some developer, would come in and under the name Sainte Genevieve County Lake Estates, Inc., bring growth and development into that community that many had been looking for.

After the purchase was approved, however, the company changed names from Sainte Genevieve County Lake Estates, Inc., to Sainte Genevieve Development and declared its public intention to site a landfill on the 170 acres.

An east coast trash hauler is located just across the highway from the new

Sainte Genevieve Development, a very convenient arrangement.

The residents of Sainte Genevieve now fear the worst, a flood of east coast trash, and they have every reason to fear.

Mr. President, I first discovered this concern in Indiana when, as a new Senator traveling around the State, a number of people raised concerns to me about sudden influxes of trash, they were not sure from where, coming in to fill up their landfills. And so I visited some of those landfills and watched truck after truck after truck, and sometimes convoys of trucks, line up for opening time, which is usually 6 or 7 a.m., and dispose of truckload after truckload of trash in local landfills.

In a landfill in Centerpoint, IN, which was brought to my attention by a very courageous Hoosier women by the name of Teri Moore, I watched a local landfill that had previously received 2 truckloads of trash per day serving the local community of Centerpoint, IN, suddenly be inundated with up to 50 truckloads of trash on a daily basis. I saw, hour after hour after hour, truckload after truckload after truckload backing up to the landfill and unloading that trash.

Under Teri Moore's guidance and some courageous efforts by the people of Centerpoint, IN, 24 hours a day, 365 days a year, a citizen watch group was established, and through hot summer days and freezing winter nights, snowstorms, and hailstorms, and rainstorms, and thunderstorms that passed just outside, the Centerpoint landfill was manned every minute, every hour, every day for an entire year. Every truck coming into the Centerpoint landfill was monitored; a picture was taken of its registration and license plate, surveys were taken of various drivers, and it was determined and documented that the disposal coming to that particular landfill was primarily from the east coast and almost exclusively from out of State.

What was once a landfill designed to receive two or three truckloads of local trash to serve local needs on a daily basis, there for a long, long period of time, suddenly became a landfill with a very short life span, receiving dozens and dozens and dozens of truckloads of trash.

I have since that time surveyed and visited a number of sites throughout Indiana and found that was a common experience.

It was that experience which led me to offer an amendment, now at least 2 years ago, after a futile attempt to bring legislation to the floor of the Senate for debate as we are doing today, which was then filibustered and finally pulled down but then offered again and finally voted on by the Senate in September 1990.

The vote in the Senate was surprising. It was 68 to 31. It was not a partisan vote; as many Members on the other side of the aisle supported it as opposed it. I believe 27 Members of the opposite party supported it along with a number of Senators from my party for a total of 68 votes, a clear indication that the Senate believed something needed to be done to address this growing problem.

Subsequently, that legislation was, unfortunately, stripped in conference and did not make it into law, and it was then in the 102d session of Congress that I reintroduced revised legislation.

The argument in 1990 was that the legislation was too draconian, that it did not address some of the concerns just raised by the chairman of the Environment and Public Works Committee relative to the nationwide extent of our interstate waste problem.

We worked closely with the chairman and the distinguished ranking member from Rhode Island, who I am pleased to see is on the floor, to try to fashion legislation which would address both problems: the problem that those of us in Indiana, Ohio, Kentucky, Pennsylvania, Kansas, and other States were experiencing relative to unwanted out-of-State trash, and the national problem of the generation of trash and the problems of disposing of it in the local community. We attempted to fashion a solution to address that problem.

I have introduced a number of different pieces of legislation. Finally, in working with the Environment and Public Works Committee, we worked through a process which has brought S. 2877 to the floor today. I commend the chairman of the committee as well as the ranking member for their efforts in doing this. It has been a long, difficult, arduous process. The negotiation has been intense, sometimes contentious, but always in a spirit of let us go forward and see if we can get this accomplished.

I have heard from colleague after colleague on the Senate floor about new Centerpoint experiences or Sainte Genevieve experiences. I have heard from Governors who have written or called indicating that they are unable to successfully implement their own in-State waste management programs because they have been inundated by out-of-State problems.

Many a Governor has told me: we will deal with our own, we have a significant problem but we will deal with it, but any attempts that we have to put a comprehensive waste management plan in place, which involves source reduction, which involves recycling, which involves sometimes siting new landfills, which involves responsible measures to deal with their own environmental problems, have been frustrated in that they are then asked to not only solve their own problem but solve some other State's problem because another State, whatever its intent, has not discouraged part of the solution for their problems as loading their material on a truck or a train and shipping it to another State.

My colleagues have given me story after story; I have heard from citizens in small towns across this country who feel powerless to stop this unwanted intrusion into their communities. Our message, which we have tried to ring loud and clear again and again, is to control our environmental future we need the ability to place limits on the amount of trash imported from other States.

What we really want to do is have the ability to sit down at the table and negotiate. We want to say we are willing to address what many consider is a national problem, and that is an explosion of solid waste and a significant decline in the number of landfills that will accept solid waste.

But we want to be at the table when the negotiations are being undertaken. We want to be able to sit down and place reasonable limits and reasonable fees on the amount of trash that is coming into our State, and we may also need the ability to either freeze or ban the amount of trash coming in if we simply do not have any more room for it.

Right now, under the commerce clause of the Constitution, a State may simply load municipal solid waste, declare it interstate commerce and send it anywhere, and the receiver has absolutely no say in terms of how it is disposed, where it is disposed, what the fee for disposition is, and whether or not it can be disposed in a particular place.

Whenever States have attempted to pass reasonable limitations in terms of the amount of trash coming in or fees, inevitably those State laws are thrown out by the Supreme Court or Federal courts as a violation of the commerce clause.

As the Governor of the State of Indiana has said on many occasions, every time we pass a law which effectively limits the amount of out-of-State waste coming into our State, the court declares it unconstitutional. And every time we pass a law which meets constitutional standards, it is ineffective in restricting the flow of out-of-State waste.

A series of Supreme Court decisions have held that the U.S. Congress can authorize States to address this problem, and address it in a constitutional way. But absent specific congressional authority, our States and our communities are powerless to address this issue.

So the legislation before us gives States and local communities that power.

The chairman of the committee outlined effectively and correctly the legislation that we will be dealing with and the powers that will flow both to State Governors and to local commu-

nities. It is important that local communities, those front line receivers of the trash, have the first say in the matter. It is important that they have the power to petition the Governor to say that under these conditions we cannot accept any more trash, and we are asking you to ban it, or under these conditions we need to limit the amount of trash coming in and we are asking you to exercise your authority to limit it.

It is important for us to say to those communities and to States that, if we grant this power, there are some corresponding responsibilities that you have to undertake, and that is you have to bring landfills up to certain minimum standards so that we are not creating health hazards, so that we are addressing what we all recognize as the serious environmental problem, and so that we are taking steps on a phased planned orderly basis to bring all landfills up to a certain level of performance.

The question was raised by the chairman relative to modifications to the legislation that is before us. We have worked closely with the Senator from Montana, and the Senator from Rhode Island, and others, in attempting to work out remaining concerns and difficulties, and some of those have been resolved. I appreciate their willingness to work on that, and to resolve those issues.

I had hoped that we would be able to resolve all outstanding concerns so that we could go forward here in a relatively expeditious manner and deal with this interstate waste bill.

I was pleased to hear the chairman indicate that he and the Senator from Rhode Island will work to table noninterstate waste amendments to their bill because this should not be viewed as a vehicle to deal with the whole ranges of problems that exist both under RCRA and perhaps even beyond that.

I understand the potential as well as the frustration in attempting to deal with that broader question because it is a question that needs to be dealt with. But it raises a number of issues that cause considerable concerns to a number of parties and to a number of Senators, and clearly would have defeated this effort this year. I want to stress how important it is to go forward this year.

There are many States like Indiana where the landfill time clock is ticking, and the amount of space left is very little. And if action is not taken this year, if we wait until the next Congress and get well into the next Congress, it may be too late for States like Indiana to chart their environmental future.

So I commend them for their efforts to keep this subject on subject, and I will support them in that effort.

Having said that, there are still some concerns relative to the legislation before us. Primarily, this Senator is concerned about language which allows contracts in existence as of the date of the enactment of the bill to be grandfathered. That is, in my opinion and in the opinion of many, a loophole which effectively supersedes authority given to Governors to control their borders including Governors' ability to freeze imports at specified levels. I have heard from a number of attorneys general in a number of States indicating their concerns relative to this particular clause. We need to discuss that, and we need to address that, and hopefully we can resolve that issue.

Attorneys general have told me that this particular clause that exempts private existing contracts from the authority granted under this legislation confuses the discreet areas of State common law of contracts and Federal legislation, and that the section elevates private action over public law unnecessarily.

That section would include so many types of contracts and related agreements that it almost makes the authority granted under the bill meaningless.

The provisions allow private law to preempt public law. There is no public record of many of these contracts, and there is no legal duty to make them public. As a result, it is nearly impossible to determine how much of an exemption this creates. But privately negotiated instruments entered into within public scrutiny should not trump the public policy choices made by Congress to address the solid waste issues facing the United States.

If we look under common law, it is clear that contracts contemplating the performance of an activity which then becomes unlawful by subsequent legislation are illegal and void. The basis of this common law is critical to understanding why the provisions of section 4011 should not grant special protection to existing contracts between private entities.

As one of the leading treatises under contract law "Murray on Contracts" explains:

> When a statute prohibits the doing of certain things, a contract to do those things is illegal, not because the statute makes it so but because it is deemed to be contrary to public policy to enforce the contract since to enforce it would tend to encourage violations of the statute.

The public policy choices to require comprehensive solid municipal waste planning will be eroded by protecting those contracts. Congress has enacted laws that affect existing contracts which the courts have found to be sound legislation.

So we are not breaking new ground here today. We regularly enact laws that affect existing contracts. Private parties, for instance, cannot include racially discriminatory restrictive covenants and deeds. Congress can act to protect the indebted from foreclosure and employees from wage freezes. Congress can impose liability on prior owners of contaminated property despite contractual provisions which attempted to pass on responsibility for this contamination.

The reauthorization could similarly operate to affect existing contracts based on the legitimacy of the public policy inherent in solid waste management efforts. The Constitution, Mr. President, does not categorically protect contracts. Regulation of future action based upon rights previously acquired by the regulated entity is not prohibited by the Constitution.

Waste contracts include provisions in which one party agrees to bear the risk of a changing law. Many of the contracts that exist set forth provisions clearly indicating where the risk will fall and how it will be apportioned, if Congress acts. There is not a waste contractor in this country that has not known over the past 2 or 3 years that Congress is attempting to regulate and deal with this issue. Many of those contracts have provisions in them readjusting the contract if that in fact happens.

Mr. President, I will at the appropriate time, if we cannot resolve the issue, offer an amendment which would adjust section 4011 to what I think more clearly indicates the intent of not only this Senator from Indiana, but many, many Senators representing a number of States.

I will at that time further discuss the commerce clause power and its effects on private contracts. I am also aware, Mr. President, of other concerns that Senators may have, and they may or may not offer amendments to the bill at hand. I have indicated to the chairman and ranking member, and will here publicly do so, that I will make every effort I can to resolve those concerns and conflicts without having to force the Senate to a lengthy debate and vote on the issue.

However, I must say at this particular point that the concern about the contract language is such that not only the Senator from Indiana, but many Senators from many States, and many Governors from many States, as well as their attorneys general, have indicated to me that without a modification of that particular contract clause, the legislation will not be effective for their State. Therefore, they could not support it without that change.

So I hope that we can negotiate on that matter and resolve it. If not, we will have to let the Senate work its will on that.

I want to close at this particular point in my opening comments here by again thanking the chairman of the Environment and Public Works Committee, and the ranking member, for their untiring work in attempting to resolve what started out to be a single

seemingly isolated issue in the State of Indiana and now has become a national concern for many, many of our States. The game of pass the trash must end. There have to be negotiations between the parties. There have to be protections provided for local communities and States. Congress needs to address this very important issue. I am pleased that we are on the floor today addressing it.

Mr. President, I yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

PRIVILEGE OF THE FLOOR

Mr. BAUCUS. If the Senator will yield, I ask unanimous consent that Jim MacCarthy from the Congressional Research Service be permitted to be on the floor during consideration of S. 2877 and during the votes.

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

Mr. CHAFEE. Mr. President, it is my understanding that the Republican leader would like to make some comments, and this is an appropriate time for him to do that. I will soon suggest the absence of a quorum, with the understanding that the Republican leader will be coming forward, and following the Republican leader's comments I would like to make some comments.

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. 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.

Mr. DOLE. Mr. President, I ask that I may be able to proceed as in morning business for 5 minutes.

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

NEW HOPE IN THE MIDDLE EAST

Mr. DOLE. Mr. President, all of us hoped that the stunning electoral victory of Israel's Prime Minister Rabin would help ease some recent strains in United States-Israeli relations, and at the same time open the door to progress in the Middle East peace process.

While it is too early to break out any champagne, it is not too early to conclude that there are real, concrete grounds for new hope on both counts. It is also not too early to consider what that might mean in terms of Israel's request for assistance in resettling Jews immigrating from the former Soviet Union.

Secretary of State Baker has just concluded cordial and promising talks in Israel. Without doubt, the focus of those discussions was the apparent new flexibility in Israeli settlements policy. A breakthrough on that issue could reinvigorate the peace process. It could also remove some, or all of the objections that President Bush raised in regard to the knee-jerk, blank-check approach on loan guarantees advocated by some last fall and earlier this year.

Amidst all the politicking, posturing, and preaching on the issue of loan guarantees, President Bush, and some of us in the Senate, have tried to keep our eye on the ball. We wanted to do it right, rather than do it immediately.

You would not know it from some of the ill-tempered remarks of a few overzealous supporters of Israel, but all of us are friends of Israel. We all recognize the critical importance of a special United States-Israeli relationship. And we all want to help Israel bear the enormous burden of resettling those hundreds of thousands of new immigrants.

But some of us have insisted that we consider Israel's request for help in an orderly way; in a form that we can afford, and the American taxpayer will support; in a program that does not take resources from urgent domestic needs; and in a way that does not undermine the peace process and thereby jeopardize Israel's own long-term security.

I think the results of Israel's elections, the serious and responsible discussions underway with Israel's new Government, and the new hope for progress in the peace talks, all testify to the wisdom of the President's approach.

The bottom line is that the President's determination, patience, and good sense appear to be paying off. We do not have a breakthrough yet, but there is real hope that we might.

So, while it is still too early for the Senate to actually take up a loan guarantee proposal, it is not too early for us to begin thinking and talking about the kind of loan guarantee proposal that will advance America's own interests; will help Israel meet its real needs; will help promote, or at least not compromise the peace process; and will not detract from our capacity to deal with the very real problems we face in this country. I look forward to taking an active role in discussing this with President Bush, with Secretary Baker, and with my colleagues on both sides of the aisle.

I thank my colleagues for permitting me to make this statement.

The PRESIDING OFFICER (Mr. WELLSTONE). The Senator from Rhode Island is recognized.

Mr. CHAFEE. Mr. President, will the distinguished Republican leader yield for a question?

Mr. DOLE. I yield.

Mr. CHAFEE. Mr. President, it is my view that if President Bush had not stood firm on his principle, which was no loan guarantees as long as the settlements continue—that was the President's position—if the President had not stood firm on that position, it is my belief that Mr. Shamir would still be Prime Minister of Israel. And, as Mr. Shamir has stated—or it has been stated since the election—that he was not, in effect, serious about peace negotiations with the Palestinians, would the distinguished Republican leader agree with me that the chances for peace would have been vastly diminished had not the President stood the way he did on those loan guarantees?

Mr. DOLE. Mr. President, if the Senator will yield, I would say that he has it exactly correct. Had the President not stood firm, had Shamir prevailed, we would have been deadlocked in the Congress and there would not have been any loan guarantees. The former Prime Minister said—or at least was quoted as saying—he never did intend to have real peace negotiations; he was going to drag it on for 10 years or more.

We have a chance with the new Prime Minister Rabin of really serious talks. In fact, he has taken the offensive; in fact, putting others on the defensive: Let us come together and talk about peace in the Middle East. I think it is a step in the right direction.

I never got involved in the political process between Shamir and Rabin. But it seems to me that the best result was obtained in the election of someone who has flexibility, someone who understands the importance of good United States-Israeli relations, and somebody, I think, who appreciates the President's position.

Mr. CHAFEE. Will the distinguished Republican leader also agree that the President underwent a pillorying for his position of standing firm against those loan guarantees, and in retrospect we are finding he was right?

Mr. DOLE. The Senator is exactly correct. I could probably dig up all the quotations from my colleagues, who were beating President Bush over the head on a daily basis because he would not give in—he would not give in—because of the powerful lobby.

As it turned out, the President was right. And even the powerful lobby has been a bit diminished because of their ties to Shamir. In any event, we may do the right thing. We are all friends of Israel. We demonstrated that time and again. But to some in this body, and others, you cannot deviate 1 percent, or somehow you miss the point.

But the President is right; he stood firm. And I think it is going to be a stronger relationship now with Israel than we had in the past because of it.

I thank my colleague.

INTERSTATE TRANSPORTATION OF MUNICIPAL WASTE ACT OF 1992

The Senate continued with the consideration of the bill.

Mr. CHAFEE. Mr. President, at this time, I would like to return to the interstate transportation of waste bill, which is S. 2877, which is the matter we have under consideration here today.

First, I want to commend the Senator from Indiana [Mr. COATS] for bringing to the attention of the Senate this very complex and difficult problem. I must say that the Senator from Indiana is a true bulldog as far as this issue goes. He has gnashed his teeth into this, and against all kinds of difficulties and challenges and contrary problems posed by other States. The Senator from Indiana represents a State that is a receiver. In this complex matter of municipal waste or garbage, his State is a receiver. And so when he wants to ban the interstate shipments, of course, he has to deal with the exporters; in this case, principally New York State, and a few other States, likewise.

So the Senator from Indiana has been pursuing this for the benefit of his State for, it seems to me, 2 years anyway. It may be longer. But he has camped on our doorstep in the Environment and Public Works Committee, trying to seek a resolution of this problem, and he has done it very, very successfully with the legislation that we have before us.

I know he has some amendments to this, and we will consider those amendments in due course. But I do think the Senator deserves a tremendous amount of credit for the careful attention and tenacity with which he has confronted this problem.

I would also like to pay tribute to the chairman of our subcommittee who had dealt with this. That is the distinguished senior Senator from Montana [Mr. BAUCUS]. He has put a lot of hours on this. It is a difficult problem, as I mentioned before. When you try to satisfy one group, you get the other group upset. And sometimes it seems like the Gordian knot that cannot be united. But as a result of the careful attention of the Senator from Montana, the distinguished chairman of this subcommittee, I think we have arrived at as good a solution as we can.

Now, there are several points I would like to make. And perhaps these have been made earlier, but I would like to reiterate them if I could.

First, the bill we are considering today and will vote on amendments to tomorrow deals exclusively with the transport across State borders of municipal waste, commonly known as garbage. Municipal waste has a better ring to it than garbage. What is the U.S. Senate doing discussing garbage? So we call it municipal waste. Sometimes it is called trash.

Now, we have not dealt with other types of waste, such as hazardous waste. We have not dealt with industrial waste, or we have not dealt with construction or demolition debris. You might say this is really a refinement. Can you break waste down into four separate categories? Indeed, we can; and we are.

We used to deal within our committee with hazardous waste. And, indeed, that was what RCRA, the Resource and Conservation Recovery Act, was all about, that we dealt with about 4 or 5 years ago. That dealt with hazardous waste, principally. So that is taken care of. And we have dealt with industrial waste, and we have dealt with construction and demolition debris.

The legislation of the Senator from Indiana is not involved with that. Those are different topics, and require different approaches.

The proposal that we have before us, I think, comes pretty close to the solution that has been sought by Senator BAUCUS and Senator WARNER and Senator DOLE and Senator COATS, as I mentioned earlier, and Senator SPECTER from Pennsylvania, Senator MOYNIHAN from New York, and Senator LAUTENBERG from New Jersey. All of these Senators have been deeply involved with the legislation, as well as my having been, likewise.

With a few minor changes which we will consider tomorrow, we have a bill that it seems to meet the needs of both importing and exporting States. Now, the conflict that we are dealing with is, it seems to me, a symptom of a far larger solid waste problem. And that is that in the United States of America, we are generating more and more waste every year. We are a throwaway society and, unfortunately, our landfills are filling up.

Communities across the Nation are reluctant to do two things: First, to authorize new landfills; or second, to authorize incinerators. They are slow in developing—that is, our communities are slow in developing—recycling programs. And so the result is what we have today: A garbage crisis. And we are going to drown in this garbage if we do not do something about it.

Now, we have a four-part solution to this problem in the RCRA legislation which we have developed and which is not now before us. First, we have tried to reduce the amount of waste we produce. Second, we try to encourage more recycling. Third, we try to encourage the States and municipalities to take responsibility for their municipal waste, and to try to dispose of it in a safe manner. Somehow, we have to restore public confidence in waste disposal technology. And, finally, when and if new disposal facilities are built, they must be protective of the environment.

Now, this legislation which we have before us, subject to certain exceptions, allows the Governor of the receiving State to prohibit shipments of out-of-State waste if the affected local government submits a request to the Governor to do so.

What makes this all so complicated? It is complicated because, as I mentioned earlier, it tries to accommodate the interests of the exporters and the reluctant importers, and also it recognizes that interstate waste is not an issue that just involves a couple of States in our Nation. It affects our entire country.

We have struggled to provide States some control over imported garbage without unduly limiting the interstate commerce. As you know, there is an interstate commerce provision in our Constitution. Now some say, why do we not just do it simply and say to a State that is an importer, "You're allowed to ban it."

Well, that is very simple. H.L. Mencken, the noted critic of the early part of this century, was fond of saying that for every complex problem there is a simple solution, and that simple solution is probably wrong. And regarding interstate waste, that is clearly the case.

Listen to these statistics. In the United States we generate about 180 million tons of waste every year; municipal waste—garbage, trash—180 million tons. You might say, well, there are only a few States that export or import. Forty-three States ship some 15 million tons out of State every year; 43 States, every State in the Nation except 7—I suppose Alaska does not ship out of State—43 States ship it out, and 42 States import some waste every year.

Nearly every State relies on at least one other State to handle some portion of its waste. The vast majority of these so-called border waste shipments are noncontroversial because they are just traveling a short distance over State lines and they have done this for years. We do not want to unnecessarily upset these arrangements.

The problem arises, the problem we are trying to deal with here today is some States, such as Pennsylvania or Indiana or Kentucky, are forced to accept what they rightfully believe is far more than their fair share, while other States are left free to export far more than what seems reasonable.

We have tried to find a solution that will reduce its exports and yet give the exporting States some time to reduce the amount of waste generated, some time to increase recycling, and some time to locate new in-State storage facilities, whether it is an appropriate designed waste disposal facility or even an incinerator.

We believe the legislation we have before us, while not perfect, is fair and will provide a reasonable solution to this problem. In this area, we have a new sense of urgency. This comes about because of two recent Supreme Court decisions which reaffirmed, stated again, that States cannot, absent some action by the Congress of the United States, regulate the movement

of interstate waste. In other words, absent us doing something, a State cannot interfere with interstate commerce in this area. Others will undoubtedly speak to greater detail about those cases, so I will not belabor them here.

I know that many Senators will be tempted to offer what is known as RCRA [Resource Conservation and Recovery Act] amendments to this bill. We have worked for a couple of years now in the Environment Committee, we have reported to the floor a very complicated RCRA piece of legislation. It has many provisions to it. Some Senators have the temptation to try and add those provisions through this very simple—I should not say simple—but this modest provision which we have here on the floor today. I must say I have several I would like to offer myself. But I do not believe that this is the proper vehicle, the one we have before us now, S. 2877, I do not believe this is the proper vehicle to add RCRA-related amendments to.

The Committee on Environment and Public Works, as I said before, has reported out a Resource Conservation Recovery Act amendment also, S. 976, which, as I mentioned before, has many fine provisions in it, although there is some detriments to the legislation, likewise. Despite valiant efforts in connection with that legislation by the Senator from Montana and myself and others, I think it is safe to say that the RCRA amendments reported by the committee, S. 976, probably will not come to the floor for consideration this year. And if it does, I have some doubt as to whether the legislation would pass. So probably we are going to be considering that next year.

But this particular problem, the problem that Senator COATS has brought before us, is not an issue that can wait until next year. It is crying for a solution now. As I mentioned, it is not solely the distinguished Senator from Indiana that is wrestling with this problem and has brought it to our attention, but there are Senators from other regions of the country likewise that have expressed support for the measure we are considering.

People might say, well, if you have some good provisions in RCRA, why do you not bring them up and attach them to this bill before us?

I do not think a that a law as significant as the Resource Conservation Recovery Act, which is one of our most important environmental statutes, should be brought before us piecemeal, nor amended. We have a basic statute and what S. 976 does is amend that.

Some say, we will take some parts of that S. 976 and add them to the basic underlying law. I do not think that is the way to proceed. I think that that basic, underlying law, the Resource Conservation Recovery Act, should be amended in a very, very throughtful manner and not narrowly and with haphazard amendments that I or others might take out of the underlying measure, S. 976, that I mentioned before.

Therefore, I agree with the proposal of the Senator from Montana [Mr. BAUCUS] and I join in the request to our colleagues to refrain from offering any amendments which do not deal with the interstate transport of municipal waste. Now if they want to offer amendments to that, so be it. If they want to offer amendments to the interstate transport of municipal waste, that certainly is thoroughly germane. But I would hope that other amendments, be they RCRA amendments or other amendments, would not come before us at this time.

Again, I commend all Senators who have worked so diligently to try to craft a solution to the problem of interstate waste shipments, and particularly I want to single out, as I have, Senator COATS, and I would also like to mention the senior Senator from Pennsylvania [Mr. SPECTER] who has worked very hard on this likewise.

I thank the Chair.

If no one else is wishing to speak, 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. WARNER. 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. WARNER. Mr. President, I rise in strong support of the legislation before this body at this time. That legislation is designed to control the interstate transportation of municipal waste, and my State has experienced both the importation of undesired and unwanted waste as well as the importing of waste that was to be disposed of in accordance with contracts, so we have some communities on both sides of this issue.

I wish to add my support to an amendment to be offered by Senator COATS and others to strengthen this bill. The Senator from Indiana has been a leader on this. He has been before the committee on which I am privileged to serve, the Environment and Public Works Committee, on a number of occasions and I personally commend him for the leadership he has shown on this difficult issue.

Mr. President, since this issue first came before the Senate in 1990, I have introduced three pieces of legislation to address this matter. Virginia is one of the four States which currently receives over 1 million tons of out-of-State waste annually, but this issue has affected the citizens of Virginia in both positive and negative ways.

On the positive side, in two circumstances, Virginia localities have entered into agreements with either waste companies or regional entities to receive for disposal municipal waste generated outside the affected local jurisdiction. Such agreements have allowed the local government to negotiate various forms of financial advantages which have been positive for the economic development of the community.

On the negative side, for example, in rural Selma, VA, in Alleghany County, citizens waged a 20-month battle while 65 tractor trailer loads of trash per day carried tons of waste over rural roads to a privately owned landfill. This landfill accepted out-of-State waste despite the wishes of the local government and citizens and caused serious damage to the water quality of the Jackson River.

In the first situation, the local community was actively involved in the planning, siting, and operation of the landfill because the private company sought their participation. This approach fostered an atmosphere of mutual trust and cooperation between the private sector and host community. The local government was ensured an environmentally protective facility that was a significant economic benefit to the community.

In the second situation, the local community was expressly denied any participation in the operations of the landfill and excluded from regulating the amount of out-of-State waste that was disposed in the Kim-Stan landfill in Selma. This approach fostered an atmosphere of contempt between the local community and the privately owned facility that left extensive damage to the environment even after the facility was forced to close.

Mr. President, my interest in this issue is to ensure that those communities which wish to participate in these arrangements with private landfill companies to improve their economy should be allowed to do so.

It is also my goal to ensure that the local government, which has primary responsibility over local land use decisions, should be able to say no to garbage coming into their communities.

Above all, we must ensure that any facility meets the highest standards to protect human health and the environment.

With these two distinct contrasting—good and bad—experiences in Virginia, I felt that early legislative approaches which allow States to ban all waste regardless of the wishes of local governments did not fully protect the interests of all communities in Virginia. also, I recognize that States must be provided a clear role in this issue as planning for landfill capacity becomes an increasingly important task in the years ahead.

It is because of a lack of political will to adequately plan for capacity and the divergent economic factors of disposal between the Northeast and

other regions of the country that the interstate shipment of municipal wastes has become such a volatile issue.

The approach that Senators COATS and BAUCUS offer today, which has resulted from many months of discussions between significant importing States like Virginia, the exporting States, and private industry, is the best effort to recognize the many legitimate viewpoints.

For exporting States, the approach grandfathers many existing facilities with disposal arrangements in an effort to avoid immediate disruption of the marketplace.

For importing States, this approach grants the authority to States and local governments to reject out-of-State waste from coming into their communities unless localities participate in the process and provide their approval.

For the private sector, it provides protection to existing contractual arrangements and protection from State or locally imposed bans on disposal of wastes.

Mr. President, I am pleased that the Senate is considering this important issue. I urge my colleagues to support the efforts by the Senator from Indiana, the Senator from Montana, and the distinguished ranking member of our committee, the Senator from Rhode Island.

I thank each for the opportunity to participate in supporting their efforts, and I hope that the Senate will act favorably.

Mr. President, I yield the floor.

IMPROVED ENERGY EFFICIENCY

MOTION TO PROCEED

CLOTURE MOTION

Mr. BAUCUS. Mr. President, on behalf of the majority leader, and in concurrence with the previous consent agreement, I now move to proceed to Calendar No. 493, H.R. 776, the energy bill, and I send to the desk a cloture motion on the motion to proceed.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to proceed to the consideration of H.R. 776, an act to provide for improved energy efficiency:

J. Bennett Johnston, David L. Boren, Alan Cranston, Fritz Hollings, Bob Kerrey, Robert Byrd, Howell Heflin, John Breaux, George Mitchell, Howard M. Metzenbaum, J. Lieberman, J.R. Biden, Jr., F.R. Lautenberg, Jim Sasser, Slade Gorton, Warren B. Rudman, Phil Gramm, Connie Mack, Jake Garn, Frank H. Murkowski.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the mandatory live quorum as required under rule XXII be waived.

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

Mr. BAUCUS. Mr. President, I now withdraw the motion to proceed.

The PRESIDING OFFICER. The Senator has that right. The motion is withdrawn.

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

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

INTERSTATE TRANSPORTATION OF MUNICIPAL WASTE ACT OF 1992

The Senate continued with the consideration of the bill.

Mr. LAUTENBERG. Mr. President, first, I want to compliment my colleague, the distinguished Senator from Montana [Mr. BAUCUS], for trying to resolve a very contentious issue, the issue surrounding interstate shipment of waste.

Today we are considering legislation, S. 2877, the Interstate Transportation of Municipal Waste Act. It is an attempt to address this very serious issue. We want to resolve the so-called garbage wars in a responsible manner. When we talk about garbage wars, it sounds a little bit whimsical, but it is not at all. It is a very serious problem.

While there are aspects of this bill with which I disagree, it represents a reasonable compromise that addresses longstanding concerns over the interstate transport of municipal waste, and I support it.

Mr. President, S. 2877 is based on the interstate waste provisions developed by the Environment and Public Works Committee during its consideration of S. 976, the RCRA Amendments of 1991. The committee worked in good faith to develop an environmentally protective proposal that is sensitive to all States, without being unduly harsh to any one of them.

The committee proposal leaves to local governments the choice of whether to build new landfills to receive waste. Many local officials have shown that they can deal with the issue responsibly and permit landfills that are built to meet rigorous environmental standards.

The committee provision was authored by Senators BAUCUS and CHAFEE and supported by Senators WARNER and WOFFORD, who represent large garbage-importing States.

The committee provision gives exporting States time to reduce exports; but it also ensures that there will be limits on exports, and exporting States are on notice that they must reduce their shipments of garbage.

S. 2877 makes a couple of changes to the committee proposal. The most significant allows all States to freeze imports of municipal waste at 1991 or 1992 levels.

The interstate waste provisions under consideration today are critical to New Jersey. As a small but densely populated State, New Jersey has had an acute waste problem, partly caused by the fact that for years we took waste from other States.

As a matter of fact, the Supreme Court rejected New Jersey's effort to reduce the importation of wastes from other States.

New Jersey has also been the focus of attacks by my colleague, the Senator from Indiana, and others.

I think that we have tried earnestly to work out a compromise, and I would like to do that if we can by taking this bill, which as I said earlier is not something I fully agree with but in the spirit of compromise I would support it. I am going to take a few minutes just to go over the record.

New Jersey has the most aggressive recycling programs in the country. But, we have virtually run out of space to dispose of our own waste. It would be unfair to suddently impose arbitrary and misguided restraints on New Jersey, as we move to address our waste proposal needs within our own borders. It would not only be unfair, but it could create future environmental problems by forcing environmentally damaging waste disposal practices.

Mr. President, for most of the century until the mid-1980's, New Jersey was an importer of solid waste. As recently as the period of 1980 to 1982, more than 10 million tons of New York and Pennsylvania garbage was sent to New Jersey for disposal. We did not like it, and, as I mentioned, tried to stop it. We were told by the Supreme Court that we could not. The Court said that one State could not isolate itself in the stream of interstate commerce from a problem shared by all. And our landfills were increasingly filled.

Today, New Jersey is an exporter. Mr. President, New Jersey does not like this situation any more than we liked it when we took other State's garbage. We do not want to continue our dependence on other States for garbage disposal. For one, it is unpredictable. And it is very costly, too—New Jerseyites already pay more for garbage disposal than the citizens of any other State in the Union. New Jersey wants to be self-sufficient, but we need time to do so.

Self-sufficiency is a major component of New Jersey's solid waste policy. That is why New Jersey is implementing the most aggressive recycling

program in the Nation. New Jersey now recycles 52 percent of its total waste stream and over one-third of its municipal waste. Its goal is 50 percent of its municipal garbage and 60 percent of its total waste stream by 1995.

New Jersey has added more than 1 million tons of disposal capacity over the last year and a half. And New Jersey's Commissioner of the Department of Environmental Protection, Scott Weiner, testified at an Environment Committee hearing that New Jersey is ready to complete the job of ending garbage exports.

New Jersey is now evaluating additional applications for disposal capacity and recycling facilities that will further increase the amount of recycling. New solid waste facilities, together with additional recycling efforts will assist New Jersey in attaining its goal of self-sufficiency.

Mr. President, the issue of interstate garbage has been the subject of much misinformation. I still hear widely inflated figures for New Jersey exports of municipal waste. But New Jersey has already significantly reduced its garbage exports, down to 21 percent of its waste, not the more than 50 percent that is so often quoted. By 1991, New Jersey had reduced its municipal garbage exports to 1.65 million tons, not the 5.5 million ton figure that is so often cited.

As recently as a June 1 press conference, the junior Senator from Indiana was still blaming New Jersey for the bulk of Indiana's garbage exports, and I see the Senator here, and I hope that he will take note of this.

But, Mr. President, New Jersey is not permitting the disposal of even 1 ounce of New Jersey trash to Indiana, not 1 ounce.

In addition, just last August, the Governors of New Jersey and Indiana signed an agreement to join forces to stop any illegal disposal of New Jersey garbage in Indiana. And Indiana and New Jersey took joint action to stop a number of companies from illegally shipping garbage to Indiana.

New Jersey is taking enforcement action against those companies.

Bruce Palin, chief of the Indiana Department of Environmental Management's solid waste branch, is quoted in the May 27, 1992, issue of Integrated Waste Management, as saying that all parties concur that the agreement is working well. Even more importantly, Mr. Palin confirms that waste shipments from New Jersey have ceased.

In fact, according to the article, of the six landfills that receive the overwhelming bulk of waste imported in Indiana in 1991, today only one still receives any waste imports.

I ask unanimous consent that a copy of the Indiana-New Jersey agreement, and newspaper articles about the enforcement action and Indiana municipal waste imports be printed in the RECORD.

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

INDIANA/NEW JERSEY SOLID WASTE ENFORCEMENT PLAN

I. HISTORY OF THE PROBLEM.

For the past few years, substantial volumes of municipal solid waste have been sent from many eastern states, including New Jersey, for disposal in Indiana. New Jersey's waste flow law allows only a small amount of solid waste to be disposed of in Indiana and it appears that substantial amounts of the waste received by Indiana from New Jersey may be illegal shipments. Out-of-state waste shipments have created enormous problems for Indiana, including the overburdening of its regulatory system, the illegal receipt of infectious medical waste and other improper wastes with trash shipments, the loss of its landfill capacity, traffic and safety problems, and the hindering of Indiana's recycling programs, among other problems.

New Jersey having been a major solid waste receiving state itself until just the last few years, understands that this situation is intolerable to Indiana. Indiana understands that such shipments are equally intolerable to New Jersey, which has in place a policy to manage its own waste emphasizing source reduction, recycling and in-state disposal capacity.

Indiana is barred by the U.S. Constitution from imposing a flat prohibition on out-of-state waste or from imposing regulations on out-of-state waste that would improperly impair the flow of solid waste across its borders. Both Indiana and New Jersey, along with a host of other states, have had laws that could have restricted the flow of solid waste across their borders struck down under the Constitution's interstate commerce clause.

Governors Florio and Bayh recognize that interstate waste shipments present an issue of national significance which should be addressed by Congress in the context of a national policy. However, they believe that by coordinating the enforcement of existing laws in effect in New Jersey and Indiana, the two states can eliminate illegal shipments for disposal in Indiana of New Jersey waste. Environmental officials from the two states suspect that a substantial portion of the waste coming to Indiana from New Jersey does so in violation of New Jersey's unique waste flow law or in violation of one or more of Indiana's newly enacted solid waste laws.

II. PURPOSE OF THE AGREEMENT

To stop the flow of illegal waste to Indiana, the States of Indiana and New Jersey agree to cooperate in law enforcement efforts to identify and prevent those responsible from illegally transporting and disposing of solid waste in Indiana. The purpose of this agreement is to formalize a cooperative relationship among the governors and state regulatory officials in New Jersey and Indiana to facilitate the sharing of information, the conduct of joint investigations, and the coordination of enforcement activities related to their solid waste laws. This agreement will further the goal of both states to effectively manage their solid waste and to provide for the appropriate and environmentally sound transportation and disposal of solid waste in accord with the laws and regulations of each state.

This is not an agreement to regulate interstate commerce. Instead, it represents a recognition of the fact that various solid waste laws of both states require facts and information from other states to facilitate enforcement. Active cooperation among states, in addition to the simply supply of information, may make the difference between effectiveness and ineffectiveness for many of these laws.

Only Congress can regulate interstate commerce. Each governor reserves the right to assert on behalf of his state a position on federal interstate waste legislation that he believes is in the best interest of his state.

III. TERMS OF THE AGREEMENT

1. To assist Indiana in its "good character" determinations under Chapter 10.2 of the Indiana Environmental Management Act, New Jersey shall provide Indiana with the notices of license revocation of waste companies or individuals who are to be revoked, debarred or precluded from engaging in the waste industry.

2. New Jersey shall provide relevant investigative information of any waste company or individual upon request, subject to applicable laws of each state. Each state shall reciprocally exchange investigative information upon the request of either state.

3. To assist New Jersey in its enforcement efforts, Indiana shall provide New Jersey with the following:

(a) relevant information and documentation relating to shipments of improper wastes, including medical wastes;

(b) relevant information relating to the disposal of New Jersey waste in Indiana landfills obtained from manifests required by Indiana law;

(c) relevant information relating to the disposal of New Jersey waste in Indiana landfills obtained from quarterly disposal facility reports required by Indiana law.

4. In order to assist Indiana in the implementation of its newly enacted uniform transfer station inspection law, Indiana will consult with New Jersey on the preparation of the program's regulations. Furthermore, New Jersey shall assist Indiana in the conduct of inspections of New Jersey facilities pursuant to the law. Consideration will also be given to the development of an interstate compact to provide for the reciprocal delegation of investigative authority.

5. For the purpose of acquainting Indiana with the New Jersey border checkpoint inspections program, New Jersey will invite Indiana to participate in future border inspections. To assist this activity, each state shall develop an inspection checklist so that the inspection officials of each state can effectively determine whether a vehicle is operating within the regulations of each state.

6. New Jersey shall provide to Indiana information on solid waste which is properly designated for disposal in Indiana landfills in accord with the franchises, waste flow directives and disposal contracts of New Jersey's transfer stations.

7. Indiana and New Jersey shall, as soon as practical, develop and conduct a cross-training program so that its solid waste enforcement, permitting and operations personnel are trained to identify activities which are not in conformance with each state and to undertake appropriate communication and enforcement action.

8. Indiana and New Jersey shall communicate on a regular basis on the development of effective and mutually beneficial solid waste manifest forms and other documents as are necessary to improve the enforceability of each state's solid waste regulations.

9. Indiana and New Jersey shall evaluate each state's regulations and statutes in order to facilitate and improve enforcement and vehicle safety activities.

10. Indiana and New Jersey shall, as soon as practical, develop a protocol to allow for the gathering, marking and preservation of suspect materials for future enforcement actions.

11. Indiana will give New Jersey prompt notice of apparent violations of New Jersey's laws, regulations and directives. New Jersey will respond to this information including, when appropriate, the dispatching of enforcement personnel.

IV. IMPLEMENTATION

Governors Florio and Bayh agree, this 18th day of August, 1991, to immediately initiate actions in their respective states to implement the program described herein.

JIM FLORIO
Governor, State of New Jersey.
EVAN BAYH,
Governor, State of Indiana.

[From Integrated Waste Management, May 27, 1992]

INDIANA OFFICIALS SEE MAJOR PROGRESS IN CAMPAIGN AGAINST IMPORTED WASTE

Indiana regulators appear on the verge of victory in their crusade against out-of-state solid waste.

In 1991, six landfills handled 80% of all solid waste imported into the Hoosier state, much of it from the East Coast and Canada (Integrated Waste Management, 8 Jan., 3). Now only T.H. Landfill in Miami County continues to accept such long-haul waste.

In recent months, two of the landfills—Northside and Spring Valley—have closed because they ran out of space. And three others stopped taking out-of-state waste voluntarily. They are Center Point, Wabash Valley and United Refuse, the latter still clinging to life despite a closure order from the state.

Bruce Palin, chief of the Indiana Department of Environmental Management's solid-waste branch, told Integrated Waste Management he is a bit hesitant to claim victory because he measures success in ridding Indiana of out-of-state waste "one landfill at a time." Clearly, though, Palin is confident the trend is moving in what he sees as the right direction.

Palin said T.H. Landfill, which receives about 1,000 tons of waste daily, mostly from the East Coast, also may be operating on borrowed time. "T.H. has a limited lifetime," he said, adding the landfill is filling up and eventually may be forced to close.

Solid waste, particularly that emanating from out of state, has been a front-burner item for first-term Gov. Evan Bayh, a Democrat seeking re-election this year. Indiana has signed reciprocal agreements with New York and New Jersey to monitor shipments of waste between the states.

All parties agree the accords are working well. According to Palin, waste shipments from New Jersey have ceased altogether. Indiana regulators recently issued suspension orders to several New York generators who did not have proper permits.

Under the Bayh administration, the General Assembly has enacted legislation aimed at restricting or more tightly regulating waste haulers, waste brokers and transfer stations both inside and outside of the state.

And IDEM has been actively enforcing those laws. "Our plan seems to be working," said Palin.

Some landfill operators blame politics for what they contend are nit-picking violations hammered at by the regulators. Dallas Schnitzius, president of United Refuse landfill in Fort Wayne, said the state shut the facility April 1 because of a clerical error in a permit application almost 10 years ago, when the landfill was under different ownership.

United Refuse tried but failed to get a court to issue a temporary restraining order blocking the state's action. The 112-acre landfill reopened April 6, however, after the company won a stay until late August from Wayne Penrod, an administrative law judge for IDEM.

A hearing will be held this summer at which United Refuse essentially will have to prove it has not run out of space, as the state contends. "We say we have 1.4 million cubic yards left in the first cell and about 1 million cubic yards in the second," said Schnitzius. "That would give us about 15 years of life."

IDEM Assistant Commissioner Timothy Method disagrees. "Our position is they've pretty well filled up the space under their permit."

To avoid unnecessary controversy, United Refuse recently stopped accepting out-of-state waste from New York and Pennsylvania. The state didn't order it to do so, acknowledged Schnitzius. "Obviously, the state has made no bones about the fact it didn't want (the waste) there. . . . We knew the state didn't like it."

Palin claimed surprise at some of the unilateral decisions by landfills to cease taking out-of-state waste. Wabash Valley, where concerns over groundwater contamination have bubbled to the surface, said it would quit handling out-of-state waste as of April 27 and attempt to replace it with local trash.

[From the Star-Ledger, Sept. 11, 1991]

INDIANA BARS GARBAGE FROM 14 JERSEY FIRMS

(By Tom Johnson, P.L. Wyckoff, and Ted Sherman)

Indiana has blocked all garbage shipments from 14 New Jersey waste haulers and recycling centers charged yesterday with illegally exporting trash from New Jersey.

The action took officials here by surprise, but enforcement action was promised by the end of the week.

Gov. Jim Florio and Indiana Gov. Evan Bayh just last month signed a cooperative enforcement pact to stop unlicensed out-of-state dumping after Indiana complained that garbage from the Northeast was choking its overburdened disposal facilities.

"Today we're taking the first law enforcement steps to begin to crack down on illegal dumping in Indiana." Bayh said at a news conference in Indianapolis yesterday, "I think this sends a loud and clear message that Indiana won't accept illegal loads."

Indiana state police and environmental officials were sent to the Indiana landfills to inspect trucks and waste manifests to make certain that none of the waste was coming from the New Jersey companies, which were said to be operating without state transfer station permits.

New Jersey Environmental Commissioner Scott Weiner said the companies in question have been under scrutiny by law enforcement officials for some time.

"I anticipate we will be taking some action against some or all of these companies by week's end," he said. He added that the move to halt shipments from the New Jersey companies will not have any impact on residential pickups.

No New Jersey garbage is legally dumped in Indiana, according to Weiner, who pointed out that waste-flow directives issued by the state Department of Environmental Protection and Energy (DEPE) determine where trash should be sent.

Most of the 14 companies named yesterday are incorporated as recycling firms, which are not regulated in New Jersey and do not need permits. But officials in both states charged that the firms were operating as transfer stations, which must be certified and licensed by New Jersey.

Transfer stations typically receive loads of locally collected trash and put it onto trucks or rail cars for shipments to landfills. A law enacted this year by Indiana requires that transfer stations sending trash into Indiana be licensed to operate in their home states.

The New Jersey companies cited by Indiana as operating without state permits were High-Tech Recycling of Middlesex Borough; Cardella Recycling of North Bergen; Distribution Recycling, Metal & Ferrous Recovery, Smart Inc. and Regional Recycling, all of Newark; Arrow Recycling, Recycling Specialists, V. Ponte & Sons and Alpha Paper Co., all of Jersey City, Hoboken Recycling and Nekabah Inc. of Hoboken and V. Ponte & Sons and Camden Recycling, both of Camden.

Indiana officials said the New Jersey stations were notified last Thursday of the impending crackdown. All landfills in Indiana were also notified.

Representatives of the companies had little to say yesterday, and most that were viewed by Star-Ledger reporters appeared from the outside to be doing business as recycling centers, although a strong odor of rotting garbage could be detected at a few of the locations. No trash was visible at any of the sites visited.

Weiner said that while companies that operate as legitimate recycling operations do not need to be licensed by New Jersey, any that are shipping significant amounts of trash out of their facilities would be in violation of solid waste laws and face administrative penalties and potential notices to halt operations. Those operating without permits as transfer stations would face separate penalties.

"We'll be initiating an administrative proceeding to halt any illegal activities and seeking appropriate compensation and penalties as the case may dictate," Weiner said of the companies named.

Weiner declined to be specific about what haulers and companies faced enforcement actions but added, "These companies are not new to us."

Steven Gabel, director of the DEPE's solid waste division, said five of the facilities are already targets for administrative action for charges ranging from operating an illegal trash transfer station to violating waste-flow restrictions. The companies—Cardella, High-Tech, Regional Recycling, Arrow and Recycling Specialists—are appealing the notices of violation issued by the DEPE.

In addition, Gabel said V. Ponte of Jersey City had asked for a permit to operate a transfer station, which was denied. The decision is under appeal. Gabel said Hoboken Recycling is operating without a permit but contends that it does not need one because it is operating under a 1980 court order.

DEPE officials say they believe some of the transfer stations may be importing trash into the facilities from other Northeast states, where is it bundled up and shipped to Indiana. The waste is not generated in New Jersey but is manifested as coming from the state by Indiana officials.

Weiner said yesterday's action showed that the agreement New Jersey signed last month with Indiana was working to stem illegal trash exports. "It is demonstrating that the system we put in place is beginning to bear

fruit," Weiner said. "It is the type of response we anticipated, and we expect more to come."

The commissioner added that the agreement with Indiana and resulting ability of New Jersey to tap into Indiana's information has made a difference.

"Indiana is taking action based on their belief that these 14 companies are not authorized by the state of New Jersey to engage in activities which would lead to these types of massive shipments out to Indiana," Weiner said. "They got hit today and they will be hit again."

Jon Shure, Florio's press secretary, said the Governor was pleased that "our agreement is beginning to show tangible results. Absent a concerted effort by the two states, this sort of enforcement action would not have happened."

Asked whether New Jersey officials were slow to take action against the illegal dumping, Shure said, "This isn't a time to worry about why things hadn't happened in the past. They're happening now."

Steven Madonna, the state's environmental prosecutor, said it had been difficult to stop illegal waste exports, and he blamed the situation on a void in New Jersey's criminal law statutes.

"We do truck stops, but there is no way we can halt every truck at every crossing," said Madonna. "We need people at the other end to provide this kind of information."

Indiana officials said New Jersey ships more than 160,000 tons of garbage a year to the Hoosier state. They said the enforcement action announced yesterday won't stop all the illegal trash but will make shippers think twice.

"The most important thing is the more shippers know we are watching, the more we will deter their efforts," said Kathy Prosser, head of the Indiana Department of Environmental Management.

Prosser said the crackdown was a direct result of last month's accord that has led to both states sharing information on the origin of garbage.

She said her department's workers had developed a list of transfer stations shipping garbage to Indiana and compared the list with DEPE records of firms licensed to ship trash. The comparison revealed the 14 unauthorized transfer stations ordered by Bayh to cease shipments yesterday.

Prosser said her agency is also working with New York officials to reach a similar agreement. New York ships more trash to Indiana than New Jersey does.

East Coast states ship more than 700,000 tons of trash to Indiana each year, severely reducing the landfill capacity there, she said. "Ten years ago we had 150 landfills," Prosser said. "Today we have 79. It's not all filling up as a result of Hoosiers' trash."

State police monitoring the five Indiana landfills that accept most of the out-of-state trash have already turned away trucks from New Jersey that do not have proper documentation. "We've sent them away and tried to escort them to the border," Prosser said.

A spokesman for the Ohio Environmental Protection Agency said that agency is also negotiating an agreement with New Jersey to share trash information, similar to the accord with Indiana.

[From the Star-Ledger, Sept. 14, 1992]

THE "MAX"—STATE MOVES TO FINE 14 TRASH FIRMS

(By Tom Johnson)

Describing it as the smuggling of the '90s, state officials yesterday launched enforcement actions and will seek maximum fines against 14 waste stations and recyclers accused of illegally shipping garbage to Indiana landfills.

The companies, the target of an interstate agreement aimed at cracking down on illegal out-of-state dumping, face fines of $50,000 for each violation, which could mount quickly, authorities said.

"In every case, we're talking about hundreds of thousands of dollars in fines," said Department of Environmental Protection and Energy (DEPE) Commissioner Scott Weiner, who called the unauthorized shipments an economic as well as environmental offense.

"They're reaching their hands into the pockets of taxpayers and ratepayers," he said.

Under New Jersey law, any waste residue from recycling operations must be shipped to designated county transfer stations, landfills or incinerators.

Bypassing designated county facilities cuts into revenues of those operations, forcing citizens and businesses to pay higher garbage rates, the commissioner argued.

In the actions taken yesterday, the state alleged the companies either violated waste flow directives or operated unlicensed solid waste facilities.

In one case involving Recycling Specialists Inc. of Jersey City, the paper recycler was accused of illegally shipping more than 200 tons of waste to two Indiana landfills on 11 occasions between June and August.

Other companies were accused of only a single violation, but more allegations are likely to be added as a joint investigation with Indiana officials continues, officials said.

Weiner and other state officials said the latest enforcement actions are part of a growing trend of illegal smuggling of trash. The state has more than 175 active enforcement cases involving economic violations of solid waste law before administrative agencies and the courts, including at least six involving companies cited in the latest action.

"This is nothing new," Weiner told reporters at a briefing in his Trenton office on the actions. "Fifty years ago, the country experienced illegal smuggling of liquor. Today, we're looking at the illegal smuggling of a different commodity—garbage."

Several of the companies—High Tech Recycling Inc. of Middlesex, Cardella Trucking Co. Inc. of North Bergen, Recycling Specialists Inc. of Jersey City, V. Ponte and Sons Inc. of Camden, and Regional Recycling of Newark—previously have been slapped with violations, with some charges dating as far back as 1981. All are contesting state administrative actions to shut down their operations.

The cases, officials conceded, underline the need to close loopholes in New Jersey's solid waste laws that allow unscrupulous companies to bypass regulations.

Environmental Prosecutor Steven Madonna urged the Legislature to strengthen the laws by making violators of waste hauling laws subject to criminal penalties.

"It is a very sobering process when you're looking at the potential loss of a truck or even your own freedom," Madonna said.

Besides seeking maximum fines for each of the violations cited yesterday in show cause orders, the state also will try to force the firms to reimburse the counties for revenue they lost because the companies skipped designated county solid waste facilities and did not pay those fees.

Those assessments could be expensive. Steve Gabel, director of the DEPE's Division of Solid Waste, noted a typical truckload is about 22 tons. The difference in tipping fees in Indiana and New Jersey runs from $15 to $35 a ton at a Hoosier landfill, to $70 to $130 a ton at a facility in the Garden State.

In addition, the administrative orders also direct the companies to immediately cease the illegal activities.

Most of the companies declined comment on the allegations, but Mike Riotto, chief operating officer for Materials for Recycling Inc. in Newark, called the charges "unfounded."

"I'm not a garbage man. I pay for recyclables," he said. "I'm being prosecuted unjustly." The plant was cited for one count of a waste flow violation.

During a month, his facility on Ridgewood Avenue will ship out 500 loads of recyclable materials gathered from five counties. The residual waste from that operation amounts to half to a full trailer load.

Riotto added it is virtually impossible to keep track of what residual waste is generated from each county. "I have no idea how much waste should go back to each county," he said.

Five other companies were cited for waste flow violations. They included Alpha Paper Co. of Jersey City, Camden Recycling of Camden, Nekoboh of Hoboken, Recycling Specialists Inc. of Jersey City and V. Ponte and Sons of Camden.

Three firms were accused of operating unpermitted solid waste facilities. They were Arrow Recycling or Tempesta and Sons Inc. of Jersey City, Cardella Recycling of North Bergen and Distributors Recycling of Newark.

Three other companies—Hoboken Recycling of Hoboken, Smart Recycling of Newark, and V. Ponte and Sons of Jersey City—have been subjects of previous administrative actions by the state. In those cases, the additional allegations gleaned during the Indiana investigation will be made part of pending hearings on those charges, Weiner said.

One other firm, PMC Recycling of Jersey City, is subject to an ongoing investigation.

Mr. LAUTENBERG. Mr. President, New Jersey and other States should not be faced with arbitrary or politically motivated bans or restraints that have nothing to do with solving problems. We should not suddenly be cast out to sea. This legislation recognizes that fact and provides a national response which is sensitive to the environmental needs of all States.

The State of New Jersey has come a long way on this issue and has made marked progress in recycling and reducing the export of waste. In New Jersey, we still believe that environmental guidelines should govern permissible waste disposal practices, not geographic boundaries. However, we have tried to work with the Environment Committee in good faith, to develop an environmentally protective proposal.

I urge my colleagues in the Senate to support it and reject last minute, unreasonable proposals that may be offered which have received no scrutiny or review. Should such amendments be offered, I will find myself compelled to discuss them at length.

Mr. President, I hope the Senate will support this bill without amendments,

which is I thought the understanding that we had. Each of us swallowed a little hard and accepted a compromise that I thought was reasonable to all parties. If the Senate will support this bill without amendments and vote for a fair and environmentally sound resolution of this issue, we can dispose of this issue fairly quickly. Mr. President, solid waste disposal is a national problem. The Nation is choking on the 180 million tons of garbage we generate each year. We have become a throwaway society, relying on excessive packaging.

What we need to do is develop a national response to deal with our waste problem—to promote recycling and production of recyclable products—and to promote safe disposal of waste.

What we really should be doing is passing legislation to strengthen RCRA to deal with this problem. It is unfortunate that we appear here to be unable to bring this legislation to the floor, and I regret it.

While we should address interstate shipments of municipal waste, we should be doing it in the context of a comprehensive response to our waste problem.

Mr. President, interstate shipments of waste is not an issue just for New Jersey. The National Solid Waste Management Association reports that 43 States exported municipal solid waste in 1989. And that waste must go somewhere. Many localities resent taking another community's waste. As a New Jerseyan, I understand that concern.

I have consulted closely with the New Jersey Department of Environmental Protection and Energy and the Office of the Governor in New Jersey about S. 2877. It will require New Jersey to continue its efforts to reduce interstate waste shipments.

Their analysis indicates that this proposal will not cause immediate disruption, garbage sticker shock, or environmentally damaging responses by New Jersey.

Mr. President, I have made clear that I would oppose any legislation which did not give my State the time it needs to end its garbage exports. No State should be pushed into emergency, environmentally unsound solutions to waste management problems. No State should be punished because it accepted out-of-State waste for years and now needs time to implement vigorous recycling and waste reduction strategies.

Mr. President, in this, the Environmental Protection Agency agrees. At an EPA hearing, EPA Administrator Reilly said:

> * * * we should not create any authorities that operate as a ban on interstate transport of either solid or hazardous waste, thereby inhibiting or restricting development and use of the most appropriate technology for waste treatment or recycling.

The Administrator also said that interstate waste did not present an environmental problem and that immediate bans would lead to undesirable disposal of waste including illegal disposal.

Mr. President, disposal of solid waste is a problem we all share. And we cannot solve this problem with shortsighted solutions which divide us rather than unite us.

This bill is fair and reasonable. So I urge my colleagues to support S. 2877 and reject amendments which will upset the delicate compromise on which this bill rests.

I yield the floor.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I thank the Senator for that very good statement.

I also want to ask the Senator a question. I was particularly struck with the Senator's statement that the State of New Jersey has gone so far, in some ways it could be even leading the Nation, in this recycling effort. I recall the Senator saying that the State of New Jersey now recycles about 50 percent of its recoverable materials and the goal of the State of New Jersey is to reach 60 percent by the year 1995.

I want to tell the Senator how impressed I am with his State's efforts because, as the Senator well knows, in our committee we attempted to set a 40-percent recovery rate for plastics, for glass, and for paper. We reported the bill out of committee. But, fortunately, we found that there is such vehement opposition on the Senate floor and with so little time remaining this year we could not get that bill up and we had to separate out the interstate provision and that is what we are addressing here today on the interstate provision.

My question is, can the Senator say how New Jersey has done so well? It is a great story that New Jersey is now telling us and the Nation; that is, how well New Jersey is doing and what a great job they have done to recycle. How has New Jersey done so well and gone so far?

On the other hand, most of the other States in the Nation, I daresay I do not know any other State in the Nation that is doing as well as New Jersey, that is not recycling as much as New Jersey. What advice could the Senator give to us to help us better elucidate and educate other Senators that their States can do as well as the State of New Jersey?

Mr. LAUTENBERG. Well, Mr. President, as the Senator from Montana knows, he and I being good friends and having traveled to his State, first, you reduce your land mass. That starts the process going. When you have roughly 1,000 people per square mile—and the Senator from Montana jokes with me because Montana has 8 per square mile.

Mr. BAUCUS. Four.

Mr. LAUTENBERG. Montana has lost population rapidly.

But, what happened is we have just had to deal with the problem, and it became our State's mission to get on with the job. The costs for disposal of waste have gone through the roof. We have had to find ways to reduce those costs. Part of the cost reduction is to be able to recycle this material. It has some value and, therefore, reduces the costs to the home owner or the apartment dweller. We are very aggressively reaching the goals that the Senator noted. As I said, we recycle 52 percent of the total waste stream and over one-third of our municipal waste and our goal is 50 percent of municipal waste, 60 percent of the total waste stream by 1995. We are well on our way to doing it. It just takes a lot of effort.

Our Governor, Governor Florio, is very committed. He served, as you know, in the House for some time. The Senator from Montana may have actually served with him. He is a very strong environmentalist. He is aware, as is much of our State legislature, that the door could be closing on transport of waste and as a consequence you have to look for ways to dispose of it. And as everyone in this body knows, one of the ways that is not particularly popular that is being reviewed is incineration because it has its own problems.

So you look at the options. We do not want the material put into the ocean. We have been through that. And the ocean has responded by disgorging the material that was thrown in it and finally we came to our senses. So New Jersey, being the small, industrial State it is, has just said that is part of our agenda and we have done it. We hope that other States will follow.

Mr. BAUCUS. Mr. President, I think it is very commendable.

As the Senator also well knows, similar efforts are now being undertaken in the European Community. For example, the country of Germany has recently passed legislation setting approximately a 60-percent recovery rate. And the European Community now is working on a directive that would apply to the entire European Economic Community which is not quite as ambitious—I think it is somewhere between 50 and 60 percent—but nevertheless goes far, far more in the direction that we should be going in our country and the direction in which the State of New Jersey is already going.

The fact of the matter is very simple. If we are going to reduce the pressure in landfills and the States are going to be better able to have less out-of-State waste imported into their State, one good way to do this is to produce less waste in the first place.

And the bill we worked on in our committee, which we reported out of committee, would have helped accomplish that, would have set the right-to-

know provision and in other ways, minimization plans that companies have to file, would encourage companies to produce less waste in the first place; second, very strong provisions in the bill to encourage more recycling.

The more reducing waste production, the more recycling, the less pressure there is going to be on landfills and incinerators. The State of New Jersey is moving in that direction and that will in itself reduce a lot of pressure. I very much commend the Senator in his efforts in the State.

I might tell the Senator last week at the New York Democratic Convention I was on a panel with the Senator's esteemed Governor, Governor Florio, and I was very impressed with his presentation where he then explained what New Jersey is doing. And I commended him for his efforts and I said to him I only wish that the Senate and the rest of the country could do as well as the State of New Jersey.

Mr. LAUTENBERG. Mr. President, if I might I would like to say to the Senator from Montana who is the chairman of the Subcommittee of EPW that deals with the environmental pollution, that I was impressed with the leadership he gave to moving RCRA from the committee. Despite much opposition and long debate, the fact is that the Senator from Montana—who has an enviable record on the environment—is taking on some of the very toughest issues and nevertheless held his ground.

That is the way things happen around here. Some kind of a consensus can almost always be struck. And that is what we have to do here. We will never get something that satisfies 50 States. And to try to single out one State or two or put the heat on a few is not the way to accomplish things. The way to accomplish things is the way the Senator from Montana I think has done it in the past. He did it with the Clean Air Act and made a major contribution to a better environment for future generations and also with RCRA and I hope we are going to be able, if I can use the expression, resurrect RCRA. But this is a significant step along the way and I hope our colleague from Indiana—and I know that he is under significant pressure to try to move restrictions along but nevertheless, I think it would be fair to say to the Senator from Indiana that much of the work he has done is now reflected in this compromise. And he deserves credit for it. And, if we can leave it untouched, we have a bill in front of us that does the job. We ought to go with it and not trifle with it, not try to make additions that will perhaps sink this program. Because we—I, my colleague from New Jersey, my colleagues from across the river, from New York—are compelled to resist modification of this difficult compromise that we have arrived at.

It is medicine. We swallow it. It is not the best, but we think it does deal with the problem that has to be solved. So I thank the Senator from Montana for his leadership and hope we will be able to get on with this bill.

Mr. BAUCUS. I thank the Senator.

The PRESIDING OFFICER. The Chair recognizes the Senator from Indiana [Mr. COATS].

Mr. COATS. Mr. President, I would like to just respond to a few of the comments made by the Senator from New Jersey. One, I appreciate his willingness to work with the process here as we are attempting to resolve this now nearly 3-year problem, and come up with a piece of legislation we can all jointly agree to which recognizes the significant pressures that his State has been under to dispose of solid waste, the significant gains that they have made in-State dealing with those problems, and the improvements they have made in their recycling and reduction of export of waste. I trust the Senator appreciates the serious situation that exists in a State like Indiana, which has been the recipient of out-of-State waste.

The Senator from New Jersey and I have had our disagreements on this floor in the past in dealing with this. We are working, hopefully, toward a successful resolution of those disagreements in legislation that each of us can accept.

As I have indicated on a number of occasions publicly to the Senator from New Jersey, we in Indiana in many ways have a great deal of respect and affection for New Jersey and its people and its products. We appreciate its contributions to our Nation. We listen to music by Bruce Springsteen, and we appreciate the fact that Notre Dame has probably achieved a couple of national championships because of the football players that you have sent us, and your medical products and a number of other things. We like everything about New Jersey except your trash, and that is what we are trying to eliminate.

The Senator from New Jersey indicated that New Jersey in the past was an importer of out-of-State waste. I wrote down what he said. He said, "We did not like it and we tried to stop it, but at the time were unsuccessful because of the same commerce clause that has prohibited Indiana from trying to stop that trash." So I am sure the people of New Jersey and the Senator from New Jersey can appreciate why we are trying so hard, in Indiana, to stop this influx of trash that is not generated in our State. For the very reason that they did not like it, we do not like it. We are trying to find a solution to that.

I was somewhat mystified by the statement—and I hope it is true—that not one ounce of legal trash from New Jersey is entering the State of Indiana. I am mystified because, while I am aware of the fact that our Governor and the Governor of New Jersey entered an agreement some time ago to prohibit the shipment of illegal trash from New Jersey into Indiana, that the flow of legal trash into Indiana has continued. In fact, the Indiana Department of Environmental Management has given me figures just today that for the first quarter of 1992, Indiana received 45 percent more trash from New Jersey than we did for the first quarter of 1991. I know that is at odds with what the Senator from New Jersey just said and I will follow up on that to find out what the discrepancy is in the statements and in the figures.

Out-of-State waste is coming from somewhere. I hope it is not New Jersey. If it is not New Jersey, it is coming from New York and if not New York it is coming from someplace else, and obviously other States are facing the same problem. So we are not here on the floor just because Indiana has a problem. We are here on the floor today because Pennsylvania, Ohio, Kentucky, Virginia, Oklahoma, Illinois, Michigan, New Hampshire, Vermont, Connecticut, Rhode Island, and many, many other States in this country cannot take the kinds of steps the Senator from New Jersey has outlined that his State has taken, because we are inundated in the flowing of trash from other States that overwhelms our ability to take reasonable steps to decide our own environmental future.

The State of Indiana, as I have indicated on many occasions, has taken very bold and responsible steps to plan for its environmental future and disposal of its waste. But we are overwhelmed in our ability to accomplish those goals because we never figured on having to accept everybody else's problems. And we are simply trying to come up with a rational solution to deal with that. I am hopeful we can do that.

This Senator from Indiana has also swallowed hard, accepted provisions in this bill that are different from what I initially introduced. I did so in a good-faith effort, as has the Senator from New Jersey and the Senator from Montana and others, in trying to recognize this is not a one-State or two-State problem, but a national problem, and that reciprocal arrangements between States, with the agreement of the affected communities, is a rational way to deal with this problem, but that Governors certainly have to reserve for themselves the right to at least draw the line somewhere, limit the amount coming in so we can plan responsibly for the future, and that is what this bill attempts to do.

As to the fact that no amendments should be offered to this legislation, I think it is only fair to say that the discussions underway in terms of the initial proposals before us did not include

an exemption for private contracts. In fact, in my understanding of the RCRA legislation when it was originally authorized, it was that this same type of discussion arose and for the same reasons that the Senator from Indiana is concerned about this language, that language was deleted from RCRA legislation relative particularly to interstate transportation of hazardous waste.

If we do not allow private contracts of hazardous waste under RCRA to supersede legitimate State authority, why would we allow that to take place for municipal solid wastes under this legislation. I think it is a legitimate point to raise. In fact I will enter in the RECORD a letter I just received from the Governor of the State of Indiana dated July 17:

DEAR DAN: I believe we share a concern that language exempting preexisting contractual relationships from out-of-State waste restrictions may create undesirable loopholes in the Federal interstate waste legislation. I appreciate your effort to try to eliminate this language from the legislation and I wholeheartedly support it. The United States Constitution protects private contracts. Every State has a well-established body of contract law. Courts have experience in dealing with the issue of the applicability of changes in law to preexisting contractual relationships. I think the inclusion of specific language on this issue is bound to muddy the waters and lead to unanticipated problems. We had an experience with this very problem in Indiana a couple of years ago. A bill passed our legislation imposing a solid waste disposal fee but exempting disposal pursuant to preexisting contracts from that fee. This created such problems that the exemption was subsequently repealed.

Sincerely,

EVAN BAYH,
Governor of the State of Indiana.

I have also heard from and will be receiving information from many other Governors in this country relative to this same concern, the fear that this particular exemption undermines the very intent of the bill.

No one is trying to give States like Indiana, or importing States, more authority than what is granted to them under this bill. What we are trying to do is keep a particular clause which many believe abrogates the authority given in the bill and renders the bill ineffective. That is a question we will have to deal with tomorrow. But I wanted to at least raise the issue today, since it was already raised on the floor.

Again, I am hopeful that we can work together in reaching a consensus without bogging down in unnecessary delay or unnecessary discussion about what the final result of this bill should be, and what the final content of this bill should be. I think there is a strong consensus for action on this bill in the U.S. Senate. It reflects the strong consensus for action that exists throughout our Nation and in many of our States.

This bill has bipartisan support to ensure that the authority granted local communities and the authority granted Governors under the bill, which will allow garbage, trash, municipal solid waste, to flow to those communities that want it and have the facilities to take it, but also allow reasonable restrictions to be imposed by Governors of States and local communities who say: We are inundated; we cannot take anymore.

I think there is a strong consensus to move forward on this, and I hope we can do so. I think we have come a long, long way, to the credit of many individuals whom I have named on this Senate floor, and I appreciate their advice and their counsel—their support. It has been a long, grueling, 2½, almost 3-year effort now, to raise this issue to the level which would allow us to bring this legislation to the floor.

So I am hoping we can proceed, and proceed expeditiously. This Senator certainly has no intent of holding up the process.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition? The Chair recognizes the Senator from New Jersey [Mr. LAUTENBERG].

Mr. LAUTENBERG. Mr. President, I will just take 1 minute, and that is to make certain that my colleague from Indiana recognizes that in my statement, we took comments made by Mr. Palin, the chief of the Indiana Department of Environmental Management, Solid Waste Branch, in which he was very specific. He said in 1991, six landfills handled 80 percent of all solid waste imported into the Hoosier State, much of it from the East Coast and Canada. Now only one—he identifies it at T.H. Landfill in Miami County—continues to receive such long-haul waste.

He said all parties agree that an accord that was worked out between Gov. Evan Bayh of Indiana and Governor Jim Florio of New Jersey and signed with New York to monitor shipment of waste between the States—all parties agree the accord is working well. According to Palin, the person I referred to, waste shipments from New Jersey have ceased altogether. So there is a lot happening. The issue date of the article is May 27, 1992. It is recent.

I would just say, because this debate obviously is going to go on, I thought—in response to something the Senator from Indiana said—I thought we had an understanding that this was a compromise acceptable to the Senator from Indiana, when we talked before the recess, and that amendments would not be part of the agenda. Of course, anyone has a right to offer an amendment at any time. There is nothing that precludes it.

So I thought that we had worked this out in good faith and were prepared to move on this one section of RCRA, because the Senator from Montana saw this as a critical issue and wanted to dispose of it.

Be that as it may, New Jersey has done its share of living up to the agreement. We intend to continue to pursue our options. We do not think the situation now resembles the situation when New Jersey tried to ban garbage imports into its boundaries. There were no plans afoot to deal with the problem on a national basis, as there are now. New Jersey, the tiny State that it is, was getting overwhelmed by the trash being imported from other places and, again, we were not allowed to stop it. We did not like that, but had Pennsylvania, at the time, the subject of a suit, said, "Look, we will be cutting this down," we would have breathed a significant sigh of relief. As it was, we had to just continue to take what was being shipped. And our landfills were filled.

So I think the conditions are clearly drawn. I am going to resist with all the force that I can muster any amendments which would hurt my State. Again, I thought we had an agreement; I thought we had an understanding. To see this chopped away at, to make it more difficult to resolve this problem on a national basis, which is where it has to go, in my view would simply obstruct action on the floor. I hope that will not be necessary.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, I do not mean to prolong this. We certainly have a long day tomorrow, it sounds like. But just in response to the Senator from New Jersey, I first have a question about the letter from Mr. Palin. It is true that an agreement, a reciprocal agreement, was entered into between the Governor of Indiana and the Governor of New Jersey. That agreement was for the State of New Jersey to stop shipping illegal waste to Indiana.

It is my understanding that New Jersey has made a very good good-faith effort to stop shipping that illegal waste. However, that is only a minuscule part of the total amount of waste exported. And while we appreciate the cessation of the shipment of illegal waste, what the Senator from New Jersey said is directly contradictory to the figures I just received relative to what we have received, and maybe that is the difference between the legal and the illegal waste.

I intend to contact Mr. Palin, and we will clarify that matter. I do not know that we need to go back and forth on it here.

As to the good-faith agreement, this Senator from Indiana has been trying for 3 years to get a good-faith agreement to move on this issue. And it is not the Senator from Indiana who has blocked this effort. It is not the Senator from Indiana who has filibustered

every effort that I have undertaken to deal with a problem that not only affects the State of Indiana, but affects many States in this country.

We have a 68-vote margin; 68 votes in favor of this effort. And yet, we could not get the bill on the floor until 1½ years later. It is only at this Senator's insistence that we go forward with this that we are on the floor at all, or that perhaps even shipments of trash from New Jersey are declining in Indiana, if those figures are true. Does anyone think that Indiana would have less New Jersey trash today had I not been insistent that we do something about it, or that we would be on the floor today?

Now, I have been very clear and up front relative to this process. I have never said I would accept this bill as is. I have communicated to the chairman, to the majority leader, and to—I believe, I thought—the Senator from New Jersey that there were some concerns about the committee report, the committee draft, that has come out.

We have resolved most of those concerns. It is not just the Senator from Indiana. There are other Senators who have concerns about this. I cannot speak for them. They will come to the floor and speak for themselves.

But I have never left anyone with the impression—and if I have, I apologize. But I do not believe I have ever left anyone with the impression that I have agreed to every jot and title and word of S. 2877, and that this Senator would preclude himself from offering any modifications whatsoever. I have clearly communicated that on a person-to-person basis, and a staff-to-staff basis. And I left the floor here, just before recess, clearly indicating that to the relevant parties to this particular legislation.

So I still believe we can move forward in good faith, and intend to move forward in good faith. But to say that any effort whatsoever to modify the bill before us in the one specific provision, in the opinion of the Governor of the State of Indiana and the Governors of a number of States and the attorneys general of a number of States, completely abrogates the entire effect of the bill for their States, we might as well not go forward at all. We might as well just withdraw this bill and go back to square one if we have to accept that.

Those Governors are certainly going to tell their Senators, "Forget it. S. 2877 is not going to provide us with the relief we need if that particular clause is in there." That has been communicated for several weeks in every way we know how.

So there is no breach of good faith or breach of agreement by the Senator from Indiana. If there was an understanding to the contrary, I think it is just a matter of miscommunication.

Mr. President, I will cease talking for the day and yield the floor.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Montana [Mr. BAUCUS].

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

Mr. President, I think we are beginning to see what the democratic legislative process is all about. We have two Senators, each with a different point of view. This is a democracy. The Senate will work its will, and we will resolve this. I compliment the Senator from Indiana as well as the Senator from New Jersey. They have both worked very hard, and they both have provided exemplary service on behalf of their States, I must say. They are dogged in the representation of their States, the Senator from New Jersey as well as the Senator from Indiana.

We must remember, though, that we are a nation; we are 50 States; we have 50 different points of view. We cannot let perfection be the enemy of the good. Perfection in the eyes of the Senator from Indiana is a bit different from perfection in the eyes of the Senator from New Jersey, and the legislative process will work its will in the next day or two when we go to conference with the other body and then, after that, hopefully, a bill for signature at the President's desk.

But I think everyone who has dealt with this issue, the transportation of interstate waste, knows that, first of all, it is extremely complicated; that almost every State either imports or exports waste. I think 42 States export solid waste to some other State, 43 States import solid waste from other States. The concern of the Senator from Indiana is about importation of solid waste to Indiana. The fact is Indiana exports solid waste to other States, indeed, I think to Illinois and Michigan. I think it is 300,000 tons a year.

That is fine. That is the way it should be, because we are different States, and different communities have different capacities, different needs, different economic requirements, different environmental concerns. It is the way our Nation operates.

So I urge all of us, when we consider amendments tomorrow and the next couple of days, to remember we are a nation. We must work together. We cannot let perfection be the enemy of the good. We should strive to represent our State's best interests but recognize that no one State is going to control this process; that again the result will be an accommodation of the various States.

Mr. LAUTENBERG. Will the Senator yield for a question?

Mr. BAUCUS. I would love to yield to the Senator from New Jersey.

Mr. LAUTENBERG. The Senator from Indiana, in his comments, said private contracts were not exempt in S. 976, and I think that may not actually be the case. I believe there was exemption for private contracts.

Mr. BAUCUS. The language in this bill before us, S. 2877, as well as S. 976, with respect to contracts is the same. That is, private contracts——

Mr. LAUTENBERG. Were exempt, is that correct?

Mr. BAUCUS. The point is that in both cases States cannot abrogate contracts.

Mr. LAUTENBERG. Right. So just to make the record clear, the Senator——

Mr. BAUCUS. There is no change as between the two bills; that is correct.

Mr. LAUTENBERG. Right. The Senator from Indiana perhaps misunderstood what was there. At least in his statement he suggested that something was different.

Mr. BAUCUS. That is right.

Mr. LAUTENBERG. I just wanted the record to reflect the correct condition.

MORNING BUSINESS

Mr. BAUCUS. Mr. President, I now ask unanimous consent that there be a period for morning business with Senators permitted to speak therein for up to 10 minutes each.

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

MAKING TECHNICAL CORRECTION TO SENATE CONCURRENT RESOLUTION 129

Mr. BAUCUS. Mr. President, I send a concurrent resolution making a technical correction to Senate Concurrent Resolution 129 to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 130) making a correction in the enrollment of Senate Concurrent Resolution 129 of the 102d Congress.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 130) was agreed to.

The concurrent resolution is as follows:

S. CON. RES. 130

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate, in the enrollment of the concurrent resolution (S. Con. Res. 129) expressing continued support for the Taif Agreement, which brought a negotiated end to the civil war in Lebanon, and for other purposes, shall make the following correction:

In the resolving clause, insert immediately after "concurring)" the following : "That the Congress".

Mr. BAUCUS. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

JEFFERSON NATIONAL EXPANSION MEMORIAL ACT AMENDMENT

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 472, H.R. 2926, regarding the Jefferson National Expansion Memorial.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 2926) to amend the act of May 17, 1954, relating to the Jefferson National Expansion Memorial to authorize increased funding for the East St. Louis portion of the Memorial, 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, which had been reported from the Committee on Energy and Natural Resources, with an amendment.

On page 3, line 1, strike "development" and insert in lieu thereof the following:

development; except that no funds are authorized to be appropriated for the removal or relocation of the grain elevator located within the East St. Louis addition.

So as to make the bill read:

H.R. 2926

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

SECTION 1. EAST SAINT LOUIS PORTION OF JEFFERSON NATIONAL EXPANSION MEMORIAL.

The Act of May 17, 1954, entitled "An Act to provide for the construction of the Jefferson National Expansion Memorial at the site of old Saint Louis, Missouri, in general accordance with the plan approved by the United States Territorial Expansion Memorial Commission, and for other purposes" (68 Stat. 98; 16 U.S.C. 450jj and following) is amended as follows:

(1) The first sentence of section 4(a) is amended—

(A) by striking out "The Secretary of the Interior is further authorized to designate" and inserting in lieu thereof "There is hereby designated";

(B) by striking out "not more than" and inserting in lieu thereof "approximately"; and

(C) by striking out "MWR-366/80,004, and dated February 9, 1984," and inserting in lieu thereof "366-80013, dated January 1992,".

(2) Section 9 is repealed.

(3) Section 11 is amended by striking out subsection (d) and by amending subsection (b), as added by section 201(b) of Public Law 98-398, to read as follows:

"(b)(1) For the purposes of the East Saint Louis portion of the Memorial, there are authorized to be appropriated, $2,000,000 for land acquisition and such sums as may be necessary for development; except that no funds are authorized to be appropriated for the removal or relocation of the grain elevator located within the East St. Louis addition. Such development shall be consistent with the level of development described in phase one of the draft Development and Management Plan and Environmental Assessment, East St. Louis Addition to Jefferson National Expansion Memorial—Illinois/Missouri, dated August 1987.

"(2) Funds expended under paragraph (1) for development may not exceed 75 percent of the annual cost of such development. The remaining share of such annual costs shall be provided from non-Federal funds, services, or materials, or a combination thereof, fairly valued as determined by the Secretary. For the purposes of this paragraph, the Secretary may accept and utilize for such purposes any non-Federal funds, services, and materials so contributed.".

Mr. DANFORTH. Will the distinguished Senator from Wyoming yield for a question?

Mr. WALLOP. I will be happy to yield to the Senator from Missouri.

Mr. DANFORTH. My colleagues from both Missouri and Illinois feel that in-kind contributions credited toward the 25-percent match on the actual cost of phase I development should specifically include, but not be limited to the following items:

Environmental studies;

Improvements to access roads serving the park;

Demolition of existing facilities, including appropriate environmental activity;

Legal fees and loan costs for acquisition and development of properties;

Landscaping design and construction;

Planning, civil engineering and architectural costs;

Donation and enhancements of roads and signage in the park;

Clearance and cleanup of riverfront properties within the footprint of the park;

Retrieval of riverfront levee stones;

Removal of riverfront dockage and signage;

Donation of facilities, land and buildings for park purposes, which are located within the footprint of the park;

Acquisition of properties which are located within the footprint of the park, excluding the grain elevator which is specifically addressed in the amended provisions of the legislation;

Land elevation and capping in accordance with environmental landscape design; and

Cost for development of parking lot and related facilities and amenities including lighting, utility infrastructure, site clearance, debris removal, and utility construction, relocation and removal.

My question to the Senator from Wyoming is, does the accomplishment of the activities or the accomplishment of a portion of the activities I have just described qualify toward in-kind services and therefore qualify as credit toward the 25-percent matching funds?

Mr. WALLOP. The Senator from Missouri is correct. Staff has contacted the National Park Service and it is the Service's opinion that all of the activities you have described are consistent with the proposed phase I development plan. The accomplishment of any one task or a portion of any activity would be considered an in-kind service. In short, eligible in-kind contributions or services should include all project-related costs associated with the planning, development and construction of the park. This sense of project related is the same definition used by HUD, EDA, and DOT when those agencies cooperate with local governments on federally funded projects. The precise value of the in-kind service would be agreed upon between the National Park Service and the Southwestern Illinois Development Authority and/or the Service and the city of East St. Louis and/or the Service and the Gateway Arch Park expansion prior to the performance of the in-kind service.

Upon completion of the in-kind service the agreed upon value will be credited toward the 25-percent cost share.

Mr. DANFORTH. I thank my colleague from Wyoming and ask that he yield for one additional question.

Mr. WALLOP. I yield to the Senator from Missouri.

Mr. DANFORTH. The amendment to the bill directs the Secretary to complete a study of alternatives to and costs associated with the removal of the grain elevator located within the East St. Louis addition. At least one alternative would fully explore a plan which would retain and incorporate the existing grain elevator into the phase I development plans. My understanding is that the study need not be completed prior to the expenditure of appropriated monies or in-kind services on phase I development. Is my understanding correct?

Mr. WALLOP. The Senator from Missouri is correct. Land acquisition and development of the park, according to phase I development, is authorized to take place prior to completion of the study on the removal of the grain elevator. The purpose of the study is to explore feasible alternatives to retain the grain elevator on the property and incorporate the facility into phase I development plans. The study could provide the Congress with an adaptive use alternative which would benefit the park and the visitor, as well as the taxpayer.

Mr. DANFORTH. I thank the Senator from Wyoming, and I agree that in times of tight budgets and the various fiscal constraints, this study will provide us with the answers which should outline a prudent way to proceed toward the completion of the park project. I thank the Senator for his assistance in this very important matter.

The PRESIDING OFFICER. Are there further amendments?

AMENDMENT NO. 2730

(Purpose: To amend H.R. 2926 to clarify that the 25% cost share is credited toward acquisition and removal of the grain elevator, and add a section requiring a one year study of alternatives to retain the existing grain elevator in the development plan)

Mr. BAUCUS. 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 Montana [Mr. BAUCUS], for Mr. DANFORTH for himself, Mr. DIXON, Mr. BOND, and Mr. SIMON, proposes an amendment numbered 2730.

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

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

The amendment is as follows:

On page 2, line 23, through page 3, line 18, strike subsection (b) in its entirety and insert in lieu thereof the following:

"(b)(1) For the purposes of the East St. Louis portion of the memorial, there are authorized to be appropriated $2,000,000 for land acquisition and, subject to the provisions of paragraphs (2) and (3), such sums as may be necessary for development: *Provided*, That such authorization shall not include any sums for the acquisition, removal, or relocation of the grain elevator and business located within the East St. Louis unit of the Memorial. Such development shall be consistent with the level of development described in phase one of the Draft Development and Management Plan and Environmental Assessment, East St. Louis Addition to Jefferson National Expansion Memorial—Illinois/Missouri, dated August 1987.

"(2) Federal funds expended under paragraph (1) for development may not exceed 75 percent of the actual cost of such development. The remaining share of such actual costs shall be provided from non-Federal funds, services, or materials, or a combination thereof, fairly valued as determined by the Secretary. Any non-Federal expenditures for the acquisition, removal, or relocation of the grain elevator and business shall be included as part of the non-Federal cost share: *Provided*, That credit shall not be given for any such expenditures which exceed the cost of acquisition, removal, or relocation of the grain elevator and business located within the East St. Louis unit of the Memorial if such action had been accomplished by the Federal Government as determined by the Secretary under existing law:

Provided further, That only those non-Federal funds expended at least 60 days after the transmission of the report referred to in paragraph (3) for the removal of such grain elevator shall be credited toward the non-Federal cost share. For the purposes of this paragraph, the Secretary may accept and utilize for such purposes any non-Federal funds, services, and materials so contributed".

"(3) Within one year after the date of enactment of this paragraph, the Secretary, in direct consultation with the city of East St. Louis, Gateway Arch Park Expansion, and the Southwestern Illinois Development Authority, shall develop and transmit to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Interior and Insular Affairs of the United States House of Representatives a study of alternatives to, and costs associated with, the removal of the grain elevator located within the East St. Louis unit of the Memorial. The study shall contain, but need not be limited to, at least one alternative which would incorporate and retain the existing grain elevator into the draft development and management plan and environmental assessment referred to in paragraph (1).".

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

The amendment (No. 2730) was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the bill.

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

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

So the bill (H.R. 2936), as amended, was passed.

Mr. BAUCUS. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

FREEDOM FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES AND OPEN MARKETS SUPPORT ACT

The text of S. 2532, a bill entitled the "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act," as passed the Senate July 2, 1992, is as follows:

S. 2532

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

TITLE I—FREEDOM FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES

SEC. 101. SHORT TITLE.

This Act may be cited as the "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992".

SEC. 102. FINDINGS.

The Congress finds that—

(1) recent developments in Russia and the other independent states of the former Soviet Union present an historic opportunity for a transition to a peaceful and stable international order and the integration of the independent states of the former Soviet Union into the community of democratic nations;

(2) the entire international community has a vital interest in the success of this transition, and the dimension of the problems now faced in the independent states of the former Soviet Union makes it imperative for donor countries and institutions to provide the expertise and support necessary to ensure continued progress on economic and political reforms;

(3) the United States is especially well-positioned because of its heritage and traditions to make a substantial contribution to this transition by building on current technical cooperation, medical and food assistance programs, and by fostering conditions that will encourage the United States business community to engage in trade and investment; and

(4) failure to meet the opportunities presented by these developments could threaten United States national security interests and jeopardize substantial savings in United States defense that these developments have made possible.

(5) serious environmental problems now exist within Russia and the other independent states of the former Soviet Union, including problems with depleted fisheries; heavily polluted rivers, lakes, and groundwater; contamination from both civilian and military nuclear programs; and degraded farmland and forests; but that not withstanding the extent of these environmental problems, many forests, rivers, lakes, and watersheds are relatively undisturbed and are of great scientific and educational value and furthermore the region includes the largest virgin forest remaining on the Earth; and

(6) aid to Russia and the independent states of the former Soviet Union be carried out in such a way that avoids the degradation of the relatively unpolluted and undamaged natural resources, that affirmatively promotes the protection of critical lakes, rivers, watersheds and that is not used to finance unsustainable exploitation of forests or large-scale engineering projects which have significant adverse environmental impacts.

SEC. 103. DEFINITION.

As used in this title, except where the context indicates otherwise, the term "independent states of the former Soviet Union" shall include the independent states that formerly were part of the Soviet Union. It includes Armenia, Azerbaijan, Byelarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan; it does not include Estonia, Latvia, or Lithuania.

SEC. 104. AUTHORITY TO CONDUCT ACTIVITIES.

With regard to activities authorized by the Support for East European Democracy (SEED) Act of 1989 (Public Law 101-179) (the "SEED Act") to be conducted in and for any of the Central or East European states, the President may conduct similar activities in and for any of the independent states of the former Soviet Union, including any of the activities described in sections 107 and 110 of this title, and may make available funds authorized to be appropriated by this title for such activities, except that assistance may be provided for the government of such state under this title only if—

(1) such state is developing democratic institutions and policies based on internationally recognized human rights; and

(2) such state is undertaking economic reform based on private enterprise and market principles.

In furtherance of the objectives of this title, the President may authorize any United States Government agency that has authority to conduct activities under the SEED Act to make available any funds available to it for activities related to international affairs outside Eastern Europe to conduct activities authorized in this section.

SEC. 105. USE OF AUTHORITY.

(a) CONSIDERATIONS.—In providing assistance under section 104 for the government of any of the independent states of the former Soviet Union, the President shall take into account not only relative need but also the extent to which states assisted are acting to—

(1) institutionalize the rule of law to protect individual freedoms and rights;

(2) enact the legal and policy frameworks, including adequate and effective intellectual property protection, necessary for the conduct of private business activities and the privatization of state-owned enterprises;

(3) demonstrate respect for international law and obligations and adherence to the

principles of the Helsinki Final Act and the Charter of Paris, including those related to the right of emigration; and

(4) implement responsible security policies, including the avoidance of excessive defense expenditures, full compliance with international arms control agreements, and active participation in international efforts to prevent the proliferation of destabilizing weapons for the technology to develop such weapons.

(b) INELIGIBILITY FOR ASSISTANCE.—The President shall not provide assistance under this title for the government of any state which he determines—

(1) engages in a consistent pattern of gross violations of internationally recognized human rights or of international law;

(2) is engaged in a pattern of unlawful military action against a country which is friendly to the United States;

(3) has failed to take constructive actions to facilitate the effective implementation of applicable arms control obligations of the former Soviet Union, including those under the CFE, INF, NPT, ABM, TTBT, PNE, and START Treaties;

(4) has knowingly transferred, on or after the date of enactment of this Act, to another country—

(A) missiles or missile technology inconsistent with the guidelines and parameters of the Missile Technology Control Regime; or

(B) any chemical or biological weapon or any material, equipment, or technology to another country that would contribute significantly to the ability of such country to manufacture any weapon of mass destruction, including nuclear, chemical, and biological arms, if the President determines that the material, equipment, or technology was to be used by such country in the manufacture of such weapon;

(5) 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;

(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;

(7) has failed to take constructive actions to protect the international environment, prevent significant transborder pollution, and to promote sustainable use of natural resources;

(8)(A)(i) denies its citizens the right or opportunity to emigrate,

(ii) imposes more than a nominal tax on emigration or on the visas or other documents required for emigration, for any purpose or cause whatsoever, or

(iii) imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice; and

(B) with respect to which a waiver has not been made under title IV of the Trade Act of 1974;

except that, commencing 120 days after enactment of this Act, such assistance may not be provided unless the President has furnished a report to the Committees on Foreign Relations and Appropriations of the Senate and the Committees on Foreign Affairs and Appropriations of the House of Representatives on the extent of progress such states have made in respect of the criteria described in subparagraph (A);

(9) is responsible for paying an equitable portion of the indebtedness incurred before December 25, 1991, by the former Soviet Union (including any agency, instrumentality, or political subdivision thereof) to United States firms, unless the President determines and reports to the Committees on Foreign Relations and Appropriations of the Senate and the Committees on Appropriations and Foreign Affairs of the House of Representatives that such government has not adopted a policy of refusing to pay such equitable portion;

(10) has undertaken any of the activities with respect to which sanctions must be imposed under sections 669 or 670 of the Foreign Assistance Act of 1961 or section 506(a)(1) of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993; or

(11) has repeatedly provided support for acts of international terrorism.

The President may waive the application of the prohibition on assistance contained in this subsection—

(A) in the same manner as such waiver could be exercised under any other provision of law with respect to the same activity; or

(B) if no waiver authority under any other provision of law exists with respect to that activity, then only if the President certifies and justifies in writing to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate that to do so would serve the objectives of this Act.

(c) ASSISTANCE TO AZERBAIJAN.—The President may not provide assistance under this Act or any other provision of law to the Government of the Republic of Azerbaijan until the President determines, and so reports to the Congress, that the Government of Azerbaijan—

(1) is taking demonstrable steps to cease all blockades and other offensive uses of force against Armenia and Nagorno-Karabach;

(2) is respecting the internationally recognized human rights of Armenians and other minorities living within its borders; and

(3) is participating constructively in international efforts to resolve peacefully and permanently the conflict in Nagorno-Karabakh.

SEC. 106. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for fiscal years 1992 and 1993 $620,000,000 to carry out this title, in addition to amounts otherwise available for such purposes. Funds authorized pursuant to this title are authorized to remain available until expended.

SEC. 107. TYPES OF ACTIVITIES.

(a) Funds authorized to be appropriated by this title may be used for the independent states of the former Soviet Union—

(1) to support the development of democratic institutions and policies based on internationally recognized human rights, including through—

(A) such existing agencies and organizations as the United States Information Agency, the National Endowment for Democracy, and the Citizens Democracy Corps;

(B) the operation of new American Democracy Centers or America Houses; and

(C) administration of justice programs for these republics and the nations of Eastern Europe;

(2) to support creation and development of private enterprise and free market systems, with special emphasis on initiatives designed to encourage United States small business and medium-sized business participation, including through—

(A) technical assistance to support the necessary legal frameworks, such as commercial codes, private property codes including homesteading policies, banking codes, tax codes, foreign investment codes, and effective laws for the protection of patents, copyrights, trademarks, and other forms of intellectual property;

(B) technical assistance to support the necessary policy frameworks, such as privatization laws, agricultural policy laws, environmental and health protection laws, and energy policy laws;

(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;

(D) technical assistance, such as with the assistance of private and voluntary organizations, to promote privatization and increased efficiency in the agricultural sector, including in food distribution and transportation systems, and in processing facilities necessary to convert raw agricultural products into food, and to enhance the ability of the independent states of the former Soviet Union to use their own resources to meet basic human needs, such as through—

(i) training programs;

(ii) exchanges;

(iii) the export of United States machinery and farm animals; and

(iv) loans for entrepreneurs in food production and distribution;

(E) technical assistance to promote investment in, increased efficiency of, and privatization of the energy sector;

(F) support, which may include contributions to endowments, for the establishment and activities of organizations such as—

(i) Enterprise Funds; and

(ii) a Eurasia Foundation to assist with management and economics training, democratic institutions and related activities, and activities such as those conducted by the Inter-American Foundation to assist private enterprise at the "grass roots" level; and

(G) training in business and financial practices, public administration, commercial law, and the rules of international trade, including programs to send active American businessmen as volunteers to provide on-site advice and concrete problem solving to private enterprises in the independent states of the former Soviet Union;

(3) to provide support in addressing emergency and other humanitarian needs (including the nutritional needs of infants by providing baby food as part of direct food assist-

ance programs), including through private and voluntary organizations, to improve health care facilities by providing medical training, equipment and supplies, and to continue efforts to rebuild from the earthquake in Armenia;

(4) to improve the quality and availability of health care for citizens of the independent states of the former Soviet Union, with particular emphasis on infants, children and people with disabilities. Up to $2,000,000 is authorized to be appropriated for the purposes of establishing programs that—

(A) support sister hospital expansion programs;

(B) promote program development for neonatal pilot projects and training of medical professionals;

(C) promote greater institutional development;

(5) 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 112 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;

(6) to support educational, scholarly, and cultural exchange programs and to promote, with the assistance of private and voluntary organizations, broad-based educational reform at all school levels in areas such as history, social sciences, political studies, economics, and English-language, including—

(A) assistance in the development of curricula;

(B) exchange programs involving educators; and

(C) the supply of textbooks and other educational materials, 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;

(7) 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;

(8) to enhance the human and natural environment and to conserve shared environmental resources, including through technical assistance to facilitate environmental restoration and the adoption of environmentally-sound policies and technologies—

(A) to control the discharge of pollutants damaging to the Earth's atmosphere;

(B) to map, monitor and contain environmental threats to the United States or the Arctic/subarctic ecosystem;

(C) to clean up rivers, lakes, and Arctic waters;

(D) to protect endangered species;

(E) to promote nuclear reactor safety;

(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; and

(K) to preserve relatively undamaged rivers, lakes, forests and other areas of special environmental significance;

(9) to support American Schools and Hospitals Abroad that have been or may be established in the independent states of the former Soviet Union, such as the American University of Armenia;

(10) to support development of children's educational television, pursuant to the provisions of section 111 of this Act;

(11) to finance cooperative development projects, such as the Cooperative Development Program and cooperative development research programs, among the U.S., Israel, and the former Soviet Union, and the U.S., Israel, and Eastern Europe;

(12) 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;

(13) 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;

(14) to improve family planning and maternal health services in the independent states of the former Soviet Union in order to promote the health of women in those states; and

(15) 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.

SEC. 108. SOVIET-DESIGNED NUCLEAR POWER PLANT SAFETY PROGRAM.

(a) IN GENERAL.—The President, in consultation with the Secretary of Energy, the Secretary of State and the Chairman of the Nuclear Regulatory Commission, shall designate an agency of the Executive Branch to develop and implement a limited, phased program to enhance the near-term safety of Soviet-designed nuclear power plants. Funds authorized to be appropriated by this Act may be used for this program. The program established in this section shall be integrated with similar efforts undertaken in cooperation with other industrialized countries and international organizations, including the International Atomic Energy Agency. In implementing the program, the Secretary of Energy shall utilize United States industry expertise where appropriate.

(b) PROGRAM PRIORITIES.—In implementing any program under the authority of this section, the Secretary shall establish priorities for the implementation of safety upgrades based on the greatest incremental increase in reactor safety relative to the amount of funds expended.

(c) SAFETY UPGRADES.—Safety upgrades shall be consistent with the provisions of subsection (a) and may include, but are not limited to, plant improvements and modifications to reduce risk, training of personnel, and development and implementation of an effective independent regulatory organization.

(d) FUNDING.—The President is encouraged to establish an interagency group including the Department of the Treasury, the Department of Commerce, the Department of Energy and the Export-Import Bank, to coordinate United States and multilateral funding and financing mechanisms for the program established by this section.

(e) RECOMMENDATION.—The Secretary of State shall provide Congress with appropriate recommendations for revisions to United States export and trade statutes to expedite implementation of the program established in this section and related programs.

SEC. 109. NUCLEAR SAFETY ASSISTANCE PROGRAM.

In addition to the program authorized in section 110, the Secretary of State, in consultation with the Secretary of Energy and the Nuclear Regulatory Commission, is authorized and encouraged to develop a program to provide for participation by the United States in international efforts including:

(a) Implementing short-term measures to improve nuclear power plant operational safety, including the training of power plant personnel, implementation of improved procedures for nuclear power plant operation, the development of effective and independent regulatory authorities, and cost-effective hardware upgrades;

(b) Developing and providing recommendations, in consultation with the affected States, for medium-term measures to assist in the development of comprehensive and market-based programs for cost-efficient supplies of electricity, including programs to improve the planning of energy supply and demand, to increase the efficiency of exist-

ing and future energy supplies and uses, to improve the management of demand, to develop market-based energy pricing, and to identify energy alternatives that will increase to shut down the nuclear power plants for which safety improvements would not be cost-effective beyond the short-term; and

(c) Developing and providing recommendations, in consultation with the affected States, for long-term measures for the development of safe and cost-effective supplies of electricity.

SEC. 110. ADDITIONAL ACTIVITIES.

(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.

(2) EXCLUSIONS.—In addition to the conditions on eligibility set forth in section 105(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).

(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.

(4) FUNDING AUTHORITY.—In recognition of the direct contributions to the national security interests of the United States of the activities specified in paragraph (3), 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 (3).

(5) PRIOR NOTICE OF OBLIGATIONS TO CONGRESS.—Not less than 15 days before obligating any funds made available for a program under paragraph (3), 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 obligations; and

(B) the activities and forms of assistance under paragraph (3) for which the President plans to obligate such funds.

(6) 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 (3). 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 (3) 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 (3).

(7) DEFINITIONS.—As used in paragraphs (5) and (6)—

(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 of paragraph (4), if the subject of separate legislation, would be referred, under the rules of the respective House of Congress.

(b) In recognition of the importance of establishing an effective official United States Government presence in the independent states of the former Soviet Union—

(1) of the funds authorized to be appropriated by this title, up to $5 million may be used by the Department of State for costs of personnel and other expenses for new posts in such states; and

(2) section 101 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (Public Law 102-138) is amended by adding at the end the following—

"(d) POSTS IN THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.—In addition to amounts otherwise available for such purposes, there are authorized to be appropriated for fiscal year 1993 $18,000,000 for costs of personnel and other expenses for posts in the independent states of the former Soviet Union.".

(c) In addition to amounts otherwise available to the United States Information Agency to carry out international information, educational, cultural, and exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, Reorganization Plan Number 2 of 1977, for fiscal year 1993, there are authorized to be appropriated $6,800,000 to carry out the authorities of this title that relate to international information, educational, cultural, and exchange programs.

(d) NUCLEAR SAFETY.—The authority in this title to establish programs for establishing verifiable safeguards against the proliferation of weapons may also be utilized, on the same basis, for programs for to promote nuclear reactor safety and to reduce the danger of nuclear accident.

SEC. 111. DEVELOPMENT OF EDUCATIONAL TELEVISION.

(a) FINDINGS.—Congress finds that—

(1) educational television, for children and adults, can be a highly effective means of instruction both in basic skills and in the human values associated with a democratic society and a free market economy;

(2) certain organizations in the United States are internationally recognized as uniquely creative and proficient in the production of such programming and have a record of achievement in assisting other countries in developing similar programming of their own; and

(3) assistance under this title to the independent states of the former Soviet Union in the development of such programming could be a highly cost-effective element in the overall program of bilateral United States assistance aimed at promoting and sustaining the transformation to democracy.

(b) AUTHORITY.—The President is authorized and encouraged to utilize funds authorized to be appropriated by this title to support any appropriate nonprofit corporation of the United States in assisting the independent states of the former Soviet Union in developing the skills necessary to produce educational programs aimed at promoting basic skills and the human values associated with a democratic society and a free market economy. Such assistance—

(1) should to the extent possible be used to support the development of programming rather than to support broadcasting;

(2) should not be used to pay for real estate, equipment, and personnel costs that could appropriately be born by the recipient country in its own currency; and

(3) should be aimed at yielding self-sufficiency in the production of educational television programming within approximately a two-year period.

SEC. 112. AMERICAN BUSINESS CENTERS.

(a) FINDINGS.—Congress finds that—

(1) United States economic assistance to the independent states of the former Soviet Union is aimed at promoting their transition to market-oriented economies fully integrated with the international community;

(2) trade and investment by United States companies in those states would serve not only the United States interest in their successful transition but also the broader economic interests of the United States; and

(3) to promote these interests, the United States has established an American Business Center in Warsaw to facilitate efforts by the United States to evaluate trade and investment opportunities.

(b) AUTHORITY.—The President is authorized and encouraged to establish additional American Business Centers in countries being assisted under this Act and the SEED Act of 1989 where the President determines that such Centers can be cost-effective in promoting the objectives of this Act and United States economic interests. To the maximum extent possible, the President should direct—

(1) that host countries be asked to make appropriate contributions of real estate and personnel for the establishment and operation of such Centers;

(2) that such Centers offer office space, business facilities, and market analysis services to United States firms and state economic development offices on a user-fee basis that minimizes the cost of operating such Centers while offering economies of time and cost to users; and

(3) that such Centers be established in several sites among the various independent states of the former Soviet Union and the countries of Eastern and Central Europe.

(c) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the Department of Commerce $12,000,000 for fiscal year 1993 to establish and operate additional American Business Centers in countries being assisted under this title.

(2) Amounts appropriated pursuant to paragraph (1) are authorized to remain available until expended.

SEC. 113. INTERNATIONAL FINANCE CORPORATION.

(a) The United States Governor of the International Finance Corporation may vote for any increase of capital stock of the Corporation that may be needed to accommodate the requirements of the independent states of the former Soviet Union.

(b) The International Finance Corporation Act (22 U.S.C. 282 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 14. The United States Governor of the Corporation is authorized to agree to amendments to the Articles of Agreement of the Corporation that would—

"(1) amend Article II, Section 2(c)(ii), to increase the vote by which the Board of Governors of the Corporation may increase the capital stock of the Corporation from a three-fourths majority to a four-fifths majority; and

"(2) amend Article VII(a) to increase the vote by which the Board of Governors of the Corporation may amend the Articles of Agreement of the Corporation from a four-fifths majority to an eighty-five percent majority.".

SEC. 114. 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.

SEC. 115. ADMINISTRATIVE AUTHORITIES.

(a) ADMINISTRATIVE EXPENSES.—Of the funds authorized to be appropriated by this title, such sums as may be necessary may be used for administrative expenses of United States Government agencies in connection with administering programs in furtherance of the objectives of this title.

(b) EXTENSION OF FOREIGN ASSISTANCE ACT AUTHORITIES.—In making available funds authorized to be appropriated under this title, the President may utilize any of the authorities applicable to the provision of assistance under the Foreign Assistance Act of 1961, as amended, and to programs for which appropriations are made in annual foreign operations, export financing, and related programs appropriations Acts.

(c) WAIVER AUTHORITY.—Assistance may be provided and authorities may be exercised for the objectives of this title notwithstanding any other provision of law, except the Antideficiency Act, title 31 of the United States Code, the Congressional Budget and Impoundment Control Act of 1974, the Balanced Budget and Emergency Deficit Control Act of 1985, 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, the Commodity Credit Corporation Charter Act, and section 105(b) of this Act. In any fiscal year, amounts made available for assistance under this title shall not exceed amounts appropriated in advance in appropriations Acts, and assistance under this title shall not exceed the limitations in such appropriations Acts.

(d) AUTHORITY TO USE FUNDS AVAILABLE UNDER THE FOREIGN ASSISTANCE ACT.—For programs for the independent states of the former Soviet Union, the President is authorized to utilize funds made available to carry out the Foreign Assistance Act of 1961. Any funds made available under chapter 4 of part II of that Act may be utilized on the same basis as funds authorized to be appropriated by this title.

(e) DIRECT LOAN AND GUARANTEE AUTHORITIES.—Funds authorized to be appropriated by this title may be utilized to cover the cost, including the cost of modifying such loans, of direct loans and loan guarantees with respect to the independent states of the former Soviet Union, including loan guarantees provided consistent with the provisions of section 108 of the Foreign Assistance Act of 1961, as amended, Title IV of chapter 2 of part I of that Act, and the Export-Import Bank Act of 1945, as amended, and to cover the administrative expenses for such direct loans and loan guarantees.

SEC. 116. NOTIFICATIONS TO CONGRESS.

(a) IN GENERAL.—The notification requirements applicable to reprogramming under section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394-1) and the comparable notification requirements contained in sections of annual foreign operations, export financing, and related appropriations Acts apply with respect to obligations of funds made available to carry out this title, notwithstanding any other provision of this title (other than section 110(a)).

(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 (D) of section 107(2) or subsection (b), (c), or (d) of section 120.

SEC. 117. ANNUAL REPORT.

The President shall include in the Annual SEED Program Report required by section 704(c) of the SEED Act a similarly detailed account of activities under this title. Each such report shall describe the extent to which statutory prohibitions and restrictions on the provision of assistance for types of programs and activities have been waived under the authority of section 115(c) of this Act.

SEC. 118. QUOTA INCREASE FOR INTERNATIONAL MONETARY FUND.

(a) The Bretton Woods Agreements Act is amended by adding at the end thereof the following new sections:

"SEC. 56. QUOTA INCREASE.

"The United States Governor of the Fund is authorized to consent to an increase in the quota of the United States in the Fund equivalent to 8,608,500,000 Special Drawing Rights, 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, limited to such amounts as are appropriated in advance in appropriations Acts, and *Provided*, That no net budget outlays result therefrom.

"SEC. 57. ACCEPTANCE OF AMENDMENTS TO THE ARTICLES OF AGREEMENT OF THE FUND.

"The United States Governor of the Fund is authorized to consent to the amendments to the Articles of Agreement of the Fund approved in resolution numbered 45-3 of the Board of Governors of the Fund.

"SEC. 58. APPROVAL OF FUND PLEDGE TO SELL GOLD TO PROVIDE RESOURCES FOR THE RESERVE ACCOUNT OF THE ENHANCED STRUCTURAL ADJUSTMENT FACILITY TRUST.

"The Secretary of the Treasury is authorized to instruct the United States Executive Director of the Fund to vote to approve the Fund's pledge to sell, if needed, up to

3,000,000 ounces of the Fund's gold, to restore the resources of the Reserve Account of the Enhanced Structural Adjustment Facility Trust to a level that would be sufficient to meet obligations of the Trust payable to lenders which have made loans to the Loan Account of the Trust that have been used for the purpose of financing programs to Fund members previously in arrears to the Fund.".

(b) Recognizing the need for the independent states of the former Soviet Union to adopt policies to stabilize and reform their economies on the basis of market principles, the United States Governor of the Fund is authorized to instruct the United States Executive Director of the Fund to vote to disapprove a Fund program for any such State that has not enacted or taken substantial steps to enact the legal and policy frameworks necessary for the private ownership of property, the conduct of private business activities, and the privatization of state-owned enterprises.

SEC. 119. STATUTORY LISTS OF COMMUNIST COUNTRIES AND SOVIET-SPECIFIC RESTRICTIONS.

(a) FOREIGN ASSISTANCE ACT OF 1961.—Section 620(f)(1) of the Foreign Assistance Act of 1961 is amended by striking from the list at the end thereof "Czechoslovak Socialist Republic.", "Estonia.", "German Democratic Republic.", "Hungarian People's Republic.", "Latvia.", "Lithuania.", "People's Republic of Albania.", "People's Republic of Bulgaria.", "Polish People's Republic.", "Socialist Federal Republic of Yugoslavia.", "Socialist Republic of Romania.", and "Union of Soviet Socialist Republics (including its captive constituent republics).".

(b) EXPORT-IMPORT BANK ACT OF 1945.—The Export-Import Bank Act of 1945 is amended in section 2(b)(2)(B)(ii), by striking from the list at the end thereof "Czechoslovak Socialist Republic.", "Estonia.", "German Democratic Republic.", "Hungarian People's Republic.", "Latvia.", "Lithuania.", "People's Republic of Albania.", "People's Republic of Bulgaria.", "Polish People's Republic.", "Socialist Federal Republic of Yugoslavia.", "Socialist Republic of Romania.", and "Union of Soviet Socialist Republics (including its captive constituent republics).".

(c) JOHNSON ACT.—Section 955 of title 18, United States Code, shall not apply with respect to any obligations of the former Soviet Union, or any of the independent states of the former Soviet Union, or any political subdivision, organization, or association thereof.

(d) WAIVER AUTHORITY.—

(1) With respect to any of the independent states of the former Soviet Union, the President is authorized to waive the application of any provision of law that restricted the eligibility of the Soviet Union, as in existence before December 25, 1991, regarding any program, benefit, or other treatment.

(2) Paragraph (1) shall not apply to the provisions of title IV or title V of the Trade Act of 1974, except as otherwise provided in such titles.

SEC. 120. ADDITIONAL STATUTORY PROVISIONS.

(a) OVERSEAS PRIVATE INVESTMENT CORPORATION.—Section 234(g)(2) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "or" and inserting a comma in lieu thereof; and

(2) inserting ", and the independent states of the former Soviet Union" after the word "Act".

(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.".

(c) FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.—Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended—

(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.";

(2) in subsection (d)(1)(B)(i), by inserting ", farmers, other persons from the private sector," after "agricultural consultants"; and

(3) by amending subsection (d)(1)(D) to read as follows:

"(D) TECHNICAL ASSISTANCE.—The Secretary is authorized to provide, or pay the necessary costs for, technical assistance to enable individuals or other entities to implement the recommendations, or to carry out the opportunities and projects identified under, paragraph (1)(A).".

(d) OTHER PROVISIONS APPLICABLE TO AGRICULTURE PROGRAMS.—

(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 title, 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.).

(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 (including fish and fish products, without regard to whether such fish are harvested in aquacultural operations) 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 (including fish and fish products, without regard to whether such fish are harvested in aquacultural operations) and high-value agricultural commodities (including fish and fish products, without regard to whether such fish are harvested in aquacultural operations).

"(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.".

SEC. 121. TECHNICAL AMENDMENTS TO SEED ACT.

The SEED Act is amended by inserting the following after section 2:

"SEC. 3. DEFINITION.

"As used in this Act, the term 'Central and East European states' shall include Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, and states that have been part of Yugoslavia.

"SEC. 4. SCOPE OF AUTHORITY.

"With regard to any activities authorized by this Act to be conducted in Poland or Hungary, the President may conduct similar activities for any of the other Central and East European states if such similar activities would cost-effectively promote a transition to market-oriented democracy.

"SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

"In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the President for fiscal years 1992 and 1993 $850,000,000 to carry out this Act. Funds authorized pursuant to this Act are authorized to remain available until expended.".

SEC. 122. CORRECTION OF REFERENCE TO SOVIET UNION AND EXTENSION OF CERTAIN PROVISIONS.

Section 599D of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, is amended—

(1) in subsection (b)—

(A) in paragraphs (1)(A), (2)(A), and (2)(B), by striking "of the Soviet Union" each place it appears and inserting "of an independent state of the former Soviet Union or of Estonia, Latvia, or Lithuania",

(B) in paragraph (1)(A), by striking "in the Soviet Union" and inserting "in that state", and

(C) in paragraph (3), by striking "and 1992" and inserting "1992, 1993, and 1994";

(2) in subsection (e), by striking "October 1, 1992" each place it appears and inserting "October 1, 1994"; and

(3) by striking subsection (f).

SEC. 123. STRATEGIC DIVERSIFICATION.

The Office of Barter within the United States 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.

SEC. 124. 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).

SEC. 125. 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 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.

SEC. 126. 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 112(b) of this title 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 Ukrainian 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.

SEC. 127. REPEAL OF SUBSECTIONS.

Sections 132(f) and 132(g) of Public Law 102-138 are hereby repealed.

SEC. 128. INDEBTEDNESS OF THE REPUBLICS.

None of the funds made available by this title may be used to pay indebtedness of the republics of the former Soviet Union to international financial institutions.

SEC. 129. 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 105(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.

(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.

SEC. 130. 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.".

SEC. 131. REPORT.

(a) 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).

(b) 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.

(c) 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.

(d) 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.

SEC. 132. 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. 133. 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).

SEC. 134. 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 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 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 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.

SEC. 135. ESTABLISHMENT OF FOUNDATION.

(a) ESTABLISHMENT.—The Director of the National Science Foundation (hereafter in this section referred to as the "Director") is authorized to establish an endowed, nongovernmental, nonprofit foundation (hereafter in this section referred to as the "Foundation") in consultation with the Director of the National Institute of Standards and Technology.

(b) PURPOSES.—The purposes of the Foundation shall be the following:

(1) To provide productive research and development opportunities within the independent states of the former Soviet Union that offer scientists and engineers alternatives to emigration and help prevent the dissolution of the technological infrastructure of the independent states.

(2) To advance defense conversion by funding civilian collaborative research and development projects between scientists and engineers in the United States and in the independent states of the former Soviet Union.

(3) To assist the establishment of a market economy in the independent states of the former Soviet Union by promoting, identifying, and partially funding joint research, development, and demonstration ventures between United States businesses and scientists, engineers, and entrepreneurs in those independent states.

(4) To provide a mechanism for scientists, engineers, and entrepreneurs in the independent states of the former Soviet Union to develop an understanding of commercial business practices by establishing linkages to United States scientists, engineers, and businesses.

(5) To provide access for United States businesses to sophisticated new technologies, talented researchers, and potential new markets within the independent states of the former Soviet Union.

(c) FUNCTIONS.—In carrying out its purposes, the Foundation shall—

(1) promote and support joint research and development projects for peaceful purposes between scientists and engineers in the United States and former Soviet states on subjects of mutual interest; and

(2) seek to establish joint nondefense industrial research, development, and demonstration activities through private sector linkages which may involve participation by scientists and engineers in the university or academic sectors, and which shall include some contribution from industrial participants.

(d) FUNDING.—

(1) DEBT CONVERSIONS.—To the extent provided in advance by appropriation Acts, local currencies or other assets resulting from government-to-government debt conversions may be made available to the Foundation. For purposes of this paragraph, the term "debt conversion" means an agreement whereby a country's government-to-government or commercial external debt burden is exchanged by the holder for local currencies, policy commitments, other assets, or other economic activities, or for an equity interest in an enterprise theretofore owned by the debtor government.

(2) LOCAL CURRENCIES.—In addition to other uses provided by law, and subject to agreement with the foreign government, local currencies generated by United States assistance programs may be made available to the Foundation.

(3) INVESTMENT OF GOVERNMENT ASSISTANCE.—The Foundation may invest any revenue provided to it through United States Government assistance, and any interest earned on such investment may be used only for the purpose for which the assistance was provided.

(4) CONTRIBUTION TO ENDOWMENT BY PARTICIPATING INDEPENDENT STATES.—As a condition of participation in the Foundation, an independent state of the former Soviet Union must make a minimum contribution to the endowment of the Foundation, as determined by the Director, which shall reflect ability of the independent state to make a financial contribution and its expected level of participation in the Foundation's programs.

(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated, and made available to the Director, to establish the endowment of the Foundation and otherwise carry out this section, such sums as may be necessary.

SEC. 136. BUSINESS AND COMMERCIAL DEVELOPMENT IN THE FORMER SOVIET UNION.

(a) FINDINGS.—The Congress finds that—

(1) United States jobs and competitiveness will be enhanced if American business and agriculture play a significant role in the development of market economies of the independent states of the former Soviet Union;

(2) it is in the interest of the United States that all assistance programs be structured to maximize the purchase of United States goods and services;

(3) American businesses are the key to the viable restructuring of the independent states of the former Soviet Union;

(4) active United States business participation in the commercial development of the former Soviet Union will create new markets and jobs for the United States as well as enhance development in these nations;

(5) assistance under this Act should be considered an investment in the economic future of both the United States and the independent states of the former Soviet Union;

(6) the United States Government can play an important role in assisting United States exporters in the rapidly changing and highly competitive markets of the independent states of the former Soviet Union;

(7) assistance for the independent states of the former Soviet Union should be equitably distributed within each such state, and this should include technical assistance, additional Foreign Commercial Service officers, and financing through the Overseas Private Investment Corporation, the Export-Import Bank of the United States, and the Trade and Development Program; and

(8) it is in the interest of the American business community and the independent states of the former Soviet Union for the United States Government to move expeditiously—

(A) to open up new consulates throughout such states, particularly those already scheduled to be opened; and

(B) to provide timely consideration in the issuance of visas.

(b) ADVISORY COUNCIL.—(1) The President is authorized to establish an advisory council to be known as the New Independent States Business and Agriculture Advisory Council (hereafter in this section referred to as the "Council").

(2) The duties of the Council would be—

(A) to advise the President regarding programs of assistance for the independent states of the former Soviet Union;

(B) to evaluate the adequacy of bilateral and multilateral assistance programs that would facilitate exports and investments by American firms in the independent states of the former Soviet Union; and

(C) to consult with the President periodically with respect to the matters described in subparagraphs (A) and (B).

(3) The Council should consist of fifteen members drawn from United States firms reflecting diverse businesses and perspectives that have experience and expertise relevant in dealing with the independent states of the former Soviet Union.

(4) The membership of the Council should be appointed as follows:

(A) Five members appointed by the President, one of whom the President shall designate to serve as chairman.

(B) Five members appointed by the President, upon the recommendation of the Speaker of the House of Representatives and the Minority Leader of the House of Representatives.

(C) Five members appointed by the President, upon the recommendation of the Majority and Minority Leaders of the Senate.

(5)(A) Members of the Council should receive no additional pay by reason of their service on the Council.

(B) Upon request of the Chairman of the Council, the head of any United States Government agency may detail, on a nonreimbursable basis, any of the personnel of such agency to the Council to assist the Council in carrying out its duties under this Act.

(c) ALLOCATION OF AGENCY FOR INTERNATIONAL DEVELOPMENT FUNDS.—The President is authorized and encouraged to use a portion of the funds made available for the independent states of the former Soviet Union under the Foreign Assistance Act of 1961—

(1) to fund capital projects, including projects for telecommunications, environmental cleanup, power production, and energy related projects; and

(2) to fund intermediary industrial goods and other consumables in order to promote self-sufficiency.

(d) EXPORT FINANCING AND PROMOTION.—(1) Funds authorized to be appropriated to the Export-Import Bank of the United States, the Trade and Development Program, and the Overseas Private Investment Corporation (hereafter in this section referred to as "OPIC") may be made available to carry out this Act, including—

(i) the provision of commercial and technical assistance, implemented in cooperation with United States businesses on a cost-sharing basis, which, to the maximum extent feasible, would support the identification and development of priority sectors in the independent states of the former Soviet Union, including defense conversion, energy, energy efficiency, environmental protection, nuclear safety, agriculture, food processing and distribution, pharmaceuticals, transportation, telecommunications, education and training, and industrial and infrastructure modernization; and

(ii) the provision of support for projects undertaken by United States business on the basis of partnership, joint venture, contractual, or other cooperative agreements with appropriate entities in the independent states of the former Soviet Union.

(2) The Export-Import Bank of the United States is authorized to use the maximum amount of flexibility in supporting projects in the independent states of the former Soviet Union, including using project financing or other appropriate financing arrangements, in addition to flexibility otherwise authorized under this or any other Act.

(3) OPIC is authorized to use the maximum amount of flexibility with its programs, including coverage of contract frustration by government or private sector entities in the independent states of the former Soviet Union, in addition to flexibility otherwise authorized under this or other Acts.

(4) The President is authorized and encouraged to direct the Export-Import Bank of the United States, OPIC, TDP, the Agency for International Development, and the Department of Commerce to coordinate through the Trade Promotion Coordinating Committee their efforts in assisting American businesses and the independent states of the former Soviet Union, and such agencies and entities are encouraged to develop common eligibility criteria, to the extent possible, for operating their programs in the independent states of the former Soviet Union.

(e) DEPARTMENT OF COMMERCE.—(1) The Secretary of Commerce should—

(A) provide technical assistance to the independent states of the former Soviet Union through programs and projects for business and commercial development, including demonstration projects, especially in priority sectors described in subsection (d)(1)(A)(i), business consortia, business training and exchange programs, binational business development committees, the development of product standards, and the cost of preparing business opportunity profiles of those states using both United States private sector and local expertise;

(B) expand the Foreign Commercial Service in the independent states of the former Soviet Union, including the business centers described in this Act;

(C) develop a center to assist United States small- and medium-sized businesses in entering the commercial markets of the independent nations of the former Soviet Union, and to the maximum extent possible, the Department of Commerce should contract with a United States expert organization with proven experience in trade relations with the independent nations of the former Soviet Union to assist with the functioning of this center; and

(D) submit a report to Congress twelve months after the date of enactment of this Act, and annually thereafter, which will analyze the programs of other industrialized nations to assist their firms with their efforts to transact business in the independent states of the former Soviet Union and will include an examination of the trading practices of other OECD nations, as well as the pricing practices of transitional economies, that may disadvantage United States firms.

(2) In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the Secretary of Commerce such funds as may be necessary to carry out this subsection.

(f) UTILIZATION OF ENERGY WORKING GROUP.—(1) The Trade Promotion Coordinating Committee should utilize its interagency working group on energy to assist American energy sector companies to develop a long-term strategy for penetrating the energy market in the independent states of the former Soviet Union.

(2) The energy working group should—

(A) work with officials from the independent states of the former Soviet Union in creating an environment conducive to United States energy investment;

(B) help to coordinate assistance to American companies, particularly defense companies, involved with projects to clean up former Soviet nuclear weapons sites and commercial nuclear waste; and

(C) work with representatives from American business and industry involved with the energy sector to help facilitate the identification of business opportunities, including the promotion of environmentally sound oil, gas, and clean coal technology and products and energy efficiency and the formation of joint ventures between American companies and companies of the independent nations of the former Soviet Union.

(g) POLICY ON REPAYMENT OF DEBT.—It is the sense of the Congress that the independent states of the former Soviet Union should address the issue of repayment of overdue commercial debt and other commercial obligations, including the recognition and availability of hard currency obligations of agencies of the former Soviet Government to American businesses.

SEC. 137. LIMITATIONS ON DEFENSE CONVERSION AUTHORITIES.

(a) Notwithstanding any other provision of law (including any other provision of this Act), no funds may be obligated, expended or otherwise made available in any fiscal year for the purposes of facilitating the conversion of military technologies and capabilities and defense industries of the former Soviet Union into civilian activities as authorized by section 110 of this Act or as authorized by any other Act, unless the President has previously obligated an amount equal to or greater than such sums in the same fiscal year for defense conversion and defense transition activities in the United States.

(b) For purposes of this section, the term "defense conversion and defense transition activities in the United States" shall mean those United States Government funded programs whose primary purpose is to assist United States private sector defense workers, United States companies that manufacture or otherwise provide defense goods or services, or United States communities adversely affected by reductions in United States defense spending; such as programs funded through the Office of Economic Adjustment in the Department of Defense, through the Defense Conversion Adjustment Program (as authorized by the Job Training Partnership Act), or through the Economic Development Administration.

SEC. 138. AVAILABILITY OF ECONOMIC ADJUSTMENT ASSISTANCE.

Funds appropriated to the Department of Defense before the date of the enactment of this Act and made available for transfer to the Department of Commerce and the Department of Labor to assist State and local governments significantly impacted by reductions in defense industry employment or reductions in the number of Department of Defense military and civilian personnel residing in such States and communities may be made available until September 30, 1997 only to the extent provided in subsequent appropriations Acts.

SEC. 139. MULTILATERAL INVESTMENT INSURANCE.

Not later than 60 days after the date of enactment of this Act, the President shall submit to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate a report describing the feasibility of establishing a multilateral facility, composed of members of the G-7 Group, for the issuance of guarantees against losses incurred in connection with investments, including large-scale and capital intensive investments, in the independent states of the former Soviet Union.

SEC. 140. EDUCATIONAL FACILITIES IN EUROPE.

In pursuing the purposes of this Act, executive branch agencies should, to the maximum extent possible, utilize the resources and expertise of existing United States educational facilities in Europe.

SEC. 141. INELIGIBILITY FOR ASSISTANCE OF INSTITUTIONS WITHHOLDING THE PROPERTY OF UNITED STATES NATIONALS.

(a) PROHIBITION.—Except as provided in subsection (b), no agency, instrumentality, or other governmental entity of any independent state of the former Soviet Union, may be eligible to receive assistance, participate in any cooperative activity under any provision of United States law, or otherwise use funds made available under this Act or any other Act, if—

(1) on the date of enactment, there is outstanding a final judgment by a court of competent jurisdiction within that state that the entity or institution, as the case may be, is withholding unlawfully the property of United States persons; and

(2) the Secretary of State determines, within 90 days of a request by the United States persons affected, that execution of the court's judgment is blocked as the result of extra-judicial causes, including any of the following:

(A) A declared refusal of the defendant to comply.

(B) The unwillingness or failure of local authorities to enforce compliance.

(C) The issuance of an administrative decree nullifying a court's judgment or forbidding compliance.

(D) The passage of legislation, after a court's judgment, nullifying that judgment or forbidding compliance with that judgment.

(b) EXCEPTION FOR HUMANITARIAN ASSISTANCE.—The prohibition contained in subsection (a) shall not apply to the provision of humanitarian assistance in any of the independent states of the former Soviet Union.

(c) WAIVER AUTHORITY.—The Secretary of State may waive the application of subsection (a) whenever the Secretary finds that—

(1) the court's judgment has been executed; or

(2) it is vital to the national interests of the United States to do so.

(d) REPORT.—Nine months after the date of enactment of this Act, the Secretary of State shall report to the Speaker of the United States House of Representatives and the Chairman of the Senate Foreign Relations Committee the status of judgments entered by United States courts of final jurisdiction involving United States persons.

(e) DEFINITIONS.—For purposes of this section—

(1) the term "humanitarian assistance" includes the provision of food, medicine, or clothing;

(2) the term "United States person" means—

(A) any citizen, national, or permanent resident alien of the United States; and

(B) any corporation, partnership, or other juridical entity which is 50 percent or more beneficially owned by individuals described in subparagraph (A).

SEC. 142. SENSE OF THE CONGRESS CONCERNING THE SALE OF LTV.

(a) FINDINGS.—The Congress finds that the sale or other transfer to a foreign person of a United States business concern that is critical to the defense industrial base of the United States would be detrimental to the national security interests of the United States.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that, notwithstanding any other provision of law or any agreement to the contrary, no foreign person should be permitted to purchase or otherwise acquire the LTV Aerospace and Defense Company.

(c) DEFINITION OF "FOREIGN PERSON".—For purposes of this section, the term "foreign person" means any foreign organization, corporation, or individual resident in a foreign country, or any domestic or foreign organization, corporation, or individual, that is owned or controlled by the foreign organization, corporation, or individual.

SEC. 143. INTERNATIONAL MIGRATION FUND FOR THE FORMER SOVIET UNION.

(a) AUTHORIZATION.—(1) The Secretary of State is authorized to make contributions on behalf of the United States to the Intergovernmental Organization for Migration, or other appropriate organizations, for the purpose of providing assistance in the independent states of the former Soviet Union—

(A) to assist and protect refugees, displaced persons, and other migrants;

(B) to address the root causes of migration; and

(C) to assist governmental institutions in the various independent states of the former Soviet Union in developing appropriate immigration laws and procedures and to protect the human rights of migrants.

(2) In selecting the international organization or organizations to which such contributions shall be made, the Secretary of State, in order to encourage contributions from foreign governments, shall consider contributing funds to any appropriate organization that has established or would establish an international migration fund for migration assistance in the independent states of the former Soviet Union.

(b) FUNDING.—Of the funds made available under this Act, up to $30,000,000 may be available for the provision of the assistance under subsection (a).

SEC. 144. DESIGNATION OF EDMUND S. MUSKIE FELLOWSHIP PROGRAM.

Section 227 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2452 note), is amended by adding at the end the following new subsection:

"(f) DESIGNATION OF PROGRAM.—(1) The scholarship program established by this section shall be known as the 'Edmund S. Muskie Fellowship Program'.

"(2) Scholarships provided under this section shall be known as 'Muskie Fellowships'.".

SEC. 145. URANIUM, SOVIET SALE OF.

It is the sense of Congress that the President should take those actions necessary to minimize disruption to the international market in the event of sales from the independent states of the former Soviet Union of defense-related commercial grade uranium.

SEC. 146. INTERNATIONAL MONETARY FUND POLICY AND STAFFING CHANGES.

(a) POLICY AND STAFFING CHANGES WITHIN THE IMF.—The Secretary of the Treasury shall instruct the United States Executive Director to the International Monetary Fund (hereafter in this section referred to as the "Fund") to promote regularly and vigorously in program discussions and quota increase negotiations the following policy and staffing changes within the Fund:

(1) The development of social and environmental impact assessments as a required element of the process that any country seeking financial assistance from the Fund is subject to and which shall be taken into account in policy formulations.

(2) The establishment of an independent audit department, that would include poverty and environmental experts, to review systematically the policy prescriptions recommended and required by the Fund. The purposes of such a department would be (A) to determine whether the fund's objectives were met, and (B) to evaluate the social and environmental impacts of the implementation of the policy prescriptions. This department should have broad powers to review all ongoing programs and activities of the Fund and to assess the effects of Fund-supported programs, country-by-country, with respect to poverty, economic development and environment. The audits should be made public as appropriate with due respect to confidentiality.

(3) The establishment of procedures that ensure the focus of future economic reform programs approved by the Fund on policy options that increase the productive participation of the poor in the economy.

(4) The establishment of procedures for public access to information. These procedures shall seek to ensure access of the public to information while paying due regard to appropriate confidentiality. Policy Framework Papers and the supporting documents prepared by the Fund's mission to a country are examples of documents that should be made public at an appropriate time and in appropriate ways.

(5) The institution of procedures to analyze the costs and benefits of structural adjustment and stabilization programs so as to reflect losses in the natural resources base and the contribution such resources make to the well-being of the local population to whom services are provided.

(b) PROGRESS REPORT.—As part of the annual report, the Secretary of the Treasury shall submit a report to Congress on the following:

(1) The actions that the United States Executive Director and other officials have taken to convince the Fund to adopt the elements of this Act through formal initiatives before the Board and management of the Fund, through bilateral discussions with other member nations, and through any further quota increase negotiations.

(2) The status of the progress being made by the Fund in implementing the objectives of subsection (a).

(3) The reasons why the United States Executive Director of the Fund supported or opposed a Fund program with a significant environmental impact, and an explanation of how such action is consistent with the purpose of this Act.

(c) STUDY.—The Secretary of the Treasury shall conduct a study to propose ways that, consistent with the Articles of Agreement, the Fund could broaden the involvement and participation of important ministries, national development experts, environmental experts, free-market experts, and other legitimate experts and representatives from the loan-recipient country in the development of Fund programs.

SEC. 147. BALTIC STATES ELIGIBILITY FOR NONLETHAL DEFENSE ARTICLES.

(a) ELIGIBILITY.—Estonia, Latvia, and Lithuania shall each be eligible—

(1) to purchase, or to receive financing for the purchase of, nonlethal defense articles—

(A) under the Arms Export Control Act (22 U.S.C. 2751 et seq.), without regard to section 3(a)(1) of that Act, or

(B) under section 503 of the Foreign Assistance Act of 1961 (22 U.S.C. 2311), without regard to the Presidential finding in subsection (a) of that section; and

(2) to receive nonlethal excess defense articles transferred under section 519 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321m), without regard to subsection (a) of that section.

(b) DEFINITIONS.—As used in this section—

(1) the term "defense article" has the same meaning given to that term in section 47(3) of the Arms Export Control Act (22 U.S.C. 2794(3)); and

(2) the term "excess defense article" has the same meaning given to that term in section 644(g) of the Foreign Assistance Act of 1961 (22 U.S.C. 2403(g)).

SEC. 148. LIMITATION ON PROCUREMENT OF GOODS AND SERVICES OUTSIDE THE UNITED STATES.

(a) IN GENERAL.—Section 604 of the Foreign Assistance Act of 1961 (22 U.S.C. 2354) is amended to read as follows:

"SEC. 604. PROCUREMENT.—(a) It shall be the policy of the United States that, in the procurement of goods and services under this Act, the agency primarily responsible for administering part I of this Act shall give preference, except in the limited circumstances

described in this section and section 636, to the procurement of goods which are produced, grown, or manufactured in the United States and of services which are provided by United States firms.

"(b) Funds made available under this Act may be used for procurement outside the United States only if—

"(1) the President determines that such procurement—

"(A) will not result in adverse effects upon American industries that have a competitive capability in international markets, and

"(B) will not otherwise adversely affect the economy of the United States, with special reference to any areas of labor surplus or to the net position of the United States in its balance of payments with the rest of the world,

which adverse effects would outweigh the economic or other advantages to the United States of less costly procurement outside the United States; and

"(2) only if the price of any commodity procured in bulk is 50 percent or more lower than the market price prevailing in the United States at the time of procurement, adjusted for differences in the cost of transportation to destination, quality, and terms of payment.

"(c) No funds made available under this Act may be used for the purchase in bulk of any commodities at prices higher than the market price prevailing in the United States at the time of purchase, adjusted for differences in the cost of transportation to destination, quality, and terms of payment.

"(d) In providing for the procurement of any agricultural commodity or product available for disposition under the Agricultural Trade Development and Assistance Act of 1954 for transfer by grant under this Act to any recipient country in accordance with its requirements, the President shall, insofar as practicable and when in furtherance of the purposes of this Act, authorize the procurement of such agricultural commodity only within the United States except to the extent that such agricultural commodity is not available in the United States in sufficient quantities to supply emergency requirements of recipients under this Act.

"(e)(1) In providing assistance in the procurement of commodities in the United States, United States dollars shall be made available for marine insurance on such commodities where such insurance is placed on a competitive basis in accordance with normal trade practice prevailing prior to the outbreak of World War II.

"(2) In the event a participating country, by statute, decree, rule, or regulation, discriminates against any marine insurance company authorized to do business in any State of the United States, then commodities which are purchased with funds provided under this Act and which are destined for such country shall be insured in the United States against marine risk with a company or companies authorized to do a marine insurance business in any State of the United States.

"(f) No funds made available under this Act may be used for the procurement of any agricultural commodity or product thereof outside the United States when the domestic price of such commodity is less than parity, unless the commodity to be financed could not reasonably be produced in the United States in fulfillment of the objectives of a particular assistance program under which such commodity procurement is to be financed.

"(g) No funds made available to carry out part I of this Act may be used under any commodity import program, or in connection with any cash transfer or similar program (except where such program or transfer is specifically provided for by law), to make any payment to a supplier unless—

"(1) the supplier has certified to the agency primarily responsible for administering such part I such information as such agency shall by regulation prescribe, including but not limited to, a description of the commodity supplied by the supplier, its condition, and its source and origin; and

"(2) on the basis of such information, such agency shall have approved such commodity as eligible and suitable for financing under this Act.

"(h)(1) None of the funds authorized to be appropriated or made available for obligation or expenditure under this Act may be made available for the procurement of construction or engineering services from advanced developing countries, eligible under the Geographic Code 941, which have attained a competitive capability in international markets for construction services or engineering services.

"(2) Paragraph (1) does not apply with respect to an advanced developing country which—

"(A) is receiving direct economic assistance under chapter 1 of part I or chapter 4 of part II of this Act, and

"(B) if the country has its own foreign assistance programs which finance the procurement of construction or engineering services, permits United States firms to compete for those services.

"(i) The requirements of this section do not apply to the procurement of goods or services in connection with the provision of assistance under chapter 9 of part I of the Foreign Assistance Act of 1961 (relating to international disaster assistance).

"(j)(1)(A) The Administrator, Deputy Administrator, any Associate Administrator, or any Assistant Administrator of the agency primarily responsible for administering part I of this Act may, in order to authorize procurement from advanced developing countries or countries included under Geographic Code 935, waive the provisions of this section only with respect to specific procurement transactions and only if such person determines that to do so is vital to furnish assistance as effectively and expeditiously as possible.

"(B) The waiver authority conferred by subparagraph (A) may not be delegated to any officer or employee not specified in that subparagraph.

"(2)(A) The Administrator of such agency shall submit a quarterly report to the appropriate congressional committees setting forth any waivers made during the preceding calendar quarter under this subsection and subsection (i), together with the reasons therefor.

"(B) As used in this paragraph, the term 'appropriate congressional committees' means the Committees on Appropriations of the House of Representatives and the Senate, the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives.

"(3) The exemption provided by this subsection shall not be construed to apply to the Comprehensive Anti-Apartheid Act of 1986.

"(k) The provisions of this section shall not be superseded except by a provision of law which specifically repeals, modifies, or supersedes the provisions of this section.".

(b) PROCUREMENT OF MOTOR VEHICLES.—Section 636(i) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(i)(1) Notwithstanding any other provision of law, none of the funds made available to carry out this Act shall be used to finance the purchase, sale, long-term lease, exchange, or guaranty of a sale of motor vehicles unless such motor vehicles are manufactured in the United States.

"(2) Paragraph (1) shall not apply—

"(A) in cases of emergency where motor vehicles cannot be manufactured in the United States to meet demands when time is of the essence; or

"(B) where the total number of motor vehicles sought to be used in a foreign country by the agency primarily responsible for administering part I of this Act is six or fewer or, in excess of that number, if the Administrator, Deputy Administrator, any Associate Administrator, or any Assistant Administrator of such agency determines that to do so is necessary for the effective administration of the agency's programs. The authority of this subparagraph may not be delegated to any other officer or employee of that agency.

"(3) Nothing in this Act may be construed as approval of any decision to not purchase a motor vehicle manufactured in the United States when such purchase is feasible and consistent with the purposes of the assistance being provided.".

(c) REPEAL.—Section 496(n)(4) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(n)(4)) is hereby repealed.

(d) BUY-AMERICA ADVOCATE.—Part III of the Foreign Assistance Act of 1961 is amended by inserting after section 604 the following new section:

"SEC. 604A. BUY-AMERICA ADVOCATE.—(a) The Administrator shall establish within the agency an Office of the Buy-America Advocate for the purpose of maximizing the participation of United States businesses in the development process by ensuring that the agency adheres to 'Buy America' precepts in all its procurement activities.

"(b) The Office shall be headed by a Buy-America Advocate who shall be appointed by the Administrator from among career Senior Foreign Service officers having extensive experience in export transactions, commodity import programs, and privatization. The Advocate shall be directly responsible to the Administrator.

"(c) The Buy-America Advocate shall—

"(1) have access to and the authority to review all documentation involving procurement activities of the agency;

"(2) review all programs involving cash transfers to determine whether a commodity import program will accomplish the same policy objectives as the cash transfer; any disagreement with a determination by the Buy-America Advocate that the same policy objectives can be accomplished by a commodity import program shall be resolved by the Administrator;

"(3) have full and unimpeded access to all information provided under the Buy-American reporting system (BARS), or any successor system to BARS;

"(4) have full and unimpeded access to technical services and information involving procurement activities, particularly the procurement of commodities and the entering into contracts;

"(5) receive and review all justifications for any procurement of non-United States commodities and services, including those funded by the Development Fund for Africa and, based on that review, shall, on a case-by-case or class-of-procurement basis, recommend to the Administrator any corrective actions that are necessary to ensure that Buy-America procurement opportunities are maximized;

"(6) coordinate its efforts with agency officials who perform duties in the area of trade and investment promotion and information; and

"(7) be accessible to the United States business community, ensuring that the community is fully aware of opportunities for exports, investments, and joint ventures in developing countries.

"(d) Beginning 6 months after the date of enactment of this section, and every 12 months thereafter, the Administrator shall submit to the Congress a report prepared by the Advocate which—

"(1) details procurement by the agency of United States commodities and services during the preceding reporting period;

"(2) compares Buy-America procurement for the same period of the preceding year;

"(3) contains data for all agency activities that accurately reflects the percentages of commodities and services financed by the agency that are of United States source or origin;

"(4) analyzes mission or bureau programs to identify shortfalls in performance in meeting Buy-America requirements contained in law and regulations; and

"(5) identifies remedial action to overcome such shortfalls.

"(e)(1) The agency shall assign to the Office such staff as may be necessary to carry out this section, including individuals who are expert in contracts and statistical analysis.

"(2) In addition, the agency shall provide the staff with all automation support requirements, including access to all relevant procurement- and financial management-related systems, databases, and files.

"(f) As used in this section—

"(1) the term 'Administrator' means the Administrator of the agency; and

"(2) the term 'agency' means the agency primarily responsible for administering part I of this Act.".

SEC. 149. DISASTER ASSISTANCE FOR TREES LOST DUE TO FIRE BLIGHT.

(a) IN GENERAL.—Sections 2255(a) and 2256(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1421 note) are amended by inserting "fire blight," after "earthquake," both places it appears.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective as of November 28, 1990.

SEC. 150. PROVIDING FOR WITHDRAWAL OF RUSSIAN MILITARY PERSONNEL FROM CUBA.

The President should obtain a commitment from Russia to withdraw its combat troops and non-embassy military personnel from Cuba as expeditiously as possible and by a date certain, and if necessary, should facilitate the withdrawal of said troops and personnel.

SEC. 151. AUTHORIZATION FOR ADVANCED COAL-BASED TECHNOLOGY PROJECTS.

(a) FINDINGS.—The Congress finds that—

(1) the United States has undertaken a $5,000,000,000 technology development program to commercialize advanced coal technologies that will better enable the use of coal in a cost-effective and environmentally acceptable manner;

(2) industry in the United States already utilizes advanced technologies that enable the use of coal efficiently and with minimal impacts to the environment;

(3) these advanced technologies should be exported to other nations intending to use coal resources; and

(4) use of United States assistance to export coal-related technologies will benefit the global environment, maintain United States technological leadership, assist United States industry by supporting development of foreign markets, and promote a more favorable balance of trade.

(b) ADVANCED COAL-BASED TECHNOLOGY PROJECTS.—(1) The Secretary of Energy, in consultation with the Secretary of State and the chief executive officers of the Overseas Private Investment Corporation and the Export-Import Bank, is authorized to make grants and issue loans with respect to the projects described in paragraph (2), to be carried out by United States firms in the independent states of the former Soviet Union.

(2) The projects referred to in paragraph (1) shall be developmentally sound capital energy projects, which projects—

(A) shall be proposed by a United States firm;

(B) shall consist of equipment manufactured by United States firms;

(C) shall be capable of providing energy, in a cost-effective and environmentally acceptable manner, using advanced coal-based technologies;

(D) shall be designed to increase significantly the overall efficiency of the use of coal in the retrofit of an existing facility or the application of the advanced coal-based technology in a new facility; and

(E) shall be utilized to reduce significantly environmental emissions when compared to currently utilized methods of emissions control in the state of the proposed project.

(3) In determining which projects to support under this subsection, the Secretary of Energy shall give special consideration to those project proposals which would achieve the greatest increases in the control of emissions and the efficient production of energy and to those project proposals in which a portion of the costs of the project shall be paid for by non-Federal funds, including private funds.

(c) AUTHORIZATION OF APPROPRIATIONS.—(1) Of the funds authorized to be appropriated by this Act, up to $35,000,000 are authorized to be appropriated to the Secretary of Energy for fiscal year 1993 to carry out subsection (b).

(2) Amounts authorized to be appropriated pursuant to paragraph (1) are authorized to remain available until expended.

(d) DEFINITIONS.—As used in this section—

(1) the term "advanced coal-based technology" means—

(A) any technology utilized for the preparation, combustion, or conversion of coal or the control of effluents from the combustion of coal that is commercially available and widely utilized in the United States but not widely utilized in the country that is the site of the proposed project and that achieves greater efficiency or control of emissions from coal utilization than currently achievable by technologies in widespread use in that country; or

(B) any clean coal technology that is the subject of a demonstration project selected by the Secretary of Energy under the heading "Department of Energy: Clean Coal Technology" of Public Law 99-190 or under any subsequently enacted law for which funds are made available to the clean coal technology demonstration program;

(2) the term "capital energy project" means a project involving the construction, expansion, alteration of, or the acquisition of equipment for a physical facility or physical infrastructure, including related engineering design (concept and detail) and other services, the procurement of equipment (including any related services), and feasibility studies or similar engineering and economic services; and

(3) the term "United States firm" means—

(A) a United States citizen;

(B) a corporation incorporated under the laws of the United States, substantially owned and controlled by United States persons;

(C) a joint venture or partnership organized under the laws of the United States, each participant of which is an individual or corporation described in subparagraph (A) or (B); or

(D) a joint venture between (i) an individual or corporation described in subparagraph (A) or (B), and (ii) a foreign firm organized under the laws of the host country or the government of that country.

SEC. 152. TROOP WITHDRAWAL FROM, LITHUANIA, LATVIA, AND ESTONIA.

United States Policy Regarding Orderly and Timely Withdrawal of Russian or Commonwealth of Independent States Troops from Lithuania, Latvia, and Estonia. (a) FINDINGS.—Congress finds that:

(1) During the existence of the Soviet Union, the United States never recognized the incorporation of Lithuania, Latvia, and Estonia into that entity;

(2) During the existence of the Soviet Union, troops of the Soviet Union were stationed in the territories of Lithuania, Latvia, and Estonia;

(3) After the Soviet Union collapsed, Lithuania, Latvia, and Estonia re-declared their independence and governments of the three states have been recognized by the United States;

(4) Armed forces of the Russian Federation or Commonwealth of Independent States continue to be stationed on the sovereign territories of Lithuania, Latvia, and Estonia after independence;

(5) The Governments of the Russian Federation and Commonwealth of Independent States have failed to begin good faith negotiations with Lithuania, Latvia, and Estonia, despite urgent requests from the Baltic governments to do so;

(6) A mutually-agreed timetable for removal of foreign forces from the sovereign territories of Lithuania, Latvia, and Estonia is a prerequisite for those countries to be able to enjoy the benefits of independence and representative government institutions.

(b) SENSE OF CONGRESS.—

(1) It is the sense of the Congress that the governments of the Russian Federation and Commonwealth of Independent States should immediately begin good faith negotiations toward an orderly, timely and complete withdrawal of their forces from Lithuania, Latvia, and Estonia and state that they have no long-term territorial interests in the Baltic States;

(2) Good faith negotiations to accomplish these purposes should be a top priority of the United States, and should be raised as an urgent matter in bilateral discussions and appropriate international bodies, including at the Conference on Security and Cooperation in Europe;

(3) Orderly, timely withdrawal of foreign forces from the territory of Lithuania, Latvia, and Estonia may require international supervision;

(4) The President should keep Congress fully advised about progress toward these goals on a regular and ongoing basis.

SEC. 153. JUNIOR ACHIEVEMENT.

(a) FINDINGS.—The Congress finds that—

(1) the free enterprise system is the foundation of, and necessary for the preservation of, democracy;

(2) educating the citizens of the newly independent states of the former Soviet Union in the principles of free enterprise will encourage economic productivity and provide opportunities for entrepreneurship;

(3) Junior Achievement International has 37 member nations and has pilot programs in 20 other countries with 1.7 million participants worldwide;

(4) in 1992, the first year of operation, Junior Achievement International programs expect to reach 200,000 young people in the newly independent states of the former Soviet Union;

(5) Junior Achievement's mission to provide young people with practical economic education programs and experiences is consistent with United States foreign policy objectives;

(6) Russian President Boris Yeltsin has recognized the high success of Junior Achievement—Russia has requested that Junior Achievement be greatly expanded;

(7) Junior Achievement programs are a cost effective way to educate millions of young people in the newly independent states of the former Soviet Union in the free enterprise system.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that of the funds authorize to be expended by this title, a portion should be made available for the purchase of books and materials and the development of educational programs by representative organizations of Junior Achievement International in the newly independent states of the former Soviet Union.

SEC. 154. PRIVATE SECTOR DEVELOPMENT INITIATIVE.

(a) FINDINGS.—Congress finds that—

(1) the single greatest privatization initiative undertaken in the history of the United States resulted from the Homestead Act of 1862 which offered free land to anyone twenty-one years of age or older who would live on it for a minimum of five years and improve it;

(2) the newly independent states of the former Soviet Union are faced with the need for privatization on an equally massive scale;

(3) the most effective means of creating a market economy in the newly independent states of the former Soviet Union will come as modes and methods of production are owned by private men and women who are responsible for the success of their farms and businesses and for the improvement of their homes and neighborhoods;

(4) essential to the privatization of the economies of these countries is the availability of capital for the purchase of homes, farms, and small businesses;

(5) the development of a market-based financial sector is essential to the formation of a market-based economy in the newly independent states of the former Soviet Union;

(6) the United States should take the lead in encouraging the establishment of secondary markets in the newly independent states of the former Soviet Union, to assist in the long-term process of privatization of large-scale industry; and

(7) in developing programs to assist the privatization of the newly independent states of the former Soviet Union, the United States should concentrate primarily on using the skills of the United States' private financial sector personnel.

(b) DEVELOPMENT OF PRIVATE FINANCIAL SECTOR.—The United States should assist in the development of a market-based private-sector economy in the newly independent states of the former Soviet Union by—

(1) assisting in the development of standards for certification of lending institutions; for the making of loans by certified institutions, including uniform underwriting, security, appraisal, accounting and repayment standards for qualified loans;

(2) assisting in the development of programs to encourage microenterprise loans for small businesses, home mortagages, and small farms;

(3) assisting in the development of secondary markets, including the development of securities laws, banking laws, and regulations for the newly independent States;

(4) assisting in the development of laws that enforce the equivalent of fee simple ownership in real property and the equivalent ownership in personal property; and

(5) assisting in the development of laws that enforce liens and mortgages on personal property and real property.

SEC. 155. DISCUSSIONS WITH ISRAEL.

(a)(1) The Bush Administration has indicated its support in principle for the concept of providing appropriate assistance to Israel to help it meet the urgent humanitarian needs associated with the massive influx of immigrants from the former Soviet Union.

(2) The recent elections in Israel have generated renewed hope for productive discussions between the United States and Israel on the issue of providing such assistance.

(3) In the aftermath of the formation of a new Israeli Government, the Bush Administration should be given a reasonable period of time to explore and implement such discussions: Now, therefore, it is the sense of the Senate

(b)(1) The Bush Administration should pursue renewed, good faith discussions with the Israeli Government on the provision of the aforesaid assistance, as soon as a new Israeli Government is formed and is fully functioning.

(2) While monitoring and encouraging such discussions, it is the intention of the United States Senate to take up and favorably act on legislation involving appropriate assistance to Israel to help it meet the needs generated by the influx of immigrants from the former Soviet Union before the adjournment of the One Hundred Second Congress.

SEC. 156. PROMULGATION OF FINAL REGULATIONS ON CERTAIN AVIATION ISSUES.

(a) REQUIREMENT TO PROMULGATE FINAL REGULATIONS BY SEPTEMBER 1, 1992.—After September 1, 1992, the Secretary of Transportation shall no longer have authority to regulate airline computer reservation systems if by September 1, 1992, either—

(1) the Secretary of Transportation does not promulgate final regulations governing airline computer reservation systems; or

(2) the Administrator of the Federal Aviation Administration does not promulgate final regulations on the allocation and transfer of airline slots at high density traffic airports.

(b) FEDERAL TRADE COMMISSION AUTHORITY.—

(1) AMENDMENT TO FEDERAL TRADE COMMISSION ACT.—Section 5(a)(2) of the Federal Trade Commission Act (15 U.S.C. 45(a)(2)) is amended by striking "air carriers and foreign air carriers subject to the Federal Aviation Act of 1958,".

(2) REQUIREMENT TO PROMULGATE FINAL REGULATIONS.—If the authority of the Secretary of Transportation to regulate airline computer reservation systems is no longer in effect as a result of the operation of subsection (a), the Federal Trade Commission shall promulgate final regulations governing airline computer reservation systems not later than December 1, 1992.

(c) EFFECTIVE DATES.—The amendment made by subsection (b)(1) shall take effect on September 2, 1992, but only if the authority of the Secretary of Transportation to regulate airline computer reservation systems is no longer in effect as a result of the operation of subsection (a). The other provisions of this section are effective on the date of enactment of this Act.

SEC. 157. PROMOTION OF COMPETITIVE OPPORTUNITIES FOR UNITED STATES INSURANCE COMPANIES.

(a) The Commodity Credit Corporation and the Agency for International Development, when engaging in any transaction with any foreign government or private entity pursuant to the "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act" shall seek to ensure that United States insurance companies are afforded a fair and open competitive opportunity to provide insurance against risk of loss in connection with any transaction, for which they provide a loan, loan guarantee, insurance, reinsurance, or extension of credit.

(b) In any case in which the Commodity Credit Corporation or the Agency for International Development become aware that a fair and open competitive opportunity is not available to any United States insurance company with respect to the insurance-related business stemming from any loan, loan guarantee, or extension of credit made under this Act, by the Commodity Credit Corporation or the Agency for International Development—

(1) may approve or deny the loan, guarantee, or extension of credit after considering whether such a denial would be likely to achieve competitive access for United States insurance companies; and

(2) shall forward information to the United States Trade Representative regarding the denial of a fair and open competitive opportunity to United States insurance companies;

(3) In any case in which the Commodity Credit Corporation or Agency for International Development approve a transaction, notwithstanding information regarding denial of competitive opportunities for United States insurance companies, the Commodity Credit Corporation, or the Agency for International Development shall include notice of such approval and reason for such approval to the appropriate committees of the United States Senate and the House of Representatives.

(c) For purposes of this section—

(1) the term United States insurance company—

(A) includes an individual, partnership, corporation, holding company, or other legal entity which is authorized (or in the case of a holding company, subsidiaries of which are authorized) by a State to engage in the business of issuing insurance, contracts or reinsuring the risk underwritten by insurance companies; and

(B) includes foreign operations, branches, agencies, subsidiaries, affiliates, or joint ventures of any entity described in clause (A); and

(2) the term fair and open competitive opportunity means, with respect to the provision of insurance by a United States insurance company, that the company—

(A) has had notice of the opportunity to provide such insurance; and

(B) has been evaluated for such opportunity on a nondiscriminatory basis.

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 to a transition 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 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) LIMITATION.—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.

TITLE III—FREEDOM EXCHANGE ACT

Subtitle A—In General

SEC. 301. SHORT TITLE.

This title may be cited as the "Freedom Exchange Act".

SEC. 302. STATEMENT OF PURPOSE.

The purpose of this title is—

(1) to bring young people of the former Soviet Union and the Baltic states to the United States so that they might experience first-hand how a free market democracy functions;

(2) to assist the skill-building process necessary for both institution-building and nation-building; and

(3) to ease immigration restrictions to allow the freer flow of scientists and others from the former Soviet Union knowledgeable in the production of nuclear weapons.

SEC. 303. DEFINITIONS.

As used in this title—

(1) the term "Baltic states" means Latvia, Lithuania, and Estonia;

(2) the term "Endowment" means the corporation described in section 311(b)(2);

(3) the term "institution of higher education" has the same meaning as is given to such term by section 1201(a) of the Higher Education Act of 1965;

(4) the term "independent states of the former Soviet Union" includes the following states that formerly were part of the Soviet Union: Armenian, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan; and

(5) the term "secondary school" has the same meaning given to such term by section 1471(21) of the Elementary and Secondary Education Act of 1965.

Subtitle B—Educational Exchange Program

SEC. 311. AUTHORITIES FOR AWARDING GRANTS.

(a) GENERAL AUTHORITY.—The President shall establish and carry out an exchange program in accordance with this subtitle. In carrying out such a program, the President shall award, on a competitive basis, grants to eligible organizations to enable such organizations to finance—

(1) the exchange of secondary school students in accordance with section 312;

(2) the exchange of college students in accordance with section 313;

(3) the exchange of graduate students in accordance with section 314;

(4) visits and interchanges of professors and educators in accordance with section 315; and

(5) internships in accordance with section 316.

(b) ELIGIBLE ORGANIZATIONS.—For the purpose of this subtitle, the term "eligible organization" means—

(1) during fiscal year 1993, any private nonprofit organization which has experience in exchange programs and demonstrates a capacity to carry out such programs in the independent states of the former Soviet Union or in the Baltic States; and

(2) during fiscal year 1994, a private, nonprofit corporation to be established which shall be designated by the President to carry out the educational exchange program assisted under this subtitle through the awarding of grants to private, nonprofit organizations described in paragraph (1), which corporation shall be known as the Educational Exchange Endowment (hereafter in this title referred to as the "Endowment").

(c) DURATION.—The President shall award grants under this section during the period beginning on October 1, 1992, and ending on September 30, 1994. It is the intention of Congress to continue this initiative in future years.

(d) ADMINISTRATIVE EXPENSES.—Each eligible organization receiving a grant under this subtitle may use not more than 10 percent of such grant for administrative expenses.

(e) APPLICATION.—(1) Each eligible organization seeking a grant under this section shall submit an application to the President at such time, in such manner, and accompanied by such information as the President may reasonably require.

(2) Each application submitted pursuant to paragraph (1) shall—

(A) describe the activities for which assistance under this section is sought; and

(B) provide such additional assurances as the President determines to be essential to ensure compliance with the requirements of this section.

(f) MATCHING FUNDS.—The President is authorized to seek private funds to supplement or match public grants for the programs authorized by this title.

(g) ELIGIBILITY FOR GRANTS.—Grants may be made to eligible organizations only if such organizations agree to comply with the requirements specified in this subtitle.

(h) IMPLEMENTATION.—In carrying out this subtitle, the President shall—

(1) encourage colleges and universities receiving students to supplement public grants with their own resources, to the extent possible; and

(2) allow for a wide range of United States institutions to participate in programs under this subtitle.

(i) COMPLIANCE WITH BUDGET ACT.—The authority to make grants under this title shall be effective only to such extent or in such amount as are provided in appropriations Acts.

SEC. 312. SECONDARY SCHOOL STUDENTS.

(a) GRANT USES.—(1) Grants awarded under section 311(a)(1) shall be used to finance—

(A) visits of short duration by eligible secondary students, to the United States, to any of the independent states of the former Soviet Union, or to any Baltic state, with priority accorded to visits that take place during fiscal year 1993; or

(B) studies, instruction, and other educational exchange activities in the United States, in any of the independent states of the former Soviet Union, or in any Baltic state, each educational exchange activity lasting not less than one semester or more than one year, for eligible secondary school students.

(2) Of the amount of grants awarded under section 311(a)(1), not more than 35 percent in fiscal year 1993 and not more than 15 percent in each of fiscal year 1994 may be used for the purpose of paragraph (1)(A).

(b) CONDITIONS.—(1) The President may require that a portion of a grant awarded under section 311(a)(1) be used only for educational activities that are conditioned on the reciprocal exchange of American students.

(2) Not more than 15 percent of the total amount of grant funds awarded under section 311(a)(1) may be used to finance educational exchanges of American students under this section.

(3) No grant awarded under section 311(a)(1) may be used to reimburse any United States citizen for hosting an eligible secondary student.

(c) DEFINITION.—For purposes of this section, the term "eligible secondary school student" means a secondary school student from the United States, any of the independent states of the former Soviet Union, or any Baltic state who—

(1) is at least 15 years of age;

(2) is attending school at a grade level equivalent to any of the grade levels 10 through 12 in United States secondary schools or has just completed secondary school in any of the independent states of the former Soviet Union or any Baltic state; and

(3) has a minimum level of proficiency in English, as determined by testing.

(d) ADMINISTRATION.—To the maximum extent practicable, a grant under this section shall be used to support the activities described in subsection (a) for secondary school students of widely divergent backgrounds.

(e) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated $32,500,000 for fiscal year 1993.

SEC. 313. COLLEGE STUDENTS.

(a) GRANT USES.—Grants awarded under section 311(a)(2) shall be used to finance studies, research, instruction, and other educational exchange activities for eligible college students in institutions of higher education in the United States, in any of the independent states of the former Soviet Union, or in any Baltic state, each educational exchange activity lasting not less than one semester or more than one year, with special emphasis on—

(1) those students who are studying to become English teachers; and

(2) those students who are seeking to acquire knowledge or skills applicable to restructuring the economy or building democratic institutions.

(b) CONDITION.—(1) The President may require that an eligible organization in order to receive a grant under section 311(a)(2), agree to use a portion of such grant for educational activities that are conditioned on the institution of higher education providing an eligible college student with some financial resources, either in the form of room and board or as a waiver of tuition.

(2) Not more than 15 percent of the total amount of grant funds awarded under section 311(a)(2) may be used to finance educational exchanges of American students under this section.

(c) DEFINITION.—For purposes of this section, the term "eligible college student" means a student enrolled in four-year programs of study at a community college, college or university in the United States, any of the independent states of the former Soviet Union, or any Baltic state, including any American-founded school in the former Soviet Union, and who—

(1) has completed at least one year of study and is not in the last year of such study; and

(2) in the case of a foreign student, has a minimum level of proficiency in English, as determined by testing.

(d) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated $27,000,000 for fiscal year 1993.

SEC. 314. GRADUATE STUDENTS.

(a) GRANTS USES.—Grants awarded under section 311(a)(3) shall be used to finance studies, research, instruction, and other educational exchange activities for eligible graduate students in the United States, in any of the independent states of the former Soviet Union, or in any Baltic state, each educational exchange activity lasting not less than one semester or more than one year, with emphasis on those students who are seeking to acquire knowledge or skills applicable to restructuring an economy or building democratic institutions.

(b) CONDITION.—Not more than 15 percent of the total amount of grant funds awarded under section 311(a)(3) may be used to finance educational exchanges of American students under this section.

(c) DEFINITION.—For purposes of this section, the term "eligible graduate student" means a student from the United States, any of the independent states of the former Soviet Union, or any Baltic state, including any student attending an American-founded university in the former Soviet Union, who—

(1) is enrolled in a graduate course of study at a college or university;

(2) has completed one year of such study; and

(3) in the case of a foreign student, has a minimum level of proficiency in English, as determined by testing.

(d) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated $4,250,000 for fiscal year 1993.

SEC. 315. "SISTER" UNIVERSITY PROGRAM.

(a) GRANT USES.—(1) Grants awarded under section 311(a)(4) shall be used to finance visits and other interchanges between professors and educators of eligible paired institutions for the purpose of developing curriculum and otherwise strengthening ties between the independent states of the former Soviet Union and the Baltic states and the United States at the institutional level.

(2) Each grant awarded under this subsection shall be in the amount of $50,000.

(3) Each grant awarded under this subsection to eligible paired institutions may be disbursed during a period of two fiscal years.

(b) DEFINITION.—For purposes of this section, the term "eligible paired institutions" means—

(1) in fiscal year 1993, a pairing by the President, or

(2) in any of the fiscal years 1994 through 1997, a pairing by the Endowment,

of one United States institution of higher education with a college or university in any of the independent states of the former Soviet Union or any Baltic state wherever such pairing is likely to promote a continuing relationship between the institutions after the termination of assistance under this subtitle.

(c) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated $7,500,000 for fiscal year 1993.

SEC. 316. LEADERSHIP BY EXAMPLE GROUPS.

(a) GRANT USES.—(1) Grants awarded under section 311(a)(5) shall provide eligible persons with internships in enterprises in the United States for durations of six months or less.

(2) Such program may be referred to as the "Leadership by Example Groups (LEGS) Program".

(3) A portion of each grant may be used to provide limited advanced English language training to interns before coming to the United States.

(4) As used in this subsection, the term "enterprises" includes, but is not limited to, enterprises in the fields of agricultural production, agri-business, telecommunications, finance, health care, natural resource management, environmental protection, and oil and mineral exploration and extraction.

(b) CONDITION.— Each eligible organization receiving a grant under section 311(a)(5) awarding internships shall require that a small business or appropriate chamber of commerce provide a portion of the costs of the internships, such as the costs of medical and dental insurance or housing for internship recipients.

(c) DEFINITION.—For purposes of this section, the term "eligible person" means a national of any of the independent states of the former Soviet Union or any Baltic state who—

(1) is under 40 years of age; and

(2) has a minimum level of training in the English language.

(d) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated to the President $10,000,000 for fiscal year 1993.

SEC. 317. AUTHORIZATION AND MANDATE.

(a) AUTHORIZATION AND MANDATE.—(1) The Congress authorizes and urges the President to establish a program of support for exchanges of governmental officials with the independent states of the former Soviet Union and Eastern Europe.

(2) Such program may be referred to as the "Partnership for Essential Governmental Services".

(3) As part of such program, the President is authorized to make available, on a volunteer basis and as appropriate, Federal civil service employees of departments and agencies of the United States for temporary duty in the independent states of the former Soviet Union and Eastern Europe to assist those countries in the development of essential governmental services.

(b) IMPLEMENTATION.—(1) The program authorized by subsection (a) should be carried out by existing agencies of United States Government and by volunteer-coordinating organizations such as the Citizens Democracy Corps, and should place upon each participating foreign government the primary responsibility for—

(A) identifying specific needs for such advisory assistance; and

(B) bearing in-country living expenses of American governmental officials seconded to advise that government.

(2) The President may provide assistance to those independent states of the former Soviet Union which cannot meet their share of the cost of this program.

SEC. 318. ADMINISTRATIVE REQUIREMENTS FOR THE ENDOWMENT.

In order to receive assistance under this subtitle, the Education Exchange Endowment shall comply with the following requirements:

(1) The Endowment shall have the capacity to receive, accept, solicit, and collect private funds to supplement Government grants received under this subtitle and shall agree actively to seek such private funds.

(2)(A) Officers of the Endowment may not receive any salary or other compensation from any source, other than the Endowment, for services rendered during the period of their employment by the Endowment.

(B) If an individual who is an officer or employee of the United States Government serves as a member of the Board of Directors or as an officer or employee of the Endowment, that individual may not receive any compensation or travel expenses in connection with services performed for the Endowment.

(3)(A) The Endowment shall not issue any shares of stock or declare or pay any dividends.

(B) No part of the assets of the Endowment shall inure to the benefit of any officer or employee of the Endowment, or any other individual, except as salary or reasonable compensation for services.

(4) The accounts of the Endowment shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Endowment are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Endowment and necessary to facilitate the audits shall be made available to the person or persons conducting the audits. The Endowment shall make available to such person or persons full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians.

(5)(A) The financial transactions of the Endowment for each fiscal year may be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. Any such audit shall be conducted at the place or places where accounts of the Endowment are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and all other papers, things, or property belonging to or in use by the Endowment pertaining to its financial transactions and necessary to facilitate the audit. The Endowment shall make available to such representatives full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians. All such books, accounts, records, reports, files, papers, and property of the Endowment shall remain in the possession and custody of the Endowment.

(B) A report of each such audit shall be made by the Comptroller General to the Congress. The report to the Congress shall contain such comments and information as the Comptroller General may deem necessary to inform the Congress of the financial operations and condition of the Endowment, together with such recommendations with respect thereto as he may deem advisable. The report shall also identify any program, expenditure, or other financial transaction or undertaking observed in the course of the audit, which, in the opinion of the Comptroller General, has been carried on or made contrary to the requirements of this subtitle. A copy of each report shall be furnished to the President and to the Endowment at the time submitted to the Congress.

SEC. 319. EFFECTIVE DATE.

This subtitle shall take effect on October 1, 1992.

TITLE IV—AMERICAN AGRIBUSINESS CENTERS AND PRACTITIONERS EXCHANGE ACT OF 1992

SEC. 401. SHORT TITLE.

This title may be cited as the "American Agribusiness Centers and Practitioners Exchange Act of 1992".

SEC. 402. FINDINGS; POLICY.

The Congress finds that—

(1) the transition from a command and control system in agriculture to a market system is critical to the success of the economic reforms in the independent states of the former Soviet Union and Baltic states;

(2) the command-driven agricultural system of the independent states of the former Soviet Union and Baltic states is in the process of including market incentives;

(3) it is in the interest of the United States to assist in the establishment of a free market agriculture system as well as improve the agriculture and food production, processing, storage and distribution systems in the independent states of the former Soviet Union and Baltic states;

(4) it is in the interest of the United States to help provide new market opportunities for United States agribusiness in the independent states of the former Soviet Union and Baltic states as well as increase United States exports in agricultural inputs, equipment, management systems and technology to those countries;

(5) American Agribusiness Centers and "hands on" experiences through expanded two-way exchanges will transfer the entrepreneurial attitudes as well as knowledge, skills and experiences of American farmers and agribusiness practitioners to their counterparts in the independent states of the former Soviet Union and Baltic states; and

(6) agribusiness practitioners from the independent states of the former Soviet Union and Baltic states will increase their understanding of the technologies, risks, and rewards of free market farming and agribusiness through "hands on" experience through expanded two-way exchange programs.

SEC. 403. STATEMENT OF PURPOSE.

The purpose of this title is to facilitate the establishment of—

(1) not less than three new American Agribusiness Centers during fiscal year 1993 and not less than four new American Agribusiness Centers during fiscal year 1994 in the independent states of the former Soviet Union and Baltic states;

(2) not less than three regional American Agribusiness Exchange Centers during fiscal year 1993 and not more than two regional American Agribusiness Exchange Centers during fiscal year 1994 at State Universities and Land Grant Colleges in the United States; and

(3) an expanded two-way exchange program of agribusiness practitioners not to exceed more than two thousand participants during fiscal year 1993, six thousand participants during fiscal year 1994 and ten thousand participants in 1995 and not less than one quarter of the maximum number of participants authorized in each fiscal year.

SEC. 404. AMERICAN AGRIBUSINESS CENTERS ABROAD.

(a) IN GENERAL.—The President is authorized to fund established American Agribusiness Centers in the independent states of the former Soviet Union and Baltic states.

(b) IMPLEMENTATION.—To the maximum extent possible, the President shall provide for—

(1) not less than three new American Agribusiness Centers during fiscal year 1993 and

not less than four new American Agribusiness Centers during fiscal year 1994 which have joint ventures in the independent states of the former Soviet Union and Baltic states;

(2) priority funding to be given to—

(A) centers with experience in operating such a joint venture Agribusiness Center in the former Soviet Union;

(B) centers which include the participation of private United States agribusiness or agricultural cooperatives, state universities and land grant colleges, and banks making appropriate contributions of equipment, materials and personnel for the operation of such centers;

(C) centers which have joint ventures in which host countries make appropriate contributions of transportation, personnel, construction and use of land; and

(D) centers which utilize United States agricultural equipment;

(3) joint ventures between American Agribusiness Centers and host entities to be established in various independent states of the former Soviet Union and Baltic states;

(4) centers to enhance the ability of agribusiness practitioners in the independent states of the former Soviet Union and Baltic states to better meet the needs of their people and make the transition from a command and control system in agriculture to a free market system such as through—

(A) training programs;

(B) education programs such as, but not exclusively, market economics, concepts in private property, marketing, agribusiness practices, credit and finance;

(C) initiatives to—

(i) determine appropriate techniques to enhance agricultural production; and

(ii) develop strategies for the application of biotechnology to support food security and sustainable agricultural practices;

(D) technical assistance to increase the efficiency of the agricultural production, processing, storage and distribution systems; and

(E) participation in exchange programs; and

(5) in the establishment of any new American Agribusiness Center, preference in funding to any such entity with experience in operating such a joint venture Agribusiness Center in the former Soviet Union if such entity includes the participation of private United States agribusiness and State university or land grant colleges.

(c) AUTHORIZATION OF APPROPRIATIONS.—In addition to funds otherwise made available for such purpose, there are authorized to be appropriated $12,000,000 in fiscal year 1993 to carry out this section. Such funds are authorized to remain available until expended.

SEC. 405. AMERICAN AGRIBUSINESS EXCHANGE CENTERS IN THE UNITED STATES.

(a) IN GENERAL.—The President is authorized and encouraged to establish five regional Agribusiness Centers at State universities and land grant colleges in the United States for the purpose of expanding two-way exchange programs among agribusiness practitioners.

(b) IMPLEMENTATION.—To the maximum extent possible, the President should direct—

(1) that such Centers act in consultation and coordination with such an agency as he may designate, to establish criteria for the selection of participants in the exchange program;

(2) that in establishing criteria for the selection of participants in the exchange program preference be given to agribusiness practitioners from the independent states of the former Soviet Union and the Baltic states who have participated in the program established pursuant to section 404 of this Act;

(3) that such Centers be responsible for recruitment of American exchange participants, United States host communities, families and agribusinesses;

(4) that such Centers ensure that American participants reflect a broad range of agricultural regions and agribusiness activities;

(5) that such Centers coordinate their activities with existing national and state-level farm and commodity groups, other State universities and land grant colleges, State and Federal agencies, and representatives of local communities;

(6) that such Centers be located in States or areas where family farmers and owner-operator agricultural production units are the primary structure of farming and where agricultural input and marketing cooperatives are well established;

(7) that such Centers be located in State universities and land grant colleges that have established strong research, instruction, and public service programs in areas of international development (particularly development directed at the independent states of the former Soviet Union and Baltic states), land tenure resolution (including privatization), and cooperative development and management;

(8) that such Centers encourage private United States agribusinesses, foundations, private organizations as well as State universities and land grant colleges to make appropriate contributions of space, materials and personnel for the establishment and operation of such Centers; and

(9) such Centers enhance the ability of agribusiness practitioners from the independent states of the former Soviet Union and Baltic states to better meet the needs of their people and make the transition from a command and control system in agriculture to a free market system such as through—

(A) training programs;

(B) education programs such as, but not exclusively, market economics, concepts in private property, marketing, agribusiness practices;

(C) initiatives to—

(i) determine appropriate techniques to enhance agricultural production; and

(ii) develop strategies for the application of biotechnology to support food security and sustainable agricultural practices; and

(D) internships.

(c) AUTHORIZATION OF APPROPRIATIONS.—In addition to funds otherwise made available for such purpose, there are authorized to be appropriated $10,000,000 in fiscal year 1993 to carry out this section. Such funds are authorized to remain available until expended.

SEC. 406. DEFINITIONS.

As used in this title—

(1) the term "Baltic states" means Latvia, Lithuania, and Estonia;

(2) the term "independent states of the former Soviet Union" means Armenia, Azerbaijan, Byelarus, Georgia, Kazakhstan, Kyrgystan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan; and

(3) the term "agribusiness practitioner" means farmers, agricultural specialists, suppliers, processors, marketers, handlers, transporters, processors, and others in engaged in the various facets of agribusiness.

TITLE V—AMERICAN CENTERS

SEC. 501. SHORT TITLE.

This title may be cited as the "American Centers Act".

SEC. 502. AMERICAN CENTERS TO SUPPORT PEACEFUL TRANSITIONS LEADING TO FREE MARKET ECONOMIES AND DEMOCRATIC VALUES IN RUSSIA, THE UKRAINE, BELARUS, GEORGIA, ARMENIA, AND OTHER NEW INDEPENDENT STATES.

In order to demonstrate an American commitment to support the peoples of Russia, the Ukraine, Belarus, Georgia, Armenia, and other new independent States, the President should establish American Centers to promote commercial, professional, civic, and other partnerships between the people of the United States and the peoples of new independent states for the purposes of:

(1) establishing a liaison to facilitate exchanges between the peoples of the republics of the former Soviet Union and American business entities, State and local governments, and professional and civic institutions in the United States;

(2) providing a repository for commercial, legal, and technical (including environmental and export control) information;

(3) identifying existing or potential counterpart businesses or organizations that may require specific technical coordination or assistance; and

(4) helping to establish the legal and regulatory framework and infrastructure that is a critical prerequisite to the establishment of a market oriented economy and democratic institutions;

(5) such other objectives that the Center Directors and Coordinator may identify and have been approved by the Executive Board.

SEC. 503. EXECUTIVE BOARD AND DIRECTORS OF CENTERS.

(a) THE EXECUTIVE BOARD.—The President is authorized to appoint an Executive Board of no more than ten United States citizens to advise the President and to provide policy and technical direction to the American Centers. The Board Members should be chosen from individuals who have demonstrated leadership in business, professional, and civic organizations that engage in relevant international activities, in particular in the new independent States.

(b) DIRECTORS OF THE AMERICAN CENTERS.—Upon the appointment of an Executive Board as provided in subsection (a), the President may designate, from a list of candidates submitted by the Executive Board upon his request, Directors of one or more American Centers to carry out the purposes of the Act. The Executive Board shall work as expeditiously as possible to respond to requests to establish additional American Centers in major cities of the Republics.

(c) POLICY COORDINATION OF AMERICAN CENTERS.—The President is encouraged to designate a coordinator to oversee, subject to the policy direction of the Secretary of State, activities conducted by the United States Government in connection with the American Centers and other activities authorized by the Freedom Support Act. The coordinator, the Deputy Secretary of State, and the Chairman of the Trade Promotion Coordinating Committee shall be ex officio members of the Executive Board.

(d) The Executive Board shall consult with and provide periodic reports to the President, the Secretary of State, and the appropriate committees of Congress.

(e) Nothing in this section shall be construed—

(1) to make the Executive Board or any American Center an agency or establishment of the United States Government, or

(2) to make any member of the Executive Board or director of an American Center officers of employees of the United States Gov-

ernment, for the purpose of title 5, United States Code or any law administered by the Office of Personnel Management. In addition, the provisions of the Federal Advisory Committee Act shall not apply to the Executive Board or any American Center.

SEC. 504. FUNDING FOR AMERICAN CENTERS AND FOR TECHNICAL SUPPORT FOR DEMOCRATIC GOVERNMENTS, PRIVATE INSTITUTIONS, AND PROFESSIONAL ORGANIZATIONS IN THE SOVIET REPUBLICS.

(a) AUTHORIZATION OF APPROPRIATIONS.—Of the amounts made available for assistance under the Freedom Support Act, not more than $5,000,000 for fiscal year 1993, and not more than $10,000,000 during any subsequent fiscal year shall be available for assistance in accordance with this Act.

(b) TYPES OF ASSISTANCE AUTHORIZED.—Funds made available pursuant to this Act shall be used to establish and maintain the American Centers and to provide technical and related support assistance to any eligible recipients in the new independent States.

(c) ELIGIBLE RECIPIENTS.—As used in the Act, the term, "eligible recipient" means—

(1) the government of any republic, and any local government, within the new independent State (or any successor state) that was elected through open, free, and fair elections,

(2) any nongovernmental organization that promotes democratic reforms, market oriented reforms, the rule of law (including the legal infrastructure prerequisite to the foregoing) or any other objectives of this Act, and

(3) any governmental agencies that promote democratic reforms, market-oriented reforms, or the rule of law (except that no more than 15 per centum of amount authorized in subsection (a) may be used for this category).

(d) RESTRICTIONS.—No cash grants may be made under this Act to any governmental agency or organization in the new independent States. Payments for rent or lease of office facilities for an American Center are to be made, to the extent practicable, from local currency provided for that purpose by the host government.

(e) Except to the extent inconsistent with this Act, technical assistance under this Act shall be considered to be assistance under part 1 of the Foreign Assistance Act for the purposes of making available the administrative authorities of that Act.

(f) The Centers are authorized to accept private contributions from United States citizens and organizations to be used pursuant to the provisions of this Act.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. McCathran, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE RECEIVED DURING ADJOURNMENT

Under the authority of January 3, 1991, the Secretary of the Senate on July 8, 1992, during the adjournment of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bills:

H.R. 158. An act to designate the building in Hiddenite, North Carolina, which houses the primary operations of the United States Postal Service as the "Zora Leah S. Thomas Post Office Building";

H.R. 4505. An act to designate the facility of the United States Postal Service located at 20 South Montgomery Street in Trenton, New Jersey, as the "Arthur J. Holland United States Post Office Building"; and

H.R. 5412. An act to reauthorize the transfer of certain naval vessels to Greece and Taiwan.

Under the authority of January 3, 1991, the enrolled bills were signed by the President Pro Tempore on July 13, 1992, during the adjournment of the Senate.

Under the authority of January 3, 1991, the Secretary of the Senate on July 9, 1992, during the adjournment of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bills:

S.J. Res. 324. A joint resolution to commend the NASA Langley Research Center on the celebration of its 75th anniversary on July 17, 1992.

Under the authority of January 3, 1991, the enrolled bill was signed by the President Pro Tempore on July 13, 1992, during the adjournment of the Senate.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on July 10, 1992, he had presented to the President of the United States the following enrolled bill:

S. 2780. An act to amend the Food Security Act of 1985 to remove certain easement requirements under the conservation program, and for other purposes.

The Secretary of the Senate reported that on July 13, 1992, he had presented to the President of the United States the following enrolled bill:

S.J. Res. 324. A joint resolution to commend the NASA Langley Research Center on the celebration of its 75th anniversary on July 17, 1992.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3552. A communication from the President of the United States, transmitting, pursuant to law, a report concerning the national emergency with respect to Libya; to the Committee on Banking, Housing, and Urban Affairs.

EC-3553. A communication from the President of the United States, transmitting, pursuant to law, a report on the designation of Bolivia as a beneficiary of trade-liberalizing measures; to the Committee on Finance.

EC-3554. A communication from the President of the United States, transmitting, pursuant to law, a report with respect to the designation of Colombia as a beneficiary of trade liberalizing measures; to the Committee on Finance.

EC-3555. A communication from the Director of the United States Arms Control and Disarmament Agency, transmitting, pursuant to law, a report on the adherence of the United States to arms control treaty obligations; to the Committee on Foreign Relations.

EC-3556. A communication from the President of the United States, tansmitting, pursuant to law, a report on the status of compliance by Iraq with the resolutions adopted by the U.N. Security Council; to the Committee on Foreign Relations.

EC-3557. A communication from the Acting General Counsel of the Department of Defense, transmitting, a draft of proposed legislation to authorize the Secretaries of the military departments to delete administratively from selection board reports the names of officers selected for promotion if the officer was erroneously considered for promotion or is not serving on active duty; to the Committee on Armed Services.

EC-3558. A communication from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, the report on the actuarial status of the Military Retirement System; to the Committee on Armed Services.

EC-3559. A communication from the Deputy General Counsel of the Department of Defense, transmitting, pursuant to law, the report of Department of Defense and related employment for fiscal year 1991; to the Committee on Armed Services.

EC-3560. A communication from the President of the Thrift Depositor Protection Oversight Board, transmitting, pursuant to law, the annual report of the Oversight Board for the calendar year 1991; to the Committee on Banking, Housing, and Urban Affairs.

EC-3561. A communication from the President of the Thrift Depositor Protection Oversight Board, transmitting, pursuant to law, the audited financial statements of the Resolution Trust Corporation; to the Committee on Banking, Housing, and Urban Affairs.

EC-3562. A communication from the Comptroller General of the United States, transmitting, pursuant to law, the report on the audit of the Resolution Trust Corporation; to the Committee on Banking, Housing, and Urban Affairs.

EC-3563. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on direct spending or receipts legislation; to the Committee on the Budget.

EC-3564. A communication from the President of the National Rail Passenger Corporation, transmitting, pursuant to law, a report on the study of new rail service; to the Committee on Commerce, Science and Transportation.

EC-3565. A communication from the Deputy Associate Director for Collection and Reimbursement, Minerals Management Service, Department of Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3566. A communication from the Deputy Associate Director for Collection and

Disbursement, Minerals Management Service, Department of Interior, transmitting, pursuant to law a report on the refund of certain offshore lease revenues.

EC-3567. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3568. A communication from the Deputy Associate Director for Collection and Reimbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3569. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3570. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3571. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3572. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3573. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3574. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3575. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3576. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3577. A communication from the Secretary of Energy, transmitting, pursuant to law, a report on the Program Opportunity Notice for the fifth round of the Clean Coal Technology Demonstration Program; to the Committee on Energy and Natural Resources.

EC-3578. A communication from the Acting Secretary of Commerce, transmitting, pursuant to law, a report on the striped bass; to the Committee on Environment and Public Works.

EC-3579. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a report on the Public Buildings Service Capital Improvement Program; to the Committee on Environment and Public Works.

EC-3580. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on the Utilization and Quality Control Peer Review Organization; to the Committe on Finance.

EC-3581. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on group specific medicare volume performance standards; to the Committee on Finance.

EC-3582. A communication from the Chairman of the Physician Payment Review Commission, transmitting, pursuant to law, a report on access to care in the Medicare Program for calendar year 1992; to the Committee on Finance.

EC-3583. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty day period after July 2, 1992; to the Committee on Foreign Relations.

EC-3584. A communication from the Acting Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report relative to the provision of disaster assistance to the Persian Gulf Region; to the Committee on Foreign Relations.

EC-3585. A communication from the Secretary of the Smithsonian Institution, Office of the Inspector General, transmitting, pursuant to law, the Semiannual Report to Congress; to the Committee on Governmental Affairs.

EC-3586. A communication from the Chairman of the National Credit Union Administration, transmitting, pursuant to law, the National Credit Union Administration's Inspector General's Semiannual Report; to the Committee on Governmental Affairs.

EC-3587. A communication from the Chairman of the Consumer Products Safety Commission, transmitting, pursuant to law, the Semiannual Report of the Inspector General of the Commission; to the Committee on Governmental Affairs.

EC-3588. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a report on audit activity; to the Committee on Governmental Affairs.

EC-3589. A communication from The Administrator of the U.S. Agency for International Development, transmitting, pursuant to law, a report on audit management and resolution; to the Committee on Governmental Affairs.

EC-3590. A communication from the Director of the Federal Emergency Management Agency, transmitting, pursuant to law, the report of the Inspector General and a report on audit management and resolution; the Committee on Governmental Affairs.

EC-3591. A communication from the First Vice President and Vice Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a management report; to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES RECEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of June 23, 1992, the following reports of committees were submitted on July 15, 1992:

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, without amendment:

S. 2321: A bill to increase the authorizations for the War in the Pacific National Historical Park, Guam, and the American Memorial Park, Saipan, and for other purposes (Rept. No. 102-318).

H.R. 479: A bill to amend the National Trails System Act to designate the California National Historic Trail and Pony Express National Historic Trail as components of the National Trails System (Rept. No. 102-319).

By Mr. RIEGLE, from the Committee on Banking, Housing, and Urban Affairs, with an amendment in the nature of a substitute:

S. 2864: A bill to reauthorize the Export-Import Bank Act of 1945, to encourage export promotion, and for other purposes (Rept. No. 102-320).

By Mr. KENNEDY, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 25: A bill to protect the reproductive rights of women, and for other purposes (Rept. No. 102-321).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CRANSTON, from the Committee on Veterans Affairs, with an amendment in the nature of a substitute:

S. 2322. A bill to increase the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans (Rept. No. 102-322).

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. BAUCUS:

S. 2987. A bill to amend the Internal Revenue Code of 1986 to reduce compliance costs and administrative burdens in connection with foreign taxes, and for other purposes; to the Committee on Finance.

By Mr. BYRD (for Mr. FOWLER (for himself, Mr. D'AMATO, Mr. MOYNIHAN, Mr. CRANSTON, Mr. AKAKA, Mr. INOUYE, Mr. BUMPERS, and Mr. COCHRAN)):

S. 2988. A bill to amend the Public Health Service Act and title XIX of the Social Security Act to provide for the prevention, control, and elimination of tuberculosis, and for other purposes; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2989. A bill to provide additional time to negotiate settlement of a land dispute in

South Carolina; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BAUCUS (for Mr. MITCHELL):

S. Con. Res. 130. A concurrent resolution making a correction in the enrollment of Senate Concurrent Resolution 129 of the One Hundred Second Congress; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BAUCUS:

S. 2987. A bill to amend the Internal Revenue Code of 1986 to reduce compliance costs and administrative burdens in connection with foreign taxes, and for other purposes; to the Committee on Finance.

FOREIGN TAX SIMPLIFICATION ACT

• Mr. BAUCUS. Mr. President, I rise to introduce the Foreign Tax Simplification Act of 1992, a bill to reduce the compliance costs and administrative burdens which American taxpayers engaged in international trade face under U.S. tax law.

Experience over the last 5 years with the reforms we enacted in 1986 has made it clear that some of the rules we adopted are more complicated and difficult than they need to be to meet our policy objectives. As a result, American taxpayers operating internationally must go to great trouble and expense to comply with complex rules which in the end may produce little or no revenue for the Government. I am advised that compliance in the areas addressed by this legislation entails thousands of weeks of work and costs taxpayers millions of dollars. In turn, the Government is put to great effort and expense to audit compliance with provisions which produce little or no revenue.

My intent is not to reduce the amount of tax which corporations pay, nor to undo any of the basic decisions which we reached in the Tax Reform Act of 1986. What my bill will do is to make the Internal Revenue Code more cost effective by cutting the costs of filing and auditing tax returns for taxpayers with international operations. Simplifying the law for U.S. taxpayers will help to make them more competitive with foreign companies.

This bill is an improved version of S. 936, which I introduced in 1991. It incorporates several ideas suggested by private practitioners and by people in Government. It enjoys widespread support among taxpayers who deal with the foreign provisions of the Internal Revenue Code on a daily basis. The Joint Committee on Taxation has estimated that it would cost substantially less than S. 936, while accomplishing equal simplification.

First, this legislation amends section 263A to exempt foreign corporations not doing business in the United States from the requirement that the uniform capitalization rules [UNICAP] be applied in determining their earnings and profits. No change is suggested for U.S. companies operating overseas, or for foreign corporations operating in the United States.

U.S. multinationals incur significant costs both at the head office and at the affiliate level to bring foreign earnings and profits into conformity with detailed U.S. tax rules for purposes of computing the deemed-paid foreign tax credit and other required reporting. Determining the UNICAP adjustments to book earnings and profits requires the capitalization of costs to inventory or other property and the capitalization of interest expense to assets which are not required by foreign countries or for purposes of U.S. financial statements. Foreign-based multinationals do not incur these compliance costs because they are not subject to UNICAP rules.

In recognition of the complexity of applying UNICAP to foreign subsidiaries, the IRS has provided some relief. Even these simplified approaches, however, have their own uncertainties and complexities, and do not address the basic problem that UNICAP has no relevance to a foreign corporation not conducting business in the United States.

Finally, the revenue generated by applying the UNICAP rules to foreign subsidiaries is small in relation to the administrative burden.

Second, this legislation would correct a mistake in the provisions which were intended to subject passive investors to current U.S. tax on their portfolio dividends and interest, and their passive rents and royalties. As now written, the so-called PFIC rules erroneously snare active operating companies that were never intended to be included. The result of the mistake is that U.S. taxpayers waste an enormous amount of time and effort analyzing foreign financial statements and filing paperwork with the IRS. The penalties for failing to comply with the PFIC rules are a real trap for the unwary who do not have access to sophisticated tax and accounting advice. My new bill would solve the problem by exempting controlled foreign corporations from the PFIC rules because they are already covered by subpart F of the code. There is no need to make U.S. companies comply with overlapping and duplicative recordkeeping and reporting requirements. The taxpayers we originally intended to cover by the PFIC provisions will still be subject to them.

Third, this legislation would reduce the complexity caused by the present rule that dividends from each foreign corporation in which U.S. parent companies own less than a controlling interest are required to be put into a separate foreign tax credit category or "basket." This means that U.S. companies have to allocate their head office expenses to hundreds of separate baskets of income—an expensive and time-consuming process.

My new bill would simplify the law by putting all dividends from noncontrolled foreign corporations into one separate limitation or basket, based on the Treasury Department's suggestion in the 1990 hearings on tax simplification.

Compliance would be much easier than under present law because complex allocations of head office expense would be reduced from literally hundreds of these baskets to only one.

Fourth, this legislation incorporates verbatim the rules for translating foreign taxes into U.S. dollars using average exchange rates which we and the House adopted in H.R. 4287, the Tax Fairness and Economic Incentives Act of 1992.

Present law requires that each payment to each foreign income tax collector be translated into U.S. dollars at the spot rate on the date of such payment. Since many companies make thousands of payments each year, the workload is enormous. Under my bill there would usually be only one translation required, per country, per year.

This compromise enjoys widespread support and I know of no opposition to it.

The last element of this legislation, while it amounts to a technical correction, will also reduce the compliance burden of taxpayers. In 1986 we intended to provide a de minimis rule that would exempt foreign corporations with small amounts of separate limitation income from having to analyze their accounts and divide their income, expenses and taxes among the various baskets. Unfortunately, the rule we wrote incorporated by reference the definitions of subpart F income, instead of the definitions of separate limitation income that we should have used. My bill would provide that companies with less than $1 million of income in the separate baskets would simply put all of their income, expenses and taxes into the general limitation basket, the same de minimis test we use for subpart F.

Mr. President, revenue constraints may deter us from making major substantive changes at this time to make our companies more competitive, but there is no reason why we should not make it easier for taxpayers to prepare their tax returns and for the Government to audit them by revising rules which create substantial workload without producing commensurate revenue for the Government.

Mr. President, I ask that the full text of the bill be printed in the RECORD.

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

S. 2987

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

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 TAX CODE.

(a) SHORT TITLE.—This Act may be cited as the "Foreign Tax Simplification Act of 1992".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. LIMITED APPLICATION OF UNIFORM CAPITALIZATION RULES TO FOREIGN PERSONS.

(a) IN GENERAL.—Section 263A(c) (relating to exceptions) is amended by adding at the end thereof the following new paragraph:

"(7) FOREIGN PERSONS.—This section shall not apply to any foreign person except to the extent necessary for the computation of taxable income under sections 871(b)(2) and 882(a)(2) for purposes of the taxes imposed by sections 871(b)(1) and 882(a)(1)."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to costs incurred after December 31, 1991, in taxable years ending after such date.

SEC. 3. DEFINITION OF PASSIVE FOREIGN INVESTMENT COMPANY.

(a) EXCLUSION OF CONTROLLED FOREIGN CORPORATIONS.—Section 1296 (defining passive foreign investment company) is amended by adding at the end thereof the following new subsection:

"(e) SECTION 957 CORPORATIONS.—For purposes of this part, a foreign corporation shall not be considered a passive foreign investment company for any day on which such corporation was a controlled foreign corporation to which section 957(a) applied."

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall apply to taxable years of foreign corporations ending after December 31, 1991.

(2) TRANSITION RULE.—If, for the 1st taxable year to which the amendment made by this section applies, a foreign corporation which was a passive foreign investment corporation for any preceding taxable year is not such a corporation for such 1st taxable year by reason of such amendment, section 1297(b)(1) of the Internal Revenue Code of 1986 shall not apply to such 1st taxable year and subsequent taxable years solely by reason of such corporation being a passive foreign investment corporation before such 1st taxable year.

SEC. 4. APPLICATION OF SEPARATE FOREIGN TAX CREDIT LIMITATION FOR NONCONTROLLED SECTION 902 CORPORATIONS.

(a) IN GENERAL.—Subparagraph (E) of section 904(d)(1) (relating to separate application of section with respect to certain categories of income) is amended to read as follows:

"(E) in the case of a corporation, dividends from all noncontrolled section 902 corporations,".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1991.

SEC. 5. EXCHANGE RATE USED IN TRANSLATING FOREIGN TAXES.

(a) ACCRUED TAXES TRANSLATED BY USING AVERAGE RATE FOR YEAR TO WHICH TAXES RELATE.—

(1) IN GENERAL.—Subsection (a) of section 986 (relating to translation of foreign taxes) is amended to read as follows:

"(a) FOREIGN INCOME TAXES.—

"(1) TRANSLATION OF ACCRUED TAXES.—

"(A) IN GENERAL.—For purposes of determining the amount of the foreign tax credit, in the case of a taxpayer who takes foreign income taxes into account when accrued, the amount of any foreign income taxes (and any adjustment thereto) shall be translated into dollars by using the average exchange rate for the taxable year to which such taxes relate.

"(B) EXCEPTION FOR TAXES NOT PAID WITHIN FOLLOWING 2 YEARS.—

"(i) Subparagraph (A) shall not apply to any foreign income taxes paid after the date 2 years after the close of the taxable year to which such taxes relate.

"(ii) Subparagraph (A) shall not apply to taxes paid before the beginning of the taxable year to which such taxes relate.

"(C) EXCEPTION FOR INFLATIONARY CURRENCIES.—To the extent provided in regulations, subparagraph (A) shall not apply to any foreign income taxes the liability for which is denominated in any currency determined to be an inflationary currency under such regulations.

"(D) CROSS REFERENCE.—

"For adjustments where tax is not paid within 2 years, see section 905(c).

"(2) TRANSLATION OF TAXES TO WHICH PARAGRAPH (1) DOES NOT APPLY.—For purposes of determining the amount of the foreign tax credit, in the case of any foreign income taxes to which subparagraph (A) of paragraph (1) does not apply—

"(A) such taxes shall be translated into dollars using the exchange rates as of the time such taxes were paid to the foreign country or possession of the United States, and

"(B) any adjustment to the amount of such taxes shall be translated into dollars using—

"(i) except as provided in clause (ii), the exchange rate as of the time when such adjustment is paid to the foreign country or possession, or

"(ii) in the case of any refund or credit of foreign income taxes, using the exchange rate as of the time of the original payment of such foreign income taxes.

"(3) FOREIGN INCOME TAXES.—For purposes of this subsection, the term 'foreign income taxes' means any income, war profits, or excess profits taxes paid or accrued to any foreign country or to any possession of the United States."

(2) ADJUSTMENT WHEN NOT PAID WITHIN 2 YEARS AFTER YEAR TO WHICH TAXES RELATE.—Subsection (c) of section 905 is amended to read as follows:

"(c) ADJUSTMENTS TO ACCRUED TAXES.—

"(1) IN GENERAL.—If—

"(A) accrued taxes when paid differ from the amounts claimed as credits by the taxpayer,

"(B) accrued taxes are not paid before the date 2 years after the close of the taxable year to which such taxes relate, or

"(C) any tax paid is refunded in whole or in part,

the taxpayer shall notify the Secretary, who shall redetermine the amount of the tax for the year or years affected.

"(2) SPECIAL RULE FOR TAXES NOT PAID WITHIN 2 YEARS.—In making the redetermination under paragraph (1), no credit shall be allowed for accrued taxes not paid before the date referred to in subparagraph (B) of paragraph (1). Any such taxes if subsequently paid shall be taken into account for the taxable year in which paid and no redetermination under this section shall be made on account of such payment.

"(3) ADJUSTMENTS.—The amount of tax due on any redetermination under paragraph (1) (if any) shall be paid by the taxpayer on notice and demand by the Secretary, and the amount of tax overpaid (if any) shall be credited or refunded to the taxpayer in accordance with subchapter B of chapter 66 (section 6511 et seq.).

"(4) BOND REQUIREMENTS.—In the case of any tax accrued but not paid, the Secretary, as a condition precedent to the allowance of the credit provided in this subpart, may require the taxpayer to give a bond, with sureties satisfactory to and approved by the Secretary, in such sum as the Secretary may require, conditioned on the payment by the taxpayer of any amount of tax found due on any such redetermination. Any such bond shall contain such further conditions as the Secretary may require.

"(5) OTHER SPECIAL RULES.—In any redetermination under paragraph (1) by the Secretary of the amount of tax due from the taxpayer for the year or years affected by a refund, the amount of the taxes refunded for which credit has been allowed under this section shall be reduced by the amount of any tax described in section 901 imposed by the foreign country or possession of the United States with respect to such refund; but no credit under this subpart, or deduction under section 164, shall be allowed for any taxable year with respect to any such tax imposed on the refund. No interest shall be assessed or collected on any amount of tax due on any redetermination by the Secretary, resulting from a refund to the taxpayer, for any period before the receipt of such refund, except to the extent interest was paid by the foreign country or possession of the United States on such refund for such period."

(b) AUTHORITY TO USE AVERAGE RATES.—

(1) IN GENERAL.—Subsection (a) of section 986 (relating to foreign taxes) is amended by adding at the end thereof the following new paragraph:

"(3) AUTHORITY TO PERMIT USE OF AVERAGE RATES.—To the extent prescribed in regulations, the average exchange rate for the period (specified in such regulations) during which the taxes or adjustment is paid may be used instead of the exchange rate as of the time of such payment."

(2) DETERMINATION OF AVERAGE RATES.—Subsection (c) of section 989 is amended by striking "and" at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting ", and", and by adding at the end thereof the following new paragraph:

"(6) setting forth procedures for determining the average exchange rate for any period."

(3) CONFORMING AMENDMENTS.—Subsection (b) of section 989 is amended by striking "weighted" each place it appears.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxes paid or accrued in taxable years beginning after December 31, 1991.

SEC. 6. LOOK-THRU RULES FOR CONTROLLED FOREIGN CORPORATIONS NOT TO APPLY TO SEPARATE CATEGORIES WITH DE MINIMIS AMOUNTS.

(a) IN GENERAL.—Section 904(d)(3)(E) (relating to look-thru applies only where subpart F applies) is amended to read as follows:

"(E) LOOK-THROUGH APPLIES ONLY WHERE SEPARATE CATEGORY INCOME NOT DE MINIMIS.—

"(i) IN GENERAL.—If the aggregate gross income in all separate categories of a foreign corporation for the taxable year is less than the lesser of—

"(I) 5 percent of gross income, or

"(II) $1,000,000,

no part of its gross income for such taxable year shall be treated as income in a separate category, except that this sentence shall not apply to any income which (without regard to this sentence) would be treated as financial services income.

"(ii) PASSIVE INCOME.—Solely for purposes of applying subparagraph (D), passive income of a foreign corporation shall not be treated as income in a separate category if the requirements of section 954(b)(4) are met with respect to such income."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1991.●

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2989. A bill to provide additional time to negotiate settlement of a land dispute in South Carolina; to the Committee on the Judiciary.

LAND SETTLEMENT IN SOUTH CAROLINA

Mr. THURMOND. Mr. President, I rise today to introduce legislation that would suspend until October 1, 1993 the running of any period of limitations which may apply to land claims against the State of South Carolina by the Catawba Indians that have not already expired. I am pleased to be joined in this effort by my colleague from South Carolina, Senator HOLLINGS. This legislation is identical to H.R. 5566 which was introduced by Congressman JOHN SPRATT on July 7, 1992.

Mr. President, in 1980, the Catawba Indians brought suit against 76 defendants alleging that a treaty made with the State of South Carolina in 1840 was void under the Indian Non-Intercourse Act because it was never ratified by Congress. The treaty ceded 144,000 acres of land to the State, and the Catawbas seek to recover the land. The Catawbas moved to have the named defendants certified as a class, but the district court denied their motion for class action certification. The Catawbas have, therefore, announced that they will sue approximately 27,500 individual landowners in York, Lancaster, and Chester Counties, in South Carolina. Lawyers for the Catawbas believe that the 20-year statute of limitations, applicable under South Carolina law, runs out October 19, 1992. Consequently, they are preparing to file their suits by late August 1992. This legislation would grant the Catawbas additional time in which to negotiate an agreement with the State. However, failure to do so would not negate the Catawbas' right to bring suit against individual landowners.

Negotiations for the settlement of these claims have been ongoing since 1989 and significant progress has been made. However, a full agreement has not yet been reached. Even if such an agreement were reached, we would not be able to consummate a settlement agreement by enacting necessary State and Federal legislation before October 19, 1992. Therefore, it is imperative that we give both parties the additional time within which to work out the terms of the settlement.

Mr. President, we are trying to prevent the disruption which would surely result if these 27,500 lawsuits were commenced. Even though the vast majority of landowners would have a successful defense, they would have to retain an attorney to search their title, prepare affidavits, and file and argue a motion for summary judgment. All of this would be costly to the landowners and to our judicial system. While the suits were pending, it would be difficult to buy or sell land and virtually impossible to obtain title insurance.

This legislation will not prevent the Catawbas from bringing thousands of lawsuits before October 19, 1992. It will only suspend until October 1, 1993, those periods of limitation that have not run out by the effective date of this Act. It will not revive, renew or extend any claim barred by any period of limitation or repose, or any other time bar, as of the effective date of this Act.

Mr. President, concern has been expressed as to whether Congress has the authority under the Constitution to extend the time for filing the individual suits. In June, I, along with Senator HOLLINGS and Congressman SPRATT, requested that the Attorney General review a draft proposal which is similar to the legislation we are introducing today. The Attorney General stated that, in his opinion, the draft bill would not violate the principles of State sovereignty, separation of powers or any other applicable constitutional principles. I ask unanimous consent that a copy of the favorable opinion letter received from Assistant Attorney General W. Lee Rawls, on June 24, 1992 be included in the RECORD immediately following my statement.

Mr. President, this bill addresses an urgent matter in my State. Time is short. This bill is strongly supported by representatives of the State of South Carolina and the Catawba Indians. I hope the Senate will approve this measure before the August recess.

I ask unanimous consent that the bill be printed in the RECORD.

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

S. 2989

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

SECTION 1. FINDINGS.

The Congress finds the following:

(1) Suits on possessory land claims may be commenced against tens of thousands of citizens in York, Lancaster, and Chester Counties, South Carolina, within the area claimed in the suit Catawba Indian Tribe of South Carolina against State of South Carolina, et al., Civil Action No. 80-2050 (D.S.C.).

(2) Tens of thousands of such suits would be costly to all parties, including the Federal judicial system, and would create a burden upon interstate commerce.

(3) The filing of such suits may be averted by settlement if additional time is made available for the parties to negotiate and implement the terms of settlement.

(4) The Congress has authority to enact this legislation under the Indian Commerce Clause and the Interstate Commerce Clause of the Constitution; and the Department of Justice concurs in this construction of Article I of the Constitution.

SEC 2. PURPOSE.

The purpose of this Act is to prevent the social, economic, and judicial disruption that would result from the commencement of law suits against tens of thousands of citizens in York, Lancaster, and Chester Counties, South Carolina, and the burden on interstate commerce that such suits would impose. The parties to the above referenced suit require additional time in which to negotiate and implement the terms of settlement; and if such time is made available, it may avert the necessity of thousands of law suits. The purpose of this Act is not to revive, renew, or extend any claim barred by any period of limitation, repose, or time bar as of the effective date of this Act.

SEC. 3. STATUTE OF LIMITATION.

(a) If any period of limitation or repose, or any other defense based wholly or partly on the passage of time, bars any claim brought by or on behalf of any Indian, Indian nation, or tribe or band of Indians claiming or asserting damages or an interest in land in York, Lancaster, or Chester Counties, South Carolina, under section 2116 of the Revised Statutes (25 U.S.C. 177; commonly known as the Indian Non-Intercourse Act), the Constitution of the United States, common law, or any treaty, as of the date of enactment of this Act, such period of limitation or repose, or other defense based wholly or partly on passage of time, shall bar any such claim, without regard to whether such claim has already been filed.

(b) If any period of limitation or repose, or any other defense based wholly or partly on the passage of time, has not barred any claim, filed or unfiled, by or on behalf of an Indian, Indian nation, or tribe or band of Indians claiming or asserting damages or an interest in land in York, Lancaster, or Chester County, South Carolina, under section 2116 of the Revised Statutes (25 U.S.C. 177; commonly known as the Indian Non-Intercourse Act), the Constitution of the United States, common law, or treaty, as of the date of the enactment of this Act, the running of any such period of limitation or repose, or any other defense based wholly or partly on the passage of time, shall be suspended as of the date of the enactment of this Act until October 1, 1993. On October 1, 1993, the time upon which any such defenses are based shall resume running. The period of time remaining for any time-related defense to become a bar to any such claim shall be the same on October 1, 1993, as it was immediately prior to the date of the enactment of this Act. Nothing in this subsection shall be construed to affect the application of any period of limitation, repose, or time bar to the claim of any individual Indian which is pursued under any Federal or State law generally applicable to non-Indians as well as Indians.

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, DC, June 24, 1992.

Hon. STROM THURMOND,
U.S. Senate, Washington, DC.

DEAR SENATOR THURMOND: This is in response to your request for the views of the Department of Justice on the constitutionality of draft legislation affecting a claim by the Catawba Indian Tribe of South Carolina against approximately 27,500 landowners in South Carolina. The draft bill would have the effect of tolling the statute of limitations applicable to the Tribe's claims if the statute has not already run. We have briefly analyzed the draft bill in light of pertinent legal and constitutional issues. In our view, the legislation is constitutional.

The purpose of the proposed legislation is to preserve, for a brief period, the current legal status of the Tribe's claims under the applicable statute of limitations so that the parties have time to complete settlement discussions, and thereby avoid massive and burdensome litigation of the claims. The bill would provide that if the applicable statute of limitations has run by the date of its enactment, then all claims subject to it, filed or unfiled, will remain barred. However, if the applicable statute of limitations has not run by the date of enactment, then "any action by a plaintiff shall be treated as commenced on the date of the enactment of this Act if such action is commenced on or before April 15, 1993[,] and any amendment to an existing claim, if otherwise permissible, shall be treated as if commenced on April 15, 1993."

The fundamental issue is whether Congress has the power to alter the statute of limitations applicable in this case. We conclude that Congress has that power. First, the cause of action in the Catawba case is one "arising under" federal laws for purposes of 28 U.S.C. 1331. The Fourth Circuit explicitly so held in *Catawba Indian Tribe* v. *South Carolina*, 865 F.2d 1444 (4th Cir. 1989) (en blanc), and the Supreme Court so stated in *South Carolina* v. *Catawba Indian Tribe*, 476 U.S. 498, 507 (1985), although the issue was not squarely before the Supreme Court.

The Supreme Court first squarely recognized the federal character of such Tribal land claims in *Oneida Indian Nation* v. *County of Oneida*, 414 U.S. 661 (1974), and generally stated that the rules for decision of such claims were federal in character. *Id.* at 674. In a subsequent decision in that same case, the Court specifically ruled that state statutes of limitation do "not apply of their own force to Indian land title claims." *County of Oneida* v. *Oneida Indian Nation*, 470 U.S. 226, 240 n. 13 (1985). Instead, such statutes are "borrowed and applied to the federal claim * * *" if the application of the state statute is not inconsistent with federal law. *Id.* at 240.[1]

This conclusion would appear to resolve two potential constitutional issues. First, it makes clear that the draft bill would effect no violation of the Tenth Amendment or other principles of state sovereignty. Congress clearly has the power under the Commerce Clause of Article I to regulate in this area. Tolling the statute of limitations applicable in this case would be merely an exercise of that power. It would do nothing more than alter a "borrowed" statute of limitations that, absent congressional action, has served as the applicable bar. The bill thus neither commandeers state legislative processes nor contains a direct mandate to states. Compare *New York* v. *United States*, Slip Op. at 28–29 (Supreme Court, June 19, 1992) (invalidating federal statutory provision requiring states that do not provide for disposal of low-level radioactive waste generated in state to take title to and assume liability for that waste). Cf. *Hodel* v. *Virginia Surface Mining and Reclamation Association*, 452 U.S. 264 (1980) (exercise of federal powers that preempt state law does not impermissibly intrude on state sovereignty).

Second, the bill does not appear to create separation of powers problems by interfering with the judicial function. By changing the applicable statute of limitations, Congress in the draft bill is compelling a change in the law, rather than a particular result or finding under old law. The Supreme Court has upheld this type of congressional action where it has been challenged as improperly affecting pending litigation. See *Robertson* v. *Seattle Audubon Society*, 112 S.Ct. 1407 (1992). In Robertson, the Court upheld a federal statute that altered the legal standard required under certain environmental statutes with respect to certain timber sales in the Pacific Northwest. The Court rejected the plaintiffs' claim that the provision at issue was an impermissible "statutory directive," holding that "[a] statutory directive binds both the executive officials who administer the statute and the judges who apply it in particular cases * * *. Here, our conclusion [is] that what Congress directed—to agencies and courts alike—was a change in the law, not specific results under old law." Id. at 1414 (emphasis in original).

Because it is within Congress' plenary power to alter a federal statute of limitations, we do not believe that accomplishing that end through a "deeming" provision such as proposed section 2(b) would interfere with judicial powers in violation of Article III of the Constitution. Since Congress could state that "any statute of limitations that has not expired on the date of enactment of this bill is extended to April 15, 1993," it would not be problematic for Congress to provide that any claims subject to such an unexpired statute of limitations on the date of enactment of the bill shall be treated *as if* filed before the date of enactment.

In conclusion, in our view the draft bill would not violate any applicable constitutional principles. Please do not hesitate to contact me if I can be of further assistance.

Sincerely,

W. LEE RAWLS,
Assistant Attorney General.

[1] The Supreme Court in a variety of contexts has held that state statutes of limitations are "borrowed" in cases where gaps are left in federal law. These borrowed statutes of limitations thus apply as a matter of federal law, rather than of their own force and effect. The Supreme Court has applied this general "state borrowing" doctrine in countless cases, including the Catawba case. 476 U.S. at 507 & N. 18 (citing cases). See also *Lampf, Pleva, Lipkind, Prupis & Petgrow* v. *Gilbertson*, 111 S.Ct 2773, 2778–82 (1991) (recognizing borrowing rule but holding that state statute of limitations does not apply where Congress intended federal bar to apply); *Del Costello* v. *International Brotherhood of Teamsters*, 462 U.S. 151, 158–63 1983) (same).

Mr. HOLLINGS. Mr. President, today I along with Senator THURMOND am introducing legislation that would extend the applicable statute of limitations in the Catawba Indian land claim dispute until October 1, 1993. This bill is identical to legislation introduced earlier this year in the House of Representatives by Congressman JOHN SPRATT of South Carolina.

The seeds of these legal proceedings were sown in 1980 when the Catawbas brought suit against landowners in my State from York, Lancaster and Chester counties. The Catawbas then moved to have the named defendants certified as a class, but their motion for class action certification was denied by the district court. As a result of this decision, the Catawbas have announced their plans to file approximately 27,500 lawsuits sometime in September. Their lawyers contend that a 20-year statute of limitation, under State law, would run out on October 19, 1992, and thus they want to serve the defendants before the deadline.

Mr. President, the chaos that 27,500 lawsuits would loose on our State legal system and the deleterious effects on the local economy are unimaginable. Furthermore, given the complex nature of the issues involved, it is now clear that the suit will not be settled before October 19, 1992. The only way to avoid this legal chaos is to give the Catawbas additional time.

On June 16 of this year I, along with Senator THURMOND and Congressman SPRATT, asked Attorney General William Barr to examine the constitutionality of our proposal. On June 24 we received a response from the U.S. Justice Department indicating this legislation was indeed constitutional. In addition, our efforts have been aided by the fact that both sides involved in the legal dispute support passage of this bill.

Mr. President, time is of the essence. It is my sincerest hope that this legislation will move quickly and expeditiously through both houses of Congress. Only then will we be able to stop the clock from ticking and start both sides in meaningful negotiations toward an equitable settlement.

ADDITIONAL COSPONSORS

S. 33

At the request of Mr. MOYNIHAN, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 33, a bill to establish the Social Security Administration as an independent agency, and for other purposes.

S. 68

At the request of Mr. THURMOND, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 68, a bill to amend title 10, United States Code, to authorize the appointment of chiropractors as commissioned officers in the Armed Forces to provide chiropractic care, and to amend title 37, United States Code, to provide special pay for chiropractic officers in the Armed Forces.

S. 365

At the request of Mr. ROTH, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 365, a bill to amend the Internal Revenue Code of 1986 to require reporting of

group health plan information on W-2 forms.

S. 1100

At the request of Mr. KERRY, the name of the Senator from California [Mr. SEYMOUR] 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. 1111

At the request of Mr. MITCHELL, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 1111, a bill to protect the public from health risks from radiation exposure from low-level radioactive waste, and for other purposes.

S. 1175

At the request of Mr. KERRY, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 1175, a bill to make eligibility standards for the award of the Purple Heart currently in effect applicable to members of the Armed Forces of the United States who were taken prisoners or taken captive by a hostile foreign government or its agents or a hostile force before April 25, 1962, and for other purposes.

S. 1451

At the request of Mr. BIDEN, the names of the Senator from Indiana [Mr. COATS], the Senator from Colorado [Mr. WIRTH], the Senator from Illinois [Mr. SIMON], the Senator from Minnesota [Mr. WELLSTONE], the Senator from North Dakota [Mr. CONRAD], and the Senator from North Dakota [Mr. BURDICK] were added as cosponsors of S. 1451, a bill to provide for the minting of coins in commemoration of Benjamin Franklin and to enact a fire service bill of rights.

S. 1777

At the request of Mr. ADAMS, the name of the Senator from Wisconsin [Mr. KASTEN] was added as a cosponsor of S. 1777, a bill to amend the Public Health Service Act to establish the authority for the regulation of mammography services and radiological equipment, and for other purposes.

S. 1842

At the request of Mr. DASCHLE, the names of the Senator from Michigan [Mr. LEVIN], and the Senator from Illinois [Mr. SIMON] were added as cosponsors of S. 1842, a bill to amend title XIX of the Social Security Act to provide for Medicaid coverage of all certified nurse practitioners and clinical nurse specialists services.

S. 1845

At the request of Mr. DURENBERGER, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 1845, a bill to ensure that all Americans have the opportunity for a higher education.

S. 2019

At the request of Mr. PRESSLER, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 2019, a bill to prohibit all United States military and economic assistance for Turkey until the Turkish Government takes certain actions to resolve the Cyprus problem.

S. 2103

At the request of Mr. GRASSLEY, the name of the Senator from Illinois [Mr. SIMON] 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. 2134

At the request of Mr. NUNN, the names of the Senator from Delaware [Mr. BIDEN], the Senator from Louisiana [Mr. BREAUX], the Senator from Arkansas [Mr. BUMPERS], the Senator from Missouri [Mr. DANFORTH], the Senator from Arizona [Mr. DECONCINI], the Senator from New Mexico [Mr. DOMENICI], the Senator from Nebraska [Mr. EXON], the Senator from Kentucky [Mr. FORD], the Senator from Oregon [Mr. HATFIELD], the Senator from Alabama [Mr. HEFLIN], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Mississippi [Mr. LOTT], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Arizona [Mr. MCCAIN], the Senator from Maryland [Ms. MIKULSKI], the Senator from Rhode Island [Mr. PELL], the Senator from Arkansas [Mr. PRYOR], the Senator from Virginia [Mr. ROBB], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from New Hampshire [Mr. RUDMAN], the Senator from New Hampshire [Mr. SMITH], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Alaska [Mr. STEVENS], and the Senator from Virginia [Mr. WARNER] were added as cosponsors of S. 2134, a bill to provide for the minting of commemorative coins to support the 1996 Atlanta Centennial Olympic Games and the programs of the United States Olympic Committee.

S. 2387

At the request of Mr. LEAHY, the names of the Senator from Virginia [Mr. WARNER], and the Senator from New York [Mr. D'AMATO] were added as cosponsors 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. 2514

At the request of Mr. BUMPERS, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 2514, a bill to amend the Internal Revenue Code of 1986 to allow taxpayers a bad debt deduction for certain partially unpaid child support payments and to require the inclusion in income of child support payments which a taxpayer does not pay, and for other purposes.

S. 2624

At the request of Mr. GLENN, the name of the Senator from Georgia [Mr. FOWLER] was added as a cosponsor of S. 2624, a bill to authorize appropriations for the Interagency Council on the Homeless, the Federal Emergency Management Food and Shelter Program, and for other purposes.

S. 2682

At the request of Mr. BUMPERS, the name of the Senator from Kansas [Mr. DOLE] 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. 2702

At the request of Mr. HOLLINGS, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of S. 2702, a bill to authorize appropriations for fiscal year 1993 for the Coast Guard, and for other purposes.

S. 2763

At the request of Mr. ROTH, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 2763, a bill to establish the Mike Mansfield Fellowship Program for intensive training in the Japanese language, government, politics, and economy.

S. 2794

At the request of Mr. DOLE, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 2794, a bill to relieve the regulatory burden on depository institutions, particularly on small depository institutions, and for other purposes.

S. 2808

At the request of Mr. DODD, his name was added as a cosponsor of S. 2808, a bill to extend to the People's Republic of China renewal of nondiscriminatory (most-favored-nation) treatment until 1993 provided certain conditions are met.

S. 2810

At the request of Mr. GORE, the names of the Senator from Texas [Mr. BENTSEN], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Arkansas [Mr. PRYOR], and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors 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. 2868

At the request of Mr. CRAIG, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 2868, a bill to repeal the Davis-Bacon Act of 1931 to provide new job opportunities, effect significant cost savings on Federal construction contracts, promote small business participation in Federal contracting, reduce unnecessary paperwork and reporting requirements, and for other purposes.

S. 2877

At the request of Mr. BAUCUS, the names of the Senator from Missouri [Mr. BOND], and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of S. 2877, a bill entitled the "Interstate Transportation on Municipal Waste Act of 1992".

S. 2887

At the request of Mr. MCCONNELL, the names of the Senator from Arkansas [Mr. PRYOR], and the Senator from Alaska [Mr. MURKOWSKI] were added as cosponsors of S. 2887, a bill to amend title IV of the Social Security Act to provide that the Secretary of Health and Human Services shall enter into an agreement with the Attorney General of the United States to assist in the location of missing children.

S. 2889

At the request of Mr. BOREN, the names of the Senator from North Dakota [Mr. BURDICK], the Senator from New York [Mr. D'AMATO], and the Senator from Arizona [Mr. MCCAIN] were added as cosponsors of S. 2889, a bill to repeal section 5505 of title 38, United States Code.

S. 2907

At the request of Mr. KERRY, the names of the Senator from Ohio [Mr. GLENN] and the Senator from Washington [Mr. ADAMS] were added as cosponsors of S. 2907, a bill to reform the National Flood Insurance Program.

S. 2920

At the request of Mr. SPECTER, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 2920, a bill to amend the Internal Revenue Code of 1986 to provide incentives for investments in disadvantaged and women-owned business enterprises.

S. 2947

At the request of Mr. MCCAIN, the names of the Senator from Maine [Mr. COHEN] and the Senator from Maine [Mr. MITCHELL] were added as cosponsors of S. 2947, a bill to authorize the transfer of certain funds from the Defense Environmental Restoration Account to the Department of Defense Base Closure Account 1990, and for other purposes.

S. 2969

At the request of Mr. KENNEDY, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 2969, a bill to protect the free exercise of religion.

S. 2970

At the request of Mr. SASSER, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 2970, a bill to amend the Cash Management Improvement Act of 1990, and for other purposes.

SENATE JOINT RESOLUTION 247

At the request of Mr. DOLE, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of Senate Joint Resolution 247, a joint resolution designating June 11, 1992, as "National Alcoholism and Drug Abuse Counselors Day."

SENATE JOINT RESOLUTION 255

At the request of Mr. D'AMATO, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of Senate Joint Resolution 255, a joint resolution to designate September 13, 1992 as "Commodore Barry Day."

SENATE JOINT RESOLUTION 265

At the request of Mr. SEYMOUR, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of Senate Joint Resolution 265, a joint resolution to designate October 9, 1992, as "National School Celebration of the Centennial of the Pledge of Allegiance and the Quincentennial of the Discovery of America by Columbus Day."

SENATE JOINT RESOLUTION 321

At the request of Mr. KOHL, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of Senate Joint Resolution 321, a joint resolution designating the week beginning March 21, 1993, as "National Endometriosis Awareness Week."

SENATE RESOLUTION 316

At the request of Mr. D'AMATO, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of Senate Resolution 316, a resolution in support of foreign controlled corporations [FCC's] paying their fair share of Federal income taxes.

SENATE CONCURRENT RESOLUTION 130—RELATING TO THE ENROLLMENT OF SENATE CONCURRENT RESOLUTION 129

Mr. BAUCUS (for Mr. MITCHELL) submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 130

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate, in the enrollment of the concurrent resolution (S. Con. Res. 129) expressing continued support for the Taif Agreement, which brought a negotiated end to the civil war in Lebanon, and for other purposes, shall make the following correction:

In the resolving clause, insert immediately after "*concurring)*" the following: ", That the Congress".

AMENDMENTS SUBMITTED

DANFORTH (AND OTHERS) AMENDMENT NO. 2730

Mr. BAUCUS (for Mr. DANFORTH, Mr. DIXON, Mr. BOND, and Mr. SIMON) proposed an amendment to the bill (H.R. 2926) to amend the act of May 17, 1954, relating to the Jefferson National Expansion Memorial to authorize increased funding for the East St. Louis portion of the memorial, and for other purposes, as follows:

On page 2, line 23, through page 3, line 18, strike subsection (b) in its entirety and insert in lieu thereof the following:

"(b)(1) For the purposes of the East St. Louis portion of the memorial, there are authorized to be appropriated $2,000,000 for land acquisition and, subject to the provisions of paragraphs (2) and (3), such sums as may be necessary for development: *Provided*, That such authorization shall not include any sums for the acquisition, removal, or relocation of the grain elevator and business located within the East St. Louis unit of the Memorial. Such development shall be consistent with the level of development described in phase one of the draft Development and Management Plan and Environmental Assessment, East St. Louis Addition to Jefferson National Expansion Memorial—Illinois/Missouri, dated August 1987.

"(2) Federal funds expended under paragraph (1) for development may not exceed 75 percent of the actual cost of such development. The remaining share of such actual costs shall be provided from non-Federal funds, services, or materials, or a combination thereof, fairly valued as determined by the Secretary. Any non-Federal expenditures for the acquisition, removal, or relocation of the grain elevator and business shall be included as part of the non-Federal cost share: *Provided*, That credit shall not be given for any such expenditures which exceed the cost of acquisition, removal, or relocation of the grain elevator and business located within the East St. Louis unit of the Memorial if such action had been accomplished by the Federal Government as determined by the Secretary under existing law: *Provided further*, That only those non-Federal funds expended at least 60 days after the transmission of the report referred to in paragraph (3) for the removal of such grain elevator shall be credited toward the non-Federal cost share. For the purposes of this paragraph, the Secretary may accept and utilize for such purposes any non-Federal funds, services, and materials so contributed".

"(3) Within one year after the date of enactment of this paragraph, the Secretary, in direct consultation with the city of East St. Louis, Gateway Arch Park Expansion, and the Southwestern Illinois Development Authority, shall develop and transmit to the Committee on Energy and National Resources of the United States Senate and the Committee on Interior and Insular Affairs of the United States House of Representatives a study of alternatives to, and costs associated with, the removal of the gain elevator located within the East St. Louis unit of the Memorial. The study shall contain, but need not be limited to, at least one alternative which would incorporate and retain the existing grain elevator into the draft development and management plan and environmental assessment referred to in paragraph (1).".

NOTICE OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BUMPERS. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources.

The hearing will take place on Tuesday, August 4, 1992, beginning at 2:30 p.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on S. 2577, to provide for the exchange of certain Federal lands within the State of Utah, between the State of Utah and the Secretary of the Interior.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, anyone wishing to submit written testimony to be included in the hearing record is welcome to do so. Those wishing to submit written testimony should send two copies to the Subcommittee on Public Lands, National Parks and Forests, Committee on Energy and Natural Resources, 304 Dirksen Senate Office Building, Washington, DC 20510.

For further information regarding the hearing, please contact Erica Rosenberg of the subcommittee staff at (202) 224-7933.

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT

Mr. LEVIN. Mr. President, I wish to announce that the Subcommittee on Oversight of Government Management, Committee on Governmental Affairs, will hold a hearing on Monday, July 27, 1992, at 2 p.m., in room 342 of the Dirksen Senate Office Building, on reauthorization of the independent counsel law.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON DEFENSE INDUSTRY AND TECHNOLOGY

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Subcommittee on Defense Industry and Technology of the Committee on Armed Services be authorized to meet during the session of the Senate on Monday, July 20, 1992, at 2 p.m., in executive session, to mark up defense industry and technology programs on a Department of Defense Authorization Act for fiscal year 1993.

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

ADDITIONAL STATEMENTS

HOW THE APACHE HELICOPTER WAS DEVELOPED

• Mr. DECONCINI. Mr. President, the recent military conflict in the Persian Gulf demonstrated the superiority of America's military technology. Most of our weaponry, from the aging workhorse, the A-10 Warthog, to the still under development J-Stars surveillance aircraft and the Magic Lantern coastal mine hunter, performed superbly.

As details came to light, however, one of the most successful performances of Desert Storm came from the Apache helicopter—built in my State of Arizona. When it fired the opening shots of the war and later performed roles for which it was not even primarily designed, most of the Apache's maintenance concerns were laid to rest as it flawlessly carried out its missions.

The Apache helicopter is produced at McDonnell Douglas Helicopter Co., in Mesa, AZ. A major employer in Arizona, the Mesa plant currently employs 3,500 workers and continued success in improving the capabilities of the Apache—through the development and integration of the Longbow all-weather radar system—is expected through the decade.

I urge my colleagues, as well as those who have questioned the viability of the Apache, to study an article from the May 1992 issue of Army magazine, which describes the evolution of the Apache and its eventual success as part of the American military arsenal. I ask that it be printed at this point in the RECORD.

The article follows:

[From the Army Magazine, May 1992]

THE BIRTHING OF THE AH-64A

(By Brig. Gen. Grail L. Brookshire)

Most of our new major weapons systems were developed and tested in anticipation of employment against the Soviet Union and its allies in the now-defunct Warsaw Pact. Fortunately, we never had to use these weapons against the envisioned enemy. Operation Desert Storm, however, gives us an excellent opportunity to evaluate some of these systems in use against a force that was primarily equipped and trained by the Soviet Union, and which positioned its forces in defense, using some aspects of Soviet operational doctrine.

A major weapon system acquisition is one of the most important decisions a nation makes. Success or failure on some future battlefield may result directly from choices made today. Multibillions of dollars are often at stake. Our servicemen and women may live, or die needlessly, because of the characteristics of the systems we select.

Before reaching an acquisition decision, the armed forces conduct extensive testing. In the Army, this testing is organized into two major subdivisions: technical testing and user testing. Army Material Command (AMC) conducts technical testing at its various test ranges. This testing is engineer oriented and is done by engineers, technicians and soldier test personnel. User testing requires that the weapons system be operated by representative soldiers from operational troop units and is conducted by Operational Test and Experimentation Command (OPTEC), an agency directly under the Department of the Army.

OPTEC has two subordinate commands. One of these, Test and Experimentation Command (TEXCOM), is responsible for planning and conducting operational tests using its testing agencies located primarily at Ft. Hood, Tex., and Ft. Hunter Liggett, Calif. These agencies try to simulate future battlefields and to measure a new weapon system's contribution to battle under realistic conditions. OPTEC's other subordinate command, Operational Evaluation Command (OEC), evaluates test results and prepares recommendations on system acquisition based on its evaluations.

User testing assesses the effectiveness and suitability of a tested system before a decision for its full-scale introduction into the force. User testing is designed to answer a list of issues and criteria upon which the user-independent evaluation is based. Issues are questions that must be answered before we can assess the overall operational effectiveness and suitability of the system. Criteria are the standards by which issues are evaluated.

Based on the answers to the issues, OPTEC will make a procurement recommendation to the Army Staff. The process does not really end with an Army Staff decision, however. If the Army decides to buy, Department of Defense (DoD) and then Congress have to be convinced. In a period characterized by a declining budget and a diminished threat, convincing takes hard facts.

In addition, politics will be a major factor in a procurement decision. I don't refer to politics as a criticism but as a statement of fact. Money and jobs are at stake in a system acquisition. Industrial managers and labor union leaders try to influence procurement decisions through their congressional delegations and their personal contacts. Individual members of Congress are anxious to deliver government contracts to their districts and states, increasing their personal importance to the voters who put them in office. In a representative form of government, major decisions are always political decisions.

In the early 1980s, the Army was modernizing its forces. Major systems being developed included the M1 tank, the M2/M3 armored fighting vehicle, the advanced attack helicopter, the utility transport aircraft system, the radar-directed gun air defense system, and the multilaunch rocket system.

The objective of user testing was the same in 1981 as it is today, but the testing organization was somewhat different. Operational Test and Evaluation Agency (OTEA), an agency that answered directly to the Army Staff, was responsible for operational testing. Training and Doctrine Command (TRADOC) conducted numerous tests with its two principal test agencies, Combat Developments Experimentation Command (CDEC) at Ft. Ord, Calif., and Ft. Hunter Liggett, and TRADOC Combined Arms Testing Activity (TCATA) at Ft. Hood.

It used its various test boards collocated with the branch schools for smaller, branch-specific tests. TRADOC also represented the ultimate user, the operational units, on those major tests that OTEA conducted directly.

In spring 1981, CDEC was preparing to test the Army's advanced attack helicopter (AAH), later designated as the AH-64A Apache.

The AH-64A was the most technologically complex weapons system CDEC had tested and was a very important system in the type of war the Army prepared to fight. It was designed to take hits from weapons in the 23-mm and 12.5-mm categories and below, and not only survive but stay in the fight. It fea-

tures two separate flight control systems for redundancy, two engines and an infrared suppression system.

The most important component of the armament system is the Hellfire Modular Missile System (HMMS). The Hellfire missile homes in on the reflected laser energy from its target, reading triservice codes. Target illumination can come from the firing aircraft's own designator, a ground designator from an artillery or aviation spotter team, or the designator from another aircraft.

The missile can lock on either before launch or after the missile is in the air. A single helicopter can engage multiple targets simultaneously. Of particular significance is the firing aircraft's ability to launch in either a direct or an indirect fire mode. The crew can preprogram the trajectory of the missile for either a low- or high-altitude flight to the target.

For suppression, self-protection and engagement of lightly armored vehicles and personnel, the AH-64A also carries a 30-mm lightweight machine gun. The gun can be aimed through a completely new system, the integrated helmet and display sight system (IHADSS), which establishes crew member line of sight for 30-mm engagements. IHADSS tracks the movements of the pilot's head. Literally, he simply looks, then fires.

For area target engagement, the AH-64A can also fire the standard 2.75-inch folding fin aerial rockets with a combination of warheads. This is the same rocket that has been used for years on the Cobra attack helicopter.

The two subsystems that make the AH-64A a remarkable night fighter are the target acquisition designation sight (TADS) and the pilot night-vision sensor (PNVS). The TADS is used by the gunner to engage with the Hellfire missile and, when necessary, to fly the aircraft. It contains a television system, forward-looking infrared system (FLIR), a combined laser range finder target designator, laser tracker, automatic target tracker and direct-view optics. TADS gives the gunner the capability to see and fire in daylight and darkness, through haze, smoke or fog.

The PNVS contains a FLIR that is independent of the TADS turret. It is used by the pilot to fly the aircraft at night and during other periods of poor visibility and to fire if necessary. It is slaved to the IHADSS and produces a field of view that matches the direction in which the pilot is looking. The PNVS gives the AH-64A an in-route flight capability that matches the operational characteristics of the aircraft.

Other advanced features of the AH-64A include the heads-up display system that allows the crew to read their flight instruments without looking down at the instrument panel, a Doppler and inertial navigation system, and secure communications. To assist in maintaining the system, it includes an on-board fault detection and location system to detect and isolate electrical and electronic failures.

From this abbreviated description of the innovative features of the AH-64A, it should be obvious that in the late 1970s and early 1980s, the system developers were working on the leading edge of technology. The task of the operational test agency was to determine if the system was ready for employment by the using units.

Operational Test II (OT II) was conducted by CDEC at Ft. Hunter Liggett during the ten-week period of 14 June through 28 August, 1981. Three prototype aircraft were used in the test. The primary test units were Company D, 7th Combat Aviation Battalion, 7th Infantry Division and a development test training detachment from Ft. Rucker, Ala. Opposing forces (OPFOR) were supplied by tactical units from CDEC and OPFOR simulation units from Ft. Bliss, Tex. The AH-1S Cobra helicopter was the baseline system against which the AAH would be compared. The test included both live fire against remote controlled medium tanks, force-on-force battles using lasers to simulate fire and target detection comparisons.

The purpose of OT II was to provide data to support an independent evaluation of the operational effectiveness and suitability of the AH-64A to the Army Systems Acquisition Review Council (ASARC) III. The ASARC was responsible for making the final recommendation to the Army Staff on initial production of the system. OTEA listed six test objectives:

Obtain data to assess the operational effectiveness of the AH-64A in an operational environment.

Partially assess the operational reliability, availability and maintainability (RAM), and supportability of the system.

Obtain data to assess the survivability of the aircraft in a combat environment.

Collect deployment information.

Collect information on the adequacy of proposed training for both operators and maintenance personnel.

Obtain data to determine correction of discrepancies discovered during previous testing.

While in theory OTEA could have issued a test report that recommended against procurement of the AH-64A, CDEC was well aware that this was not likely to happen. The Army had a serious need for an effective tank-killing helicopter to offset the Warsaw Pact's significant numerical advantage in armored vehicles. The Reagan Administration was willing to spend the money necessary to obtain those helicopters. The AH-64A was the result of a major investment of time and development money, and contained the characteristics the Army needed for its anti-tank helicopter. Barring a major disaster in the test, the AH-64A was going to be the selected aircraft.

In this particular case, the operational test agency's real mission was to find the problems with the system and help fix them. It was hoped that these fixes would allow the aircraft to produce the data that would convince Department of Defense and Congress to go ahead with the procurement.

The test began as scheduled. After 14 trails, the results produced by the AAH were disappointing. As is usually the case, the tactics and employment doctrine for the helicopter were as new as the system, and were being tested and developed along with the aircraft itself. The test director suspended the test for one day to allow the aviation experts to review and improve the tactical procedures that TRADOC had developed for the advanced attack helicopter. Performance improved immediately in the mock battles conducted after this review, and the data began to reflect the impressive contribution of an AAH to the combat power of the land forces.

Live-firing results with the Hellfire missile against the remote tank targets were encouraging for a new system undergoing operational testing. The crews obtained three hits out of six engagements at night, and four hits out of six engagements during daylight. Tests scheduled for the 30-mm machine gun were not conducted because of persistent problems with the weapon.

Problems also developed with boresight retention in the FLIR mode in the gunner's TADs. After the usual argument as to fault between the instrumentation or the actual FLIR, CDEC again suspended testing and conducted a series of stationary tests of the FLIR against a boresight panel.

Results of these tests proved conclusively that a design flaw existed in the FLIR. Hughes Aircraft Corp., the prime contractor for the AAH at that time, had its engineers on site at Ft. Hunter Liggett correct the problem, and testing resumed. This testing also revealed that on occasions, the TADS laser provided insufficient power to provide proper target illumination. To the best of my knowledge, this intermittent problem was not fixed at that time.

Aircraft availability was a persistent problem throughout the test. The aircraft we were using for the test were prototypes, not production models, and the maintenance crews were challenged to produce two of the three helicopters for tests on a daily basis. Frequent rescheduling was necessary. The actual RAM results reported were determined at a scoring conference held at intervals throughout the test.

As the commander of CDEC, I had no vote at the scoring conference but did attend several times as an observer. I felt that there was a definite attempt by the AMC project manager's office to portray the RAM results as better than they actually were.

The project manager system requires that the officers assigned to an office developing a major weapons system devote a significant portion of their professional lives to that system. It is not surprising that these officers often become advocates for the system when it goes into operational testing.

As a balance, TRADOC appointed system managers to represent the interests and requirements of units using the system in the future. In the case of the advanced attack helicopter, the TRADOC systems manager appeared to be under the domination of the AMC project manager and was not vigorous enough in representing the user's interests at the RAM scoring conferences. I reported my observations and concerns to TRADOC but continued to feel throughout the test that RAM data was being scored in an optimistic way.

The AAH test, although conducted by the Combat Development Experimentation Command, was actually an Operational Test and Evaluation Agency test, not a TRADOC test. Consequently, the final test report was written by OTEA from data provided by CDEC. When CDEC presented the data from the test to OTEA, it included its own observations. The most significant of these were:

The AH-1S Modernized Cobra, used as a baseline in the test, had an extremely limited capability to acquire and engage targets at night.

The AH-64A demonstrated an impressive night-fighting capability.

The air crews preferred to use the indirect fire mode.

Some problems were encountered in maintaining continuous intervisibility segments of sufficient length to acquire and engage moving targets at firing and before missile impact.

Air and ground crews were very favorably impressed with the AH-64A.

Tanks are lethal against helicopters when pilots showed poor tactical discipline by prolonged exposure.

I was impressed with the combat potential of the AH-64A and wrote a letter to the TRADOC commander discussing its employment. I suggest that the commander of a mixed fleet of AH-64A and AH-1S Cobra heli-

copters should not hazard the AH-64A with daylight engagement but should use them only at night.

Unfortunately, the TRADOC commander took my comments to mean that I felt the aircraft was either too expensive or too vulnerable to employ in daylight. The point I had hoped to make was that because of its impressive night-fighting capability, the most effective use of the AH-64A was at night, favored its use in daylight. Neither aircraft could be expected to operate 24 hours a day. Both required extensive maintenance services.

In December 1981, the General Accounting Office (GAO) recommended against the start of production of the AH-64A. Its concerns included:

A major redesign of the TADS after testing.

Addition of more powerful engines after the testing. System supportability, stating that the contractors were very closely tied in with the Army maintenance crews during the test. GAO also expressed doubts about the field use of the automatic test station to diagnose faulty system components.

Some tests of the Hellfire missile system had not been completed.

Cost was too high, and the Army should explore cost-effective alternatives such as an improved Cobra TOW or other types of weapons systems.

The Army decided that the AH-64A's combat potential outweighed the objections raised and was able to obtain approval for its production. Production aircraft began to reach operational units in 1984.

Criticism of the AH-64A did not end with its introduction as an operational aircraft, nor did its development. Criticism concentrated on the reliability, availability and maintainability of the system, and came from Congress, the GAO and the media.

A GAO report based on data gathered in 1989 and released in 1990 was particularly critical of Apache readiness rates and mean time between failures. The report found the Apache unreliable, difficult to maintain and seldom ready for combat. GAO clearly felt that many of the problems with the system stemmed from its premature fielding.

A congressional panel investigating the Apache in April 1990 termed the program a "disgrace." Congressman John D. Dingell (D-Mich.) said that the Apache is "another vivid example of rushing a major and outrageously expensive new weapons system into production before the system has been adequately tested."

News reports, exemplified by an 18 November, 1990, "60 Minutes" feature on the Apache was also critical of the aircraft's performance. CBS newsman Ed Bradley interviewed ex-servicemen, Congressman Dingell and a GAO employee, who discussed serious reliability and maintenance problems with the Apache, including among other components the rotor blades, tail rotors, communications and navigation equipment, and 30-mm machine gun. Senior military officers vigorously defended the Apache on camera, describing it as "the world's greatest attack helicopter today."

In the face of this criticism, spokesmen for the Army and McDonnell Douglas Helicopter Company (which had acquired the Apache from Hughes Aircraft Corp.) maintained that the GAO report and other data describing Apache problems were based on 18-month to one-year-old data and did not take into account the effect of the joint Army/McDonnell Douglas Apache action team (AAT), later renamed the Apache readiness improvement program (ARIP).

The Army also stressed that the GAO report was prepared shortly after severe wind storms in Texas and South Carolina damaged 25.4 percent of the Apache fleet. Recovery from these natural disasters consumed long lead time production parts, which rapidly and dramatically reduced Apache readiness rates.

In fact, the Army and McDonnell Douglas continued to make improvements from the time the Apache was placed into production until its operational employment in Desert Storm. The AAT investigated 173 weak spots needing improvement in 1988. By October 1990, the Army stated that 106 of these had been fully corrected, and the remaining 67 had received an interim fix. By April 1991, the Army further stated that the AAT had closed 120 issues, and that only eight top-priority issues remained open. Three of these, main rotor blade debonding, main rotor strap pack reliability, and tail rotor swashplate reliability, had fixes that were proving effective in the field.

The attitude of the Apache supporters was rather well summed up by U.S. Senator Dennis DeConcini (D-Ariz.), a consistent booster of the aircraft, who said in a 7 February, 1991, statement: "When you talk to pilots who fly the Apache, they can tell you how satisfied they are by its performance. I would rather listen to them than a pencil-pushing GAO bureaucrat any day."

The Army's and contractor's claims of improvement are born out by the steadily increasing availability rates, mission reliability rates, and hours between replacement of critical components for the Apache. While the figures from different published sources vary, it is apparent that in the Desert Shield and Desert Storm operations, all units consistently met the Army's requirement of 75 percent fully mission capable aircraft.

Most Army sources cite an average availability of 85 percent, with many units averaging over 90 percent. The GAO deployed a team to the Persian Gulf and confirms an availability rate of at least 80 percent.

The transition from Desert Shield to Desert Storm was the beginning of actual combat operations. In the early morning hours of 17 January, 1991, a force built around eight Apaches from the 1st Battalion, 101st Aviation Brigade of the 101st Airborne Division (Air Assault) ended a move of some 500 nautical miles with a successful attack on two Iraqi radar installations. This action opened a hole in the Iraqi air defense, and hundreds of allied attack aircraft poured through to initiate the aerial phase of the operation.

The remainder of the aerial phase and the very brief ground phase of Desert Storm are filled with stories of success for the Apache against both maneuvering and dug-in targets of all descriptions. In the days before the ground assault, AH-64A helicopters conducted both reconnaissance and attack missions into the depths of the Iraqi defenses. Interrogation of Iraqi prisoners showed an important psychological effect of the AH-64A's night-flying capability. Many Iraqis believed that anything that blew up in the dark had fallen victim to the Apache.

After reviewing the results of Desert Shield and Desert Storm, critics of the Apache are in a position somewhat analogous to that of the college football coach who critiqued the running techniques of one of his defensive backs who intercepted an opponent's pass and ran it back 87 yards for a touchdown. After listening in silence as the coach pointed out that he had failed to stay behind his blockers, reversed his field too often and carried the ball too loosely throughout the run, the player ended the session with the simple question: "How was it for distance coach?"

The acknowledgment that the Apache's performance in Desert Storm was indeed a touchdown fully justifies the Army's decision to field the aircraft. As the results of the OT II predicted, the Apache is a formidable fighting machine. It wreaked havoc on the Iraqi forces at a loss of only two Apaches—one from enemy fire and one from an accident.

Perhaps the best evaluation of the Apache's overall performance is provided by the results of foreign sales to those countries in the region where the Gulf War was fought. To date, Egypt has ordered 24 Apaches; Israel, 18; and Saudi Arabia, 12. Additional sales are anticipated.

Some of the other strengths and weaknesses the Apache demonstrated in combat were also predicted by the OT II. As CDEC reported in its observations submitted with the test data, the AH-64A demonstrated an impressive night-fighting capability. Night after night we watched the aircraft move swiftly between and into firing positions in the natural ambient light conditions available in the remote reaches of Ft. Hunter Liggett. The crews quickly acquired and engaged targets with little chance of being discovered. There were no doubts in the test personnel's minds that an entirely new capability was about to arrive on the battlefield and that it had the potential to dramatically change the way we fight.

We conducted the OT II with prototype aircraft, which, while not giving an exact replication of the reliability, availability and maintainability of the production models, did make it obvious that the AH-64A would present a maintenance challenge. The complexity of the various subsystems indicated that training of technicians, repair parts stockage levels and the size of maintenance support units would have to be continually evaluated as the system matured.

The fact that the AAT investigated 173 points of weakness on the production system is a definite statement that the AH-64A needed much improvement after it went into production and indicates that indeed the RAM data from testing was treated optimistically.

Before Desert Storm, the Army had approved a wartime manpower increase in the size of Apache maintenance support units but had only actually implemented it in the European-based units. These force structure improvements, along with the intensified management and increased productivity of personnel that comes during a crisis, led directly to the excellent availability rates of the Apache during the deployment and fighting in the Gulf area.

It does not necessarily follow, however, that production should have been delayed until the system was more mature, or that it would have been less expensive had we done so. In the early 1980s, the threat posed by the Warsaw Pact was real. The OT II had shown that an AAH would go a long way toward redressing the armored force imbalance we were facing in Europe.

Even the less-reliable, early production models of the Apache were a welcome addition to the deployed forces. From a cost standpoint, given the persistent inflation during this period, production cost increased each year and may have led to a more costly fleet than the one actually fielded. In any case, the collapse of the Warsaw Pact and the Apache's success in the Gulf War are

powerful arguments in favor of the Army's decision.

Most reports from Desert Storm rate Hellfire missile target hit performance at slightly above 60 percent, very close to the encouraging figures we found on live fire against remote-controlled moving tank targets at Ft. Hunter Liggett. Since some of the operational units in the Persian Gulf carried missiles on their launchers for extended periods of time (up to six months in some cases of earlier deploying units), seeker head sand erosion reduced the seeker's ability to acquire the laser spot.

In at least one operation, obscuration from insect impact may also have been a factor in reducing missile effectiveness. A deicer cover that protects the missile seeker head in flight and is discarded before launch reduced the problem in those cases where the covers were available. Missile effectiveness was also degraded by low power from the laser designator according to some crews' reports.

At least one unit reported that when crews selected the lock on before launch mode, laser backscatter from dust and sand blown up by rotor downwash could cause a miss. This problem was solved by using lock on after launch mode.

In OT II, while testing to determine the cause of the boresight retention problem, we did uncover indications of low laser power. We did not, however, carry the missiles long enough to find any indications of seeker head erosion problems. Although Ft. Hunter Liggett is dry and very dusty in the summer, we saw no indications of the laser backscatter problem in lock on before launch mode.

The 30-mm machine gun proved effective against unarmored and lightly armored equipment but still experienced reliability problems. Crews reported problems with jams caused by sand, wear in the ammunition feed system and a loader drive motor that appeared too weak for the job. Some units reduced the ammunition load for the 30-mm machine gun, both to improve performance and to reduce reload time. These problems had been identified before Desert Storm, but the Army had decided to replace the trouble-prone parts by attrition rather than all at once. In those units where the improved parts had been applied, the 30-mm machine gun performed well.

The fact that CDEC was not able to evaluate the 30-mm machine gun shows that at the time of the OT II, the gun system was not ready for production. Since the Apache was designed as an antitank helicopter, however, its 30-mm machine gun was much less important than the Hellfire missile it carried.

Development obviously continued after the production decision, and the 30-mm had been considerably improved before the Apache was deployed to the Gulf area. Despite these improvements, after-action reports and crew debriefs indicate that more work needs to be done on this system.

The Advanced Attack Helicopter Operational Test II provided Army and DoD decision makers with sufficient data upon which to base the AH-64A production decision. The test clearly showed that the AH-64A would add significant combat power to the Army component of the AirLand Battle team.

At the same time, the OT II identified problems that would reduce the systems effectiveness. Additional time in the testing phase would have undoubtedly resulted in correction of many of the aircraft's weaknesses before production. Additional time would also have delayed the Apache's entry into the force and possibly could have led to its cancellation.

The fact that this remarkable weapons system was available in Europe while the Warsaw Pact was still a real threat and was available to make a major contribution to the startling victory on the Desert Storm battlefield convinces me that the decision to produce the AH-64A was the correct one.

The project manager system has proven effective in developing material that ranges from simple to complex, and the Army will undoubtedly continue to use it. The potential does not exist, however, for those agencies responsible for developing a weapons system to adopt an advocate position for "their" system.

The realities of a shrinking defense budget means that future major systems procurements will be the subject of even more intense scrutiny by Congress and the Department of Defense than those made in the past. The data that supports a procurement decision must not be suspected of having been collected and presented in such a way as to stress a misleading picture of the system.

A key aspect of demonstrating an objective view of operational testing is keeping the testing agencies fully separated from and uninfluenced by the developing agencies. The recent creation of OPTEC, and the Army's decision to consolidate all operational testing agencies under its command, provides an organization that is in a position to perform an objective evaluation of the new weapons systems the Army will need to develop and field in an uncertain and increasingly complex future. We must ensure that OPTEC is given the freedom needed to perform its important tasks.●

STATEMENT OF SENATOR SASSER UNDER SECTION 9 OF THE CONCURRENT RESOLUTION ON THE BUDGET

● Mr. SASSER. Mr. President, on Thursday, July 2, I submitted revised allocations to the Senate Committee on Finance and aggregates under section 9(b) of the concurrent resolution on the budget, House Concurrent Resolution 287, in connection with H.R. 5260, the Unemployment Compensation Amendments of 1992. Those allocations and aggregates appear at pages S9660 and S9661 in the CONGRESSIONAL RECORD for July 2. Unfortunately, one of the numbers in the allocations was misprinted. The RECORD lists the revised Finance Committee budget authority allocation for fiscal year 1993 as "51,788" when it should read "517,888."●

THE PROMISE OF PEACE

● Mr. SIMON. Mr. President, I am confident someone has already entered into the RECORD the speech of former President Richard Nixon that he made here in Washington on March 11, 1992. I read about it at that time and heard about it.

But perhaps like many of my colleagues, I pile up a lot of things that I want to read and do not have a chance to read and then take advantage of recess periods to catch up on my reading.

During that period, I read Richard Nixon's speech. As one who strongly supported John F. Kennedy against Richard Nixon and later Hubert Humphrey against Richard Nixon, and then George McGovern against Richard Nixon, I do not think I need to prove to anyone in this body my Democratic credentials.

But I also believe that Richard Nixon is making thoughtful contributions to this Nation and to our world by what he writes and what he says. His most recent book is an example of that.

As a matter of fact, the Nation has been fortunate that Jimmy Carter, Gerald Ford, and Richard Nixon all are contributing in significant ways as former Presidents, and probably I should include Ronald Reagan in the list, though I am not aware of his activities.

The Richard Nixon speech that I heard at the time was made without notes, contains so much that is good common sense, that I believe it is worth having in the RECORD again, assuming one of my colleagues inserted it at the time it was delivered.

He warns us about the current campaign, saying that "there has never been a campaign in which foreign policy was less discussed." He may very well be correct in that. And he warns that foreign policy and domestic policy are meshed. He comments, "foreign and domestic policy are like Siamese twins: neither can survive without the other."

He urges strong support for President Yeltsin, observing that "Yeltsin is the most pro-Western leader in Russian history."

And then he notes: "If Yeltsin fails, the alternative is not going to be somebody better, it is going to be somebody infinitely worse." Then he adds: "For 70 years, communist Russia has been trying to export communism around the world. If Yeltsin and his reforms succeed, democratic free Russia will be exporting the goods and the ideas of freedom around the world."

His recollection of Harry Truman's courage in standing up against communism, for aid to Greece and Turkey and for the Marshall plan are recounted.

He admonishes us: "In the cold war, we united to prevent what was evil. Now we must unite to advance what is good."

I ask to insert the Nixon speech into the RECORD at this point, and I urge my colleagues to read it.

The speech follows:

THE PROMISE OF PEACE

(Address by Former President Richard Nixon)

We meet at a very challenging time in America's history—a time when we have been through three years of events that have changed the world. I refer to the collapse of communism in Eastern Europe and in the Soviet Union, and to our victory over aggres-

sion in the Gulf War. As a result of those events, we live in a new world, and the question now is: what should the leadership position of the United States be in that new world?

Other participants in this conference will address what the policy of the United States should be in this new world ideally.

I am going to direct my remarks in this political year not just to what our policy should be, but what is possible politically. If you follow political campaigns, it's rather standard practice for the candidate to get up and say, "This is the most important election in history." I know, I said it a lot of times. Of course every campaign is very important to the candidate. In this case it's very important to the nation.

Over the past 44 years I have had the opportunity to observe 12 presidential elections; I have been a candidate in five of them. In that period of time there has never been a campaign in which foreign policy was less discussed, and there has never been a time in which foreign policy was more important, because whoever is President in the next four years will provide the leadership that will make the difference as to whether peace and freedom survive in the world. Since that is the case, it is vitally important that foreign policy be front and center in our considerations.

We have been on a rollercoaster ride as far as foreign policy is concerned. After the Communist victory in Vietnam the attitude of most Americans was that there was nothing we could do in foreign policy. After our victory in the Gulf War, the conventional wisdom was that we could do anything. After the collapse of Communism, particularly in the Soviet Union, the conventional wisdom was that there was nothing left to do.

As a result of these events, we see developing a new isolationism in both political parties. The general theme which runs through the new isolationists is that the United States no longer should play or can play a leadership role in the world. There are some who say we can't afford to, there are others who say it is not necessary for us to play that role, and there are still others who say that others should play that role.

When we consider what they are saying, it reminds me of a pickup ragtime band. Some are marching to different drummers, some are singing off-key, but all of them have the same tune, the same theme—come home America.

Even some of those who have been the strongest supporters of a strong foreign policy role for the United States now say it is time to turn our efforts inward. We can't afford it, as far as foreign policy is concerned. Our domestic problems are so great that we should concentrate on them.

What they fail to realize is that foreign and domestic policy are like Siamese twins: neither can survive without the other. The American people will not support a strong foreign policy unless we have a strong policy dealing with problems at home. And what they fail to realize is that foreign policy has an impact on what we do at home. We can't be at peace in a world of wars, and we can't have a healthy American economy in a sick world economy. For example, we all can recall—I can, at least, you've read about it, I lived through it—the Great Depression. It began as a recession in 1931, became a depression in 1932 in great part because the United States adopted a protectionist policy under the Smoot-Hawley Tariff Act.

We come now to the fundamental question: Is it necessary for the United States to play a role in this new world since all of these events have occurred? Those who answer 'no' begin with what I think is a false premise. It goes something like this: The Cold War is over, and we have won it. It is time to come home. That's only half true. It is true that the communists have lost the Cold War. It is not true, however, that the free world has won it.

What we have to realize is that the Cold War was not the traditional war over territory by great powers. It was a war of ideas, the ideas of communism versus the ideas of freedom. We can see that war most clearly in Russia where the seeds of the idea of communism were first planted. The Russian people reaped the bitter harvest from those seeds. As a result, the Russian people rejected communism. They rejected it because it didn't work.

But now, freedom is on trial, and if freedom does not work, the Russian people are not going to return to communism because it failed. But they will turn to a new despotism in which they trade their freedom for security and put their future in the hands of those who promise to make sure that they can have the necessities of life. This new despotism, shorn of the baggage of the dying faith of communism, but still committed to the imperialist Russian nationalism which has been traditional in Russian history, could be a far more dangerous threat to peace and freedom in the world, and particularly to peace, than was the old Soviet totalitarianism. And it is that, therefore, that we have to address today.

So let us turn to Russia. In turning to Russia, as I was saying to Dr. Brzezinski during lunch, that does not mean that I believe we should ignore what is happening in Ukraine and other former Soviet republics and the newly independent nations of Eastern Europe. I use Russia only as the prime example of the problem. What I say about Russia would apply to the others as well.

As we look at Russia today, the question somebody asked me at the table was, Is it going to work? Is freedom going to survive? The answer is it is going to be a very close-run thing.

It is going to be close-run because there are many minus factors at this time. Among them, as Dimitri Simes has pointed out in a recent article, corruption is rampant. We have the problem of ethnic quarrels. We have the problem of enormous suffering because of the changes that have been made in the attempt to build a free market society in Russia.

One of the major reasons that there is a serious question as to whether freedom can succeed in Russia is the lack of a management class. When I say the lack of a management class, that indicates why the Marshall Plan analogy will not work, because when we look at Russia and when we compare the situation in Europe, and for that matter, in Japan at the end of World War II, five years of war do not destroy the management class in Western Europe or in Japan. Seventy years of totalitarian communism did destroy the management class in Russia. And therefore we have to have a different approach than the Marshall Plan. Those are the negatives.

There are some positive factors which we sometimes overlook. One is that Russia is a very rich country, rich in resources and rich in its people. It is a highly industrialized society. The Russian people are a great people, they are a strong people. Ninety-five percent of the Russian people are literate. Ninety percent have the equivalent of a high school education. Russia produces some of the great scientists, the great engineers, particularly in military activities. Some people forget that the first man in space was not an American, it was a Russian.

There's another factor on the plus side, which is often overlooked. Pushkin in the 19th century wrote that rebellions in Russia tend to be senseless and violent. What is particularly significant about this revolution is that it was neither violent nor senseless. This is to the great credit of both Gorbachev and Yeltsin.

The major factor on the plus side, however, is that Russia, the new Russia, has a strong leader. There is a tendency to underestimate Boris Yeltsin. Some say that politically, he isn't democratic enough; and others say that intellectually he is not smart enough; and that socially he is not smooth enough.

I have seen many great leaders over the past 44 years. I would rate both Gorbachev and Yeltsin as political heavyweights. Both were born as peasants. Gorbachev became a man of the world; Yeltsin remained a man to the people. And Yeltsin right now must never forget that.

As he moves onto the world scene, he must always remember that if he is going to change the world, he first has to change Russia. He has to change it from dictatorship to democracy. He has to change it from a command economy to a free market economy. And if he is going to be able to do that, he is going to need help. The question is: should we provide that help?

Let's look at the positive factors as far as Yeltsin is concerned. Yeltsin has demonstrated his physical courage by standing on top of a tank and facing down a gang of card-carrying killers who were trying to run a Stalinist coup.

Even more important, he has political courage. He risked his immense popularity by adopting policies which let the ruble float. This led to astronomical inflation. This has caused enormous hardship, and has brought his popularity down. But it was a necessary first step in moving from a command to a free market economy.

He is one who, unlike Gorbachev, if you read Gorbachev's first column in the New York Times a few days ago, has repudiated not just communism but socialism as well. He has vetoed all of the foreign aid programs that he inherited from Gorbachev, which in the year 1990 took $15 billion from the Russian budget to provide aid to a number of countries including Cuba which were antagonistic to the West and to the United States. And we all know that in the field of arms control, he not only has matched President Bush's courageous initiatives; he exceeded them.

Yeltsin is the most pro-Western leader in Russian history. He deserves our help.

What does he need? He needs a number of things. Just to tick off a few of them, he needs help from the IMF and other sources, and that will take billions of dollars, to stabilize the ruble. He needs more open markets for the exports which Russia would want to make, the new Russia, to the West and to other parts of the world. He needs humanitarian aid. And there needs to be a single Western-led organization which would assess all of the needs and then would develop a program for working with private enterprise and with governments to meet those needs.

To summarize, it is important for us to recognize that Yeltsin is going to need very substantial economic aid from the West. Not just the United States, I emphasize, but from the West. The New York Times in its edi-

torial today estimated that the cost of the aid to cover some of these items that I have mentioned and others would be approximately $20 billion a year over a period of five years. That's a great deal of money. However, the London Financial Times, in its report yesterday pointed out that $20 billion a year has to be compared with 20 times that much that the West spent last year, before the collapse of communism, to defend against Soviet communism. This puts it all in perspective.

Now we come to the hard political questions. What does the United States do? How do we meet this problem, particularly when we are in the midst of a presidential campaign and in the middle of a recession? The first argument that is made, and it's one that is well taken, is that the United States has carried this burden long enough. It is time for others to carry it. After World War II we provided aid to allies and also to our defeated enemies and enabled them to recover from World War II. Now it is time for those that we helped then to assume the burden of helping Russia, the other independent countries in the former Soviet Union and those in Eastern Europe recover from the Cold War. They are right.

The major burden of meeting the needs of Russia and the other countries that need help must be carried by the nations in Europe and in Japan that we helped after World War II. But the United States is the richest and strongest nation in the world and we must provide the leadership. We cannot provide the leadership unless we have a seat at the table. To paraphrase Ben Stein in another context, you can't have a seat at the table unless you have chips to put in the pot. And we have to have enough chips to be a serious contender for that leadership role.

Now we come to a fundamentally basic question in a campaign year. What's in it for us? What's in it for us to help Russia, Ukraine, the other independent nations in the Soviet Union and the nations of Eastern Europe? The answer is that a great deal is in it for us.

Charity, it is said, begins at home. I agree. But aid to Russia is not charity. We have to realize that if Yeltsin fails the alternative is not going to be somebody better, it is going to be somebody infinitely worse. If Yeltsin fails, if freedom fails, the new despotism which will take its place will mean that the peace dividend is finished, we will have to rearm, and that's going to cost infinitely more than would the aid that we provide at the present time. It would also mean, if Yeltsin failed, if freedom fails in Russia, that the great tide of freedom that has been sweeping over the world in these last three years will begin to ebb and that dictatorship, rather than democracy, will be the wave of the future.

On the other hand, if freedom succeeds in Russia, Russia will be an example for others, particularly in China, in the other remaining communist countries and in the non-communist dictatorships around the world—an example for others to follow, a powerful magnet drawing them to freedom.

It would mean too that with freedom succeeding in Russia, we would live in a totally new world with all that could mean to all the people of the world and particularly to us in the United States. Just think. For seventy years, communist Russia has been trying to export communism around the world. If Yeltsin and his reforms succeed, democratic free Russia will be exporting the goods and the ideas of freedom around the world. And that means that, in the years ahead, this will have an impact going far beyond Russia, far beyond Europe, all over the world. Economically speaking, it means that the new Russia, with all of the production it will be able to have with a free economy, will provide great new markets for the products of the United States. That means billions of dollars in trade and potentially millions of jobs.

It also means—if Yeltsin succeeds, if democracy survives—that our children and grandchildren will be freed from the fear of a possible world nuclear war that now haunts them, because democracies do not begin wars.

We come now, however, to another political question, and I understand that people are interested in politics these days. The political question is this: All of the pollsters are telling their candidates, don't tackle foreign policy, and particularly not foreign aid, because foreign aid is poison as a political issue. They're wrong and history proves it.

I recall vividly what Harry Truman did in 1947. Let me lay the foundation of what he did and why. Harry Truman's popularity in January of that year was 35 percent. The Congress was overwhelmingly Republican. He had suffered an enormous defeat in the election of the 80th Congress in the previous November. And yet, I remember as if it were yesterday, Harry Truman—jaunty, some said a little cocky—coming down before a joint session of the Congress and asking for millions of dollars in aid to Greece and Turkey to prevent communist subversion and possible communist aggression. It was a very tough vote for two very young and both, as history later indicated, rather ambitious young congressmen.

The liberal Democrats in Jack Kennedy's Massachusetts district were against military foreign aid. The conservative Republicans in my California district were against all foreign aid. However, after considering it, we both voted for it, and a majority in the Republican House and Senate, voted for that program and that was the program which later was developed into the Marshall Plan and later into NATO, which not only contained communism but bought the time that was essential for communism to fail as it inevitably did fail last year in the Soviet Union as well as in Eastern Europe two years before.

The following year, Harry Truman who had been at 35 percent in January of 1947, won the election for President. What is more important is that a Democratic President supported by a Republican Congress provided aid to Greece and Turkey, which was the indispensable step toward containing communism and that eventually led to the victory of freedom in Russia and the rest of the Soviet Union. Today a Republican President with a Democratic Congress have the opportunity to provide aid to Russia which would assure the victory of freedom.

We responded magnificently to the threat of war then. Can we not respond to the promise of peace now?

War brings out the worst and the best in men; real peace will bring out only the best.

In the Cold War, we united to prevent what was evil. Now we must unite to advance what is good.

That is the question, then, that Americans must face today, political Americans, all Americans, and I think we know what the answer should be.

As we look to the future it is important for us to recognize that we have this great responsibility but it is also a great opportunity. Consider this. The 20th century will be remembered as a century of war. By our leadership at this time, we can help make the 21st century a century of peace and freedom. That is our challenge.

In his Iron Curtain speech, Winston Churchill said, "America at this time stands at the pinnacle of world power. This is a solemn moment for the American democracy, because with primacy in power is joined an awe-inspiring accountability for the future."

Despite what the pessimists say, despite what the negativists say, those words are as true today as they were when he spoke them 45 years ago.

America today has that responsibility but some may ask, why not someone else? If America does not lead, who? The Japanese? The Chinese? The Russians? The Germans? They are the only nations in the world that have the potential economic and military power to lead in the next century. This is our moment of greatness. It is our moment of truth. We must seize this moment because we hold the future in our hands.•

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 35, PARAGRAPH 4, PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

• Mr. SANFORD. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee received a request for a determination under rule 35 for Daniel Bob, a member of the staff of Senator ROTH, to participate in a program in Tokyo, sponsored by the Association for Communication of Transcultural Study [ACT], from July 5–12, 1992.

The committee has determined that participation by Mr. Bob in this program, at the expense of the ACT, is in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Brent Erickson, a member of the staff of Senator SIMPSON, to participate in a program in China, sponsored by the Far East Studies Institute and the Chinese People's Institute of Foreign Affairs, from July 4–19, 1992.

The committee has determined that participation by Mr. Erickson in this program, at the expense of the Chinese People's Institute of Foreign Affairs, is in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Amy Dunathan, a member of the staff of Senator CHAFEE, to participate in a program in Chile, sponsored by the Chilean American Chamber of Commerce, from July 13–17, 1992.

The committee has determined that participation by Ms. Dunathan in this program, at the expense of the Chilean American Chamber of Commerce, is in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Dennis Burke, a member of the staff of Senator DECONCINI, to participate in a program in Chile, sponsored by the Chilean American Chamber of Commerce, from July 13–17, 1992.

The committee has determined that participation by Mr. Burke in this program, at the expense of the Chilean American Chamber of Commerce, is in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Stewart Smith, a member of the staff of Senator SARBANES, to participate in a program in China, sponsored by the Chinese People's Institute of Foreign Affairs, from August 17–29, 1992.

The committee has determined that participation by Mr. Smith in this program, at the expense of the Chinese People's Institute of Foreign Affairs, is in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Mary Irace, a member of the staff of Senator SARBANES, to participate in a program in China, sponsored by the Chinese People's Institute of Foreign Affairs and the Far East Studies Institute, from July 4–19, 1992.

The committee has determined that participation by Ms. Irace in this program, at the expense of the Chinese People's Institute of Foreign Affairs, is in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Jo Ellen Urban, a member of the staff of Senator RIEGLE, to participate in a program in China, sponsored by the Chinese People's Institute of Foreign Affairs, from August 17–30, 1992.

The committee has determined that participation by Ms. Urban in this program, at the expense of the Chinese People's Institute of Foreign Affairs, is in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Brett N. Francis, a member of the staff of Senator HATCH, to participate in a program in China, sponsored by the Chinese People's Institute of Foreign Affairs, from August 15–30, 1992.

The committee has determined that participation by Mr. Francis in this program, at the expense of the Chinese People's Institute of Foreign Affairs, is in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for J. Caleb Boggs, a member of the staff of Senator ROTH, to participate in a program in China, sponsored by the Soochow University, from July 5–11, 1992.

The committee has determined that participation by Mr. Boggs in this program, at the expense of the Soochow University, was in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Dr. Robert McArthur, a member of the staff of Senator COCHRAN, to participate in a program in China, sponsored by the Soochow University, from July 5–11, 1992.

The committee has determined that participation by Dr. McArthur in this program, at the expense of the Soochow University, was in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Peter Galbraith, a member of the staff of Senator PELL, to participate in a program in Germany, sponsored by the Hochschule Bremen, from June 25–26, 1992.

The committee has determined that participation by Mr. Galbraith in this program, at the expense of the Hochschule Bremen, was in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Tim Bernstein, a member of the staff of Senator MOYNIHAN, to participate in a program in Chile, sponsored by the Chilean American Chamber of Commerce, from July 13–18, 1992.

The committee has determined that participation by Mr. Bernstein in this program, at the expense of the Chilean American Chamber of Commerce, was in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Linda McIntyre, a member of the staff of Senator WOFFORD, to participate in a program in Chile, sponsored by the Chilean American Chamber of Commerce, from July 13–17, 1992.

The committee has determined that participation by Ms. McIntyre in this program, at the expense of the Chilean American Chamber of Commerce, was in the interest of the Senate and the United States.●

BUDGET SCOREKEEPING REPORT

● Mr. SASSER. Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under section 308(b) of the Congressional Budget Act of 1974, as amended. This report serves as the scorekeeping report for the purposes of section 605(b) and section 311 of the Budget Act.

This report shows that current level spending is below the budget resolution by $1.6 billion in budget authority and above by $3.6 billion on outlays. Current level is $2.9 billion above the revenue floor in 1992 and $0.7 billion below the revenue floor over the 5 years, 1992–96. Since by last report, June 16, the Congress has cleared and the President has signed the Dire Emergency Supplemental Appropriations Act for disaster assistance to Los Angeles and Chicago (Public Law 102–302). This action changed the current level estimate of budget authority and outlays.

The current estimate of the deficit for purposes of calculating the maximum deficit amount is $351.9 billion, $0.7 billion above the maximum deficit amount for 1992 of $351.2 billion.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 2, 1992.

Hon. JIM SASSER,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on the budget for fiscal year 1992 and is current through July 1, 1992. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the Concurrent Resolution on the Budget (H. Con. Res. 121). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended, and meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32, the 1986 First Concurrent Resolution on the Budget.

Since my last report, dated June 16, 1992, the Congress has cleared and the President has signed the Dire Emergency Supplemental Appropriations Act for Disaster Assistance to Los Angeles and Chicago (P.L. 102–302). This action changed the current level estimate of budget authority and outlays.

Sincerely,

JAMES L. BLUM
(For Robert D. Reischauer).

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, 102D CONG., 2D SESS. AS OF JULY 1, 1992

[In billions of dollars]

	Budget resolution (H. Con. Res. 121)	Current level [1]	Current level +/− resolution
On-budget:			
Budget authority	1,270.7	1,269.1	−1.6
Outlays	1,201.7	1,205.3	+3.6
Revenues:			
1992	850.5	853.4	+2.9
1992–96	4,836.2	4,835.5	−.7
Maximum deficit amount	351.2	351.9	+.7
Debt subject to limit	3,982.2	3,890.8	−91.4
Off-budget:			
Social Security outlays:			
1992	246.8	246.8	.....
1992–96	1,331.5	1,331.5	.....
Social Security revenues:			
1992	318.8	318.8	.....
1992–96	1,830.3	1,830.3	.....

[1] Current level represents the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

Note.—Detail may not add due to rounding.

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 102D CONG., 2D SESS., SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1992 AS OF CLOSE OF BUSINESS, JULY 1, 1992

[In millions of dollars]

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues			853,364
Permanents and other spending legislation	807,567	727,184	
Appropriation legislation	686,331	703,643	
Mandatory adjustments[1]	(1,041)	1,105	
Offsetting receipts	(232,542)	(232,542)	
Total previously enacted[2]	1,260,314	1,199,389	853,364
ENACTED THIS SESSION			
Emergency unemployment compensation extension (Public Law 102–244)	2,706	2,706	
American Technology Preeminence Act (Public Law 102–245)			(3)
Technical Correction to the Food Stamp Act (Public Law 102–265)	(3)	(3)	
Further continuing appropriations, 1992 (Public Law 102–266)[4]	14,178	5,724	
Extend certain expiring veterans' programs (Public Law 102–291	(3)	(3)	
1992 rescissions (Public Law 102–298)	(8,154)	(2,499)	
Emergency disaster assistance for Los Angeles and Chicago (Public Law 102–302)	81	15	
Total enacted this session	8,808	5,943	(3)
Total current level	1,269,122	1,205,333	853,364
Total budget resolution[5]	1,270,713	1,201,701	850,501
Amount remaining:			
Over budget resolution		3,632	2,863
Under budget resolution	1,591		

[1] Adjustments required to conform with current law estimates for entitlements and other mandatory programs in the concurrent resolution on the budget (H. Con. Res. 121).

[2] Excludes the continuing resolution enacted last session (Public Law 102–145) that expired Mar. 31, 1992.

[3] Less than $500,000.

[4] In accordance with section 251(a)(2)(D)(i) of the Budget Enforcement Act, the amount shown for Public Law 102–266 does not include $107,000,000 in budget authority and $28,000,000 in outlays in emergency funding for SBA disaster loans.

[5] Includes revision under section 9 of the concurrent resolution on the budget (see p. S4055 of "Congressional Record" dated Mar. 20, 1992).

Note.—Detail may not add due to rounding.

REGGIE JACKSON: A STAR IS BORN AT MADISON SQUARE GARDEN

• Mr. HOLLINGS. Mr. President, at the Democratic National Convention last week, the nomination was won by Bill Clinton, but America's heart was won by 12-year-old Reggie Jackson of Camden, SC. Reggie, of course, is the young man who sang "America the Beautiful" on the convention's opening night. The next morning, he gave an equally sparkling performance for the South Carolina delegation, and on Thursday night he was invited back for an encore performance before the entire convention.

Mr. President, I've heard of diamonds in the rough, but to behold young Reggie Jackson at that convention was like discovering a new diamond already cut and polished to perfection. Reggie has the voice of an angel, the poise of a highwire artist, and the presence of a Broadway star—which he seems destined to become.

Reggie's performance Monday evening was simply electrifying—all the more so because it was totally unheralded and unexpected. He simply took the microphone in his hand and in short order utterly conquered Madison Square Garden. And the measure of that conquest was the stunned silence of the thousands of people in that great hall.

Bear in mind that delegates at national political conventions are notoriously noisy and inconsiderate. Even keynote speakers have to speak over the din of thousands of loud conversations and arguments and guffaws. But, by the time Reggie had reached "purple mountains' majesty," he had slain the beast. He hushed the entire hall. And in the process he brought a very special pride to those of us from South Carolina.

Mr. President, I congratulate Reggie Jackson for his remarkable triumph. He did us all proud. If the saying is true that "if you can make it in New York, you can make it anywhere," then Reggie Jackson has a wonderful future ahead of him.•

S. 2387, EVERY FIFTH CHILD ACT

• Mr. D'AMATO. Mr. President, I rise today to join Senators LEAHY and DOLE and many other distinguished Members of this body in cosponsoring S. 2387, the Every Fifth Child Act. This bill's poignant title—one that we can all remember—reflects the alarming fact that one of every five children in the United States face hunger. Enactment of this bill will allow us to challenge this problem head-on by increasing funding to three cost-effective programs: the Special Supplemental Food Program for Women, Infants and Children [WIC], Head Start, and the Job Corps.

In cosponsoring this bill, I affirm my belief and commitment that our children are our Nation's most precious and valuable resource. Funding these three programs is an investment in American's children and America's future. WIC addresses and helps prevent low birthweight. It supports sound physical and mental development by providing nutritious foods to low-income pregnant women. Head Start addresses the very crucial early educational and developmental needs to low-income children. Job Corps provides training and career counseling for disadvantaged youth.

These worthy programs have been under-funded in recent years. In addition to providing significant increases for all three of these programs in fiscal year 1993, our goal in this bill is to provide full funding for WIC by 1996, to provide full funding for Head Start by 1998, and to establish 50 new Job Corps centers, serving 50 percent more youth than were served in 1992, by the end of the decade.

I am proud to join my colleagues in this bipartisan effort to help our Nation's children and to invest in our future. I urge all my colleagues to support this bill and I urge its immediate adoption.•

TRIBUTE TO DR. BESSIE BOEHM MOORE, LITTLE ROCK, AR

• Mr. PRYOR. Mr. President, on August 2, 1992, Dr. Bessie Boehm Moore, of Little Rock, AR, will celebrate her 90th birthday. Aside from reaching that notable landmark accomplishment, Bessie will be honored around that date by her many friends, colleagues, and admirers for her career of service to libraries and education in Arkansas and across the Nation.

At age 14, Bessie began teaching in Stone County, AR. For 38 years she served under nine Governors, including myself, as a member of the Arkansas State Library Commission. That dedication was rewarded by her selection as a member of the White House Conference on Libraries and Information Services, where she has served as a trusted and valued member continuously since 1971.

Bessie earned a B.S.E. from the University of Central Arkansas at Conway in 1942 and an M.A. from the University of Connecticut in 1962. Honorary degrees include a doctor of laws from the University of Arkansas in 1958, and a doctor of laws from the University of Arizona in 1977, as well as a doctor of library science from the University of Arkansas at Little Rock in 1986. She has developed nationally recognized programs for economic education.

Bessie's accomplishments are legion. In addition to her service on the White House Conference on Libraries, she has chaired the Ozark Folk Culture Center Commission and has been a member of the National Board of Governors of the American Association for United Nations, UNICEF, and Radio Free Europe.

Bessie is a member of the American Association of University Women, Delta Kappa Gamma, Arkansas Congress of Parents and Teachers, Distinguished Alumni of the University of Arkansas, Who's Who in American Women, World Who's Who of Women, National Association of Economic Educators, Advisory Commission on Women in the Armed Services, and was a State Department Emissary to West Germany for the Marshall Plan in 1964.

A businesswoman and bank director as well, Bessie organized the first county library in Arkansas in 1926. She has lectured extensively at leading universities and consulted on economic and career education.

Often referred to as the poor man's Pearl Mesta, Bessie Moore is a very gracious lady and charming hostess. She has always had a knack for separating the Federal Government from the dollar when the beneficiary would be her beloved libraries.

Mr. President, I join her many friends throughout Arkansas and this nation as we embark on a series of trib-

utes later this year to one of Arkansas' treasures—Dr. Bessie Moore.•

POPULATION AND THE EARTH SUMMIT

• Mr. WIRTH. Mr. President, at the recent U.N. Conference on Environment and Development in Rio de Janeiro, the issue of rapid population growth was widely recognized, but too seldom discussed. In addressing the range of environment and development issues—from poverty to global warming to deforestation—the Earth summit endeavored to develop a meaningful plan of action that will allow the nations of the world to create sustainable development for the future.

Perhaps because the U.N. Conference on Population and Development will be held in 1994, the Earth summit in Rio did not fully explore the issue of population. This is unfortunate. Failure to address the rapid growth in human numbers will make it impossible to achieve the best laid plans for sustainable development. Population around the globe—which stands at nearly 5.5 billion people—is increasing at the unprecedented pace of 100 million people each year. At current growth rates, global population will double in the next 40 years and could triple later in the 21st century. The nations of the world must develop an aggressive and comprehensive plan to halt these trends and stabilize population as soon as possible.

One of the groups helping to lead the effort to address the issue of population at the Earth summit and in other endeavors is the Population Institute. The Population Institute, established in 1969, is a large grassroots organization dedicated to seeking a more equitable balance between the world's population, environment, and resources. The Institute was well represented at the Earth summit with a 28 member multinational team of scientists, technical personnel, and activists who went to Rio to observe and monitor the proceedings.

At the Earth summit, the Population Institute gathered signatures from delegates of a population/environment priority declaration. These efforts helped emphasize the importance of the population issue and helped to educate delegates about the important linkages between population, environment, and development concerns. I will submit for the RECORD a statement issued by the Population Institute at the conclusion of the Earth summit, as well as the priority declaration.

With signatures from representatives of more than 100 delegations, the Population Institute's President, Werner Fornos, presented the declaration to the UNCED Secretary General, Maurice Strong. Mr. Fornos announced at that time that the Institute intends to obtain more than 1 million signatures for presentation to the U.N. Secretary General during World Population Awareness Week in October of this year.

I complement the Population Institute for their continuing efforts to advance public awareness and understanding of the critically important issue of rapid population growth.

The statement follows:

EARTH SUMMIT CONCLUDING STATEMENT OF WERNER FORNOS

Much that is useful has emerged from the Earth Summit and, if implemented, might save a planet that is spinning out of control. The greatest shortcoming of this conference is not the proposals approved as much as it is the failure of virtually all of more than 170 world leaders to address the necessity of coming to grips with rapid population growth and heading off another doubling of our human numbers in less than 40 years.

Except for the Prime Ministers of Norway, Pakistan, and the United Kingdom, heads of state who paraded into Rio to deliver their obligatory seven-minute soundbites promptly assumed the classic ostrich position on this crucial matter of our times. When a leader did feel obligated to mention the population factor at all, it was usually in a throwaway line or two. It is especially puzzling that the leader of India—the second most populous country in the world, straining against demographic collapse—could ignore the root of its environmental problems. And the leader of China—the most populous country, with one fifth of the world's human numbers—devoted only one sentence, a mere 16 words, to population.

It is beyond comprehension that leaders of so many nations could examine our planet in an effort to diagnose its ills and prescribe remedies, yet deny that unprecedented human growth and activity is either a cause or symptom of these ills.

A PRIORITY DECLARATION

World population, currently at 5.4 billion, burgeons by more than 95 million each year. It is expected that the annual net increase will reach 100 million by the middle of this decade. Three million people—an amount equal to the entire population of the world in 1960—will reach their reproductive years within the next generation.

No issue is of greater concern to the world's future than the rapid rise in human population. Together, the increase in human population and resource consumption are basic causes of environmental degradation and human suffering. They must become major priorities for national and international action.

Because of its pervasive and detrimental impact on natural systems, current population growth is overwhelming any possible gains in substantially improving global environmental and economic conditions. Failure to curb world population growth will intensify the deterioration of the Earth's natural resources and undermine desperately needed economic and social programs.

Current national and international efforts to address the world's rapidly expanding population are woefully inadequate. If a sustainable future is to be attained, the United States and all nations of the world must make the issue of curbing human population growth a leading priority of this decade.

Our spiraling human numbers can be checked only by a vast acceleration of population assistance to the poorest countries in the world, where 500 million women need and want to limit their number of children but lack either the knowledge, access or means to obtain family planning. We call on all nations to redouble their support of the United Nations Population Fund and private voluntary organization dedicated to extending to all couples the basic human right of determining the size and spacing of their families.

Signees came from the following countries: Angola, Antigua and Barbuda, Argentina, Armenia, Australia, Bangladesh, Belize, Belgium, Bhutan, Bolivia, Botswana, Brazil, Burkina Faso, Canada, Central African Republic, China, Colombia, Comoros, Congo, Cook Islands (South Pacific), Costa Rica, Cuba, Czechoslovakia, Denmark, Dominican Republic, Ecuador, Ethiopia, Federal States of Micronesia, Fiji, Finland, Gabon, Germany, Ghana, Greece, Guatemala, Guinea-Bissau, Honduras, India, Indonesia, Iran, Iraq, Israel, Italy, Japan, Jordan, Kiribati, Republic of Korea, Lebanon, Libya, Malaysia, Mali, Mexico, Moldova, Mongolia, Morocco, Mozambique, Myanmar, Namibia, Nepal, Netherlands, New Zealand, Nicaragua, Nigeria, Niue, Norway, Oman, Pakistan, Palestine, Papua New Guinea, Panama, Paraguay, Philippines, Portugal, Qatar, Romania, Rwanda, St. Kitts and Nevis, St. Lucia, Somoa (Western), Sao Tome and Principe, Saudi Arabia, Senegal, Solomon Islands, Spain, Sri Lanka, Sudan, Suriname, Swaziland, Sweden, Syria, Tanzania, Thailand, Trinidad, and Tobago, Tunisia, Turkey, Uganda, United Arab Emirates, Vanuatu, Venezuela, Yugoslavia, Zambia.•

THE IRAN-IRAQ ARMS CONTROL BILL

• Mr. KASTEN. Mr. President, I rise today in support of the Iraq-Iran Non-Proliferation Act. I want to express my utmost concern about the current situation in the Middle East, and express my support of the McCain arms control bill to help promote stability in the region.

Peace and stability in the Middle East can be brought about only by means of a comprehensive program that deals with all the problems of the region. Such a program must incorporate issues dealing with basic human rights, national self-determination, national boundaries based on international law, and arms control.

Fear of the imminent outbreak of new hostilities in the region is pervasive among the populations of the Middle East. Clearly, this fear has a firm basis in reality. In particular, the continued militancy of the regimes of Iran and Iraq is especially worrisome.

Iraq and Iran are the two most dangerous states in the region. These regimes are not concerned with international law and have no regard for human life. Their ruthless suppression of the Kurd, Shi'i, and Bahai minorities in their own lands attest to this disregard for human rights.

There is ample evidence of the policy objectives of both Iran and Iraq. In each case it involves an aggressive, expansionist policy, aimed at increasing their respective power and influence in the region.

The massive extent of Iraq's stockpiling of weapons of mass destruction—

nuclear, chemical, biological, and conventional—is only now becoming clear. Clearly, Iraq has not shown any scruples about using these weapons, whether it be against Israel without provocation during the gulf war, or repeatedly against its own Kurdish population. Other examples could be cited.

Iran's efforts at acquiring an arsenal of weapons of mass destruction have been no less herculean. The only difference is that Iran has not been forced to disclose its weaponry to a United Nations Commission, and has been able to continue its stockpiling unabashedly.

We can only estimate the massive size of this arsenal, based on the $2 billion that we know Iran has spent annually on this program since its war with Iraq. We do know with certainty, however, that this arsenal exists, that it is extremely large, and that Iran is ready to use it.

Iran has freely boasted of its progress, particularly in procuring long range missiles, and has a clear intent to flex its muscles to threaten and intimidate Israel, and our allies in the gulf. We must not let this happen.

As I have repeatedly asserted, even before the gulf war, the United States has a mandate to help bring peace and stability to the people of the Middle East. These people are simply starved for peace and deserve our help in attaining this goal.

The United States thus has an obligation to maintain a leading role in stopping the insane buildup of arms, which threatens the peace of the Middle East. The United States must take steps to limit the availability of advanced weaponry to these outlaw states.

This bill, of which I am a cosponsor, strengthens previous legislation dealing with American firms transferring arms. It tightens surveillance on such transfers and mandates full public disclosure of any violations. This should be a sufficient deterrent to these companies.

The bill also provides a stimulus to foreign suppliers to restrict their arms trades to Iran and Iraq by imposing sanctions against them. Any foreign agent that is found in violation of these restrictions will be subject to strong economic and legal sanctions.

In the aftermath of the Persian Gulf war there is a window of opportunity—rapidly closing—to introduce to the Middle East what the rest of the world has already witnessed: The end of the cold war.

While the United States and the republics of the former Soviet Union are negotiating major arms reductions, Iran and Iraq are still clinging to their cold war mentalities. This arms race will lead to dangerous power imbalances in the region if it is not stopped now.

In the aftermath of the gulf war the international community is in a position to limit the influx of advanced weaponry to this volatile region. America must take the lead in establishing such an arms control regime, which will take away the power of terrorist states to intimidate neighboring or even native populations.

We can do the right thing now, impose these sanctions, and check the growth of arms proliferation at an early stage. Or we can wait until a situation develops in which we no longer have a choice.●

TWO VIEWS OF EAST ST. LOUIS, ILLINOIS

● Mr. SIMON. Mr. President, some time ago Colman McCarthy had an op-ed piece in the Washington Post about a high school in East St. Louis, IL. The article was based on his visit to and meetings with students at the Vincent Gray Alternative High School.

East St. Louis, once the second largest city in Illinois, is now home to about 45,000 residents. After years of despair and isolation, government, community, and religious leaders are fighting back—moving to shed the image of a dying city, employing hard work, creativity, and cooperation.

Mr. McCarthy paints his picture of East St. Louis, one of both hope and despair.

But this column does not give credit to people and organizations that have never stopped believing in East St. Louis. It does not address the progress, albeit slow, that has occurred since the election of a new mayor, Gordon Bush, last year.

Mr. President, this summer I have a remarkable group of summer interns from throughout the State of Illinois. Among them is an exceptional young woman from East St. Louis. Masa Massenberg is a lifetime resident of East St. Louis. As a college student, Masa started a mentor/tutoring program for young teenagers in East St. Louis. The program has been run on a shoe-string budget, housed in Masa's church. It is now so popular that she is seeking private funding in order to accommodate all the young people interested in signing up for her program. Masa has run this program while taking a full college load and hopes to continue to oversee the program next year when she begins law school at Washington University in St. Louis, MO. Masa has set down her own thoughts on Los Angeles, East St. Louis, and the future of communities like this.

Mr. President, I would like to share Masa's view of where we are and where we should go if we are to ever heal the deep divisions in our society. In addition, I ask that Colman McCarthy's article be printed in full in the RECORD.

The material follows:

RACIAL INJUSTICES: HEALING THE PAIN

(By Masa Massenberg)

The recent Los Angeles riots forced America to direct its attention to the years of discontent growing in our nation's inner-city areas. The pain and violence that flashed across our television screens should have awakened our minds to the horrifying effects of racial divisions and injustice in our country. However, lives of some Americans remain untouched because their neighborhoods were not destroyed. To them, the riots were an isolated incident sparked by a controversial verdict. Yet to others like myself, it was an added reminder of the inequities that are confronted by many American citizens. To us, the riots were just the beginning of a revelation of a deep-rooted anger just waiting to erupt even further.

Instead of ignoring this evidence of unrest, we must explore its presence in cities across our nation and seek to heal the wounds that continue to separate the American people. One such place which is plagued by racial stereotypes is within my own state of Illinois, a city called East St. Louis. I could not help but wonder if the suffering in this area could trigger as much destruction as that experienced in Los Angeles.

East St. Louis is an area constantly criticized in the local and national media. It is viewed by many as being a hopeless city filled with destitute residents and faltering leadership. While it is true that the city is weakening from a myriad of socioeconomic and political problems, there is much good in the city that goes unnoticed.

As in most American cities, East St. Louis has its share of less than desirable neighborhoods. However, character and moral assessment cannot be based on property value. East St. Louis is the home to thousands of decent, hard-working people who present a model of determination and solid support to their families. They are responsible adults with loving children who all possess the same moral and spiritual values as any other upstanding American family. These citizens pride themselves in succeeding against all odds. Nonetheless, these people and their lifestyles are never featured in media spotlight.

Though East St. Louis suffers from a poorly funded educational system, students continue to excel in academics, music and sports. As a result of the instruction and guidance from gifted teachers, students are encouraged to believe in themselves, to dream, to accomplish. To them, East St. Louis is not a hopeless ghetto, but a home for hard-working people trying to create a better life for their families and for their community. Hence, the overbearing stereotypical image of an East St. Louis citizen as being one who is corrupt, immoral and ignorant haunts these children and families who try hard to excel regardless of their circumstances.

Despite this apparent good within the community, one must also confront the city's inherent problems. The community is stifled by a huge debt, lack of industry and employment opportunities, lack of basic public services, inadequate public housing and environmental hazards. As well, there exists a strong apathy in the community for the absence of an open forum where citizens can express their concerns to city officials and to representatives of the state and federal government. This negative attitude is perpetuated by the city's constant misrepresentation in the media. To East St. Louis residents, none besides them seem to care.

Where there is apathy, there is oftentimes resentment. And where there is resentment, there is pain. And you can be sure that if left alone, this pain may escalate into a fury which will shock our nation just as our nation was shocked by the riots in Los Angeles.

There is a wonderful sense of life, loyalty and dedication within the community of East St. Louis. It is a town whose citizens yearn for an opportunity to rebuild their city and to overcome the massive obstacles confronting them. Yet, when hope is not nurtured, it soon dies.

Constant focus on the negatives in inner cities denies the true potential to uplift these areas and ultimately may destroy our future as a nation. I challenge U.S. citizens, the media and both state and federal leaders to take a second look at our nation's urban centers. We cannot afford to be insensitive to the reality of how life truly is in these areas. As leaders of our nation, it is our responsibility to improve the standard of living in these inner cities in order to provide a vibrant, productive environment for all children and families who are a part of our great nation.

[From the Washington Post, Mar. 14, 1992]

DESPERATION AND HOPE IN EAST ST. LOUIS

(By Colman McCarthy)

EAST ST. LOUIS, ILL.—If an intelligent person is someone who knows much and seeks to learn more, than the 30 students I met at Vincent Gray Alternative High School here are certified geniuses. Not SAT or National Merit Scholarship geniuses. The Gray students, raised in destitute East St. Louis, which is 98 percent black and 100 percent abandoned as hopeless by state and federal education officials, have intelligence on a higher level than that. They have a vast knowledge of society's cruelty and misery, living in a racially isolated town of 40,000 that has been called the Soweto of America and has enough poverty to qualify also as Port-au-Prince on the Mississippi.

Despite what they know about urban decay and its daily assaults on the spirit, about 60 students come every day to Gray. Learning is possible because caring teachers are here, five of whom are brothers from the Society of Mary and whose salaries are $5,000 a year. Average teacher pay—excluding the brothers—is $13,000, against the statewide $28,000.

I mention money because the schools of East St. Louis are among the most impoverished in America. In "Savage Inequalities," Jonathan Kozol reported that here, "the city spends approximately half as much each year on every pupil as the state's top spending districts." Some 70 East St. Louis teachers, full-time—but classified as "permanent substitutes," earn $10,000 a year. The chairman of the state board of education, quoted by Kozol, believes, "East St. Louis is simply the worst possible place I can imagine to have a child brought up. . . The community is in desperate circumstances."

The desperation is not yet total. Gray, as much a refuge of peace as a school, is a major reason. In my visits to two classes, to share with students and teachers a few ideas on starting a course on peace studies and conflict resolution, I could feel a spirit of awakened enthusiasm for education, like a slant of sunshine breaking through dark clouds. These were students, ranging from 16 to 24 years of age, who had left or were asked to leave the regular high schools of East St. Louis. Before Gray, they were at the bottom of the bottom. Many listed fear as the reason for dropping out—fear of gunplay to and from school as well—as in school. Most Gray students had a relative or a friend who was murdered.

The teacher-student ratio at Gray is one to four, just about what Socrates said is the ideal for true learning. The school had eight students and three teachers when founded in 1980 by two Society of Mary bothers. Eighty have graduated in the past 11 years, earning diplomas that, for many, represented a first for their family. Most Gray alumni have made it to college, found jobs or joined the military.

After my visit to Gray, Mark Osborne, the administrator, wrote to me: "I wish to thank you for coming to East St. Louis. Yes for having the courage to come into town. There are lifelong residents of the St. Louis—Metro East Area who gladly will drive 30 miles out of their way to completely avoid the city. Why? Because East St. Louis is *violence*. At least in their eyes. This notion is based partly in fact and partly as a result of an image created by the media . . . It is wrong when people's ignorance, prejudice and fear are fueled by media accounts of the evil that exist in East St. Louis. I don't know why a 24-year-old high school dropout mother of three who went back to school to earn her high school diploma is not 'good copy,' but 15-year-olds murdering each other over crack turf is."

It was curiosity, not courage, that brought me to Gray. What were the kids like? Were they demoralized beyond help or hope by the town's ravages? Or had they summoned an inner strength they never knew they had to resist it? Was their experience at Gray—contact with compassionate educators who knew classroom drills were only a part of their work—taking hold? And the teachers: What motivated them to stick it out when they could work at a middle-class suburban high school at triple the pay and half the tension?

I spoke with enough students and teachers to have some answers. Gray thrives because it is a school of alternatives, the main one being the love offered by the teachers and appreciated by the students. The kids know this is their final comeback try.•

FOSSIL FOOTPRINTS IN NEW MEXICO

• Mr. BINGAMAN. Mr. President, I wish to report on the progress that the Bureau of Land Management is making in evaluating the prehistoric trackways found on public lands in the Robledo Mountains of New Mexico. These fossil footprints are among the most important archeological discoveries of the 20th century. I am pleased that legislation to protect these trackways passed in November 1990. Public Law 101-578 authorizes the Secretary of the Interior to conduct a study of the alternatives for protection and interpretation of these priceless fossils.

The law also allows the Secretary to cooperate with State and local governments and institutions of higher learning to examine alternatives to preserve these historic trackways. Mr. President, it was the intent of Congress in adopting this legislation to have the Smithsonian Institution assist BLM in its study of how to protect, manage, and curate these fossils. I am confident that working together, the Bureau of Land Management and the Smithsonian Institution will get the job done. In closing, Mr. President, I would like to invite any of my colleagues who may travel to southern New Mexico to view this fascinating scientific discovery and international treasure.•

FUND FOR DEMOCRACY AND DEVELOPMENT

• Mr. SIMON. Mr. President, there is a new nonprofit organization based in Washington, DC, called the Fund for Democracy and Development that is starting to do some good humanitarian work in the former Soviet Union. Ron Scheman heads up the group. The fund's immediate mission is to mobilize private sector contributions of food and medical supplies; their longer term goal is to provide technical assistance in the areas of law, credit and management training for small businesses, farm programs, and a variety of other worthwhile efforts.

As of mid-May, the fund had shipped 185 40-foot containers of donated goods, and another 300 are scheduled to be shipped before the end of July. The U.S. Government is helping to cover shipping costs. In my State of Illinois, groups from Belvidere, Rockport, and Arlington Heights donated goods to the Moscow area through the United Methodist food package program. Archer Daniel Midland [ADM] Corp. of Decatur donated 100 tons of Harvest Burger—veggieburger—to the fund to be sold on the open market in Russia, the proceeds of which will go toward opening a fund office in Moscow. I am told that many individuals and companies in other States have participated in the fund's shipments, and I commend all those who are helping out.

Mr. President, now that the Senate has passed the Russian aid bill, it is my hope that the State Department and the Agency for International Development will continue to help defray the costs of fund shipments to the former USSR, and consider the fund for other humanitarian and technical assistance programs.•

A TRIBUTE TO HISPANIC MOTHERS

• Mr. WIRTH. Mr. President, over the years I have occasionally referenced the words of Mr. Tomas Romero, a distinguished columnist for the Denver Post, in discussing issues of importance to the Nation's growing Hispanic community. Today I would like to request that Mr. Romero's piece, "A Letter of Love to a Woman of Heart and Soul" be reproduced in the RECORD.

Mr. Romero wrote this piece some years ago, and many in Colorado's Hispanic and Latino community have requested copies because it is a particularly powerful expression of respect for motherhood. At a time when the national political debate has been focused on "family values", I believe Mr. Romero's piece is a reminder that "family values" are not the exclusive province of a dominant anglo culture, nor are they a special forum for one political point of view.

The letter follows:

A LETTER OF LOVE TO A WOMAN OF HEART AND SOUL

(By Tomas Romero)

Hispanic mothers.

This one is for our madres to whom we owe so much. A reminder to us all that mothers deserve to be cherished every day—but most especially on their birthdays.

This is for the woman who rose before dawn to fill kitchens with scents of hot atole, Mexican chocolate and fresh baked loaves of bread. It was she who banked woodstove fires and turned cold cement floors into a warm morning welcome for children's feet.

With breakfast dishes done and floors swept clean again, she had no time to enjoy a cup of coffee, or listen to the radio news of the day. No time for an Oprah Winfrey to tell her what her status was. Instead, with her youngest child wrapped against the sun, she left the house, found shade for her infant and picked up a sugarbeet short hoe, joining husband and family on mud-caked knees to creep down an endless row.

A son recalls old photos—long since lost or soaked beyond recognition by monsoon rains: a beautiful and slender woman, with flowing dark black hair, large and lovely luminous eyes, arms clasped, standing in a stream as cool mountain water danced around her ankles.

She sent her children to school with their clothing neat—perhaps at times in patched trousers, but always clean. She saved homework and perfect-attendance certificate awards, as carefully hoarded as if each was title to a kingdom.

There were other autumn scents: roasted bushels of green chill, capulin jam jars and mounds of warm tortillas. That was home.

This is for our mothers whose hands grew hard and calloused, who with backs bent in scorching hot pickle fields, canneries, laundry plants and other people's kitchens lost their health and gave up their personal hopes. All to see their children grow up, receive college degrees, work in air-conditioned offices and earn great honors never imagined for themselves.

She saw her children grow and learn the ways of others and must have suffered when they, in selfish youth, rejected values and traditions she held dear.

She lit a hundred velas—and wore the finish off rosary beads in praying for a soldier son's safe return.

Now grandchildren come and talk of her quaint accent. Yet they also smile at abuela—grandmother—as they embrace her waist and say her foods are the best.

Sons and daughters return, sometimes full of pride and self-importance: "I had lunch with the governor today * * *." Other times, when life has overwhelmed them and brought them to their knees, she asks no questions. She quietly places bowls of homemade caldito—stew—and says, "Eat, mi hito, try this and rest awhile * * *."

Out of step with modern ways and separated from some of her family by language and decades of different experience, our madres share a common denominator: love for their children, some of whom at long last realize that better education does not necessarily give more wisdom.

There are no pedestals tall enough to raise such a mother to the heights she deserves. All a son can do is say, "Feliz cumpleanos, mi madre. Te amo mucho." Happy birthday, mother. I love you very much.

(Tomas Romero, a native Coloradan and graduate of University of Northern Colorado, operates a small business in Denver. He writes a column on Hispanic issues every other week.)

DEMOCRATIC HISPANIC TASK FORCE FIELD HEARING

Mr. SIMON. Mr. President, last May in my home State of Illinois, I chaired a field hearing of the Senate Democratic Hispanic Task Force on Issues Facing the Hispanic Family—Education, Employment, and Health Care.

The majority leader established the task force in 1989 and named me its chairman for the 102d Congress. On the task force, I am pleased to be joined by Senators BENTSEN, BINGAMAN, CRANSTON, DECONCINI, DODD, GRAHAM, KENNEDY, LIEBERMAN, MOYNIHAN, REID, and WIRTH.

At the Chicago field hearing, I heard from a diverse group of men and women who provided very useful testimony about the challenges facing the Hispanic communities in these areas. The witnesses who testified also made a series of important and serious recommendations in these areas.

The issues raised at the hearing are highly interrelated. For example, we started talking about the high number of Hispanics, particularly children, who go without medical insurance and the negative impact that has on preventive medicine, immunization, and student absenteeism. That discussion led into a description of public school education for Hispanics, whether the schools are fully providing necessary bilingual educational services, and what happens when Hispanics drop out of school or graduate without the requisite language or other skills to be fully employable.

The picture painted by the witnesses was not a negative one, however. Some of the witnesses were making great strides to relate to Hispanic youth and turn around those who might otherwise fall through the cracks. Some provided elementary and secondary education. Another worked with at-risk youth. Another fostered the retraining of women who wanted to return to higher education. A witness from the Hispanic business community offered testimony about what assistance the Federal and local governments can provide to put them on their feet and create an anchor for families and the entire community.

Mr. President, I want to share with my colleagues in the Senate the recommendations and testimony of our hearing witnesses. Accordingly, I ask that the testimony from the Hispanic Task Force field hearing be printed in the RECORD over the next 5 days.

[U.S. Senate Democratic Hispanic Task Force Field Hearing, Monday May 4, 1992, 9 a.m., Senator Paul Simon, Chairman]

ISSUES FACING HISPANIC FAMILIES

PANEL 1: HEALTH CARE

Financial Barriers: Dr. Aida Giachello, Jane Addams College of Social Work.

Primary Health Care/Preventive Measures: Virginia Martinez, Latin American Bar Association.

PANEL 2: EDUCATION

Elementary and Secondary Education, Bertha Magaña, United Neighborhood Organization, Chicago School Board; Adela Coronado Greeley, Inter-American Magnet School

Higher Education: Rebecca Alvin Paredes, Hispanic Women's Leadership Development Project, Hispanic Alliance, DePaul University.

School Safety/Youth Violence: Ray Vazquez, Logan Square YMCA.

PANEL 3: ECONOMIC DEVELOPMENT

Employment Training: Mary Gonzalez Koenig, Mayor's Office of Employment and Training; Pedro Galva, Assurance Corporation, The College of Office Technology.

Small Business Development: Adela Cepeda, Abacus Financial Group, Inc.

ADDITIONAL STATEMENTS SUBMITTED BY

1. Dr. Jorge A. Girotti, Assistant Dean and Director, Hispanic Center of Excellence, University of Illinois at Chicago.
2. Hon. Miguel del Valle, State Senator, 5th District, Illinois.
3. Universidad Popular, Chicago, Illinois.
4. Angela Torres, Chairperson, Education Task Force, Pilsen Neighbors Community Council, Chicago, Illinois.
5. Carmen Velasquez, Executive Director, Alivio Medical Center, Chicago, Illinois.
6. Joseph M. Martens, Coordinator, Illinois Hispanic Human Services Association, Chicago, Illinois.
7. Association Pro-derechos Obreros (APO), Chicago, Illinois.

CRITICAL ISSUES FACING HISPANICS/LATINOS IN THE AREA OF HEALTH CARE IN THE UNITED STATES

(Testimony Given by Aida L. Giachello, PhD assistant professor and Jane Addams College of Social Work University of Illinois at Chicago)

Good morning! It is a great privilege to have the opportunity to address some of the critical issues affecting Hispanics/Latinos in the United States. I wish to take this opportunity to commend you for the foresight and concern you have demonstrated by holding this hearing. Understanding and addressing the needs of the diverse Hispanic/Latino populations in all areas, including health care may well be one of the most serious challenges facing public health in this decade. My presentation will provide a brief overview of the demographic and socioeconomic of Hispanics/Latinos in this country and will bring to your attention some of the critical health problems and access to medical care issues currently confronting the Latino community. Finally, I will end up with some recommendations of priorities.

DEFINING HISPANICS

Let me first begin by defining the term "Hispanic". According to the U.S. Bureau of the Census, "Latinos" ("Hispanics"/Spanish origin) are defined as persons who considered themselves to be Mexican, Mexican American, Puerto Rican, Cuban, or those who are born or descended from those born in Central or South America, Spain, or selected locations in the Caribbean. This definition encompasses people that come from more than 23 countries. It is important to keep in mind that Hispanics are a heterogenous group despite the fact that they share a common language and selected aspects of the Spanish culture. They come from a diversity of backgrounds, and have a very different set of be-

haviors and values. For example, some Hispanics are U.S. citizens, other are not. Some are recent arrivals to the U.S. while others have been in this country for many years and from many generations. Many speak only Spanish, some are bilingual in English and Spanish, and others are monolingual in English. There is diversity in levels of acculturation and assimilation as well as in socioeconomic status (see Table 2). This diversity among different subgroups of Latinos is also reflected in their health beliefs, attitudes and knowledge, health status, and patterns of health services utilization.

The term "Latino" and "Hispanic" is used interchangeable. "Hispanic" was adopted by the federal government in 1977. When the Office of Management and Budget directed federal agencies to follow a set of race and ethnic standards in their statistical activities. However, many Hispanics at the grass-root level resent the term "Hispanic" as it is perceived as imposed on them. Persons of Mexican origin prefer to call themselves Mexican-Americans or "Chicano". The term "Chicano" has a political empowerment connotation. Puerto Rican are also referred to as "New York Ricans" as New York city has the largest Puerto Rican population (1.5 million). Another terms used of refer to Puerto Ricans are "Boricuas" as the island of Puerto Rico was named Borinquen by the Indian Tainos, the first natives of the island. For Cubans, the term Cuban Americans are often used of refer to those of second generation and on, or "Marielitos" to refer to the recent wave of Cubans that left the Mariel bay in Cuba.

POPULATION GROWTH, COMPOSITION AND GEOGRAPHIC CONCENTRATION

The demographics of the Hispanic population portend a dramatic change in the composition of the American society. Hispanics as a whole are the second largest and one of the fastest growing minority groups in the United States. In 1990, there were 22.3 million Latinos in the United States, representing 9.6 percent of the total U.S. population. Those from Central or South America are growing at the highest rate. These numbers exclude the approximately 3.5 million residents of the commonwealth of Puerto Rico and the estimated three to six million undocumented workers.

The rapid growth is due to high birth rates and to immigration. In 1989, the birth rate for the Latino population was 26.2 live births per 1000 population. This rate is approximately 50 percent higher than the birth rate for the non-Latinos (16.3) (NCHS, 1992). Since 1930, the largest number of legal migrants entering the U.S., according to the U.S. Immigration and Naturalization Services, have been Latinos. The number of legal immigrants does not include undocumented workers or Puerto Ricans, who are U.S. citizens by birth.

Even more striking than the increase in the number of Hispanics is the age composition of this population. The March 1991 Current Population Reports, indicate that in 1991, over one-third of this population (38 percent) was under the age of 20 compared to 29.1 percent for the total population (U.S. Bureau of the Census, 1991). Given that the fertility rate of Hispanic women is 46 percent higher than the rate for non-Hispanic women (NCHS, 1992), and given the size of the Hispanic cohort moving into their reproductive years, the Hispanic population is expected to sustain population growth in the near future. The age structure, in addition, to its impact on population growth, it is an important factor in health services delivery as it determines the services most in need and the areas of greater demand (i.e., family planning, prenatal care, and pediatric services).

Although Latinos are usually classified as a young population, since 1970, the Latino elderly (age 65 and older) has grown 61 percent, a rate well above the rate of the total elderly population growth rate in the U.S. According to projections by the Bureau of the Census, the increase in the total number of Latino elderly will account for 25 percent of total Latino population growth over the next twenty years (U.S. Census, 1986).

An important feature of this population is its geographic distribution. Mexican-Americans are concentrated in five southwestern states (Texas, California, New Mexico, Colorado and Arizona). Cubans are concentrated in Florida, and Puerto Ricans predominate in the New York metropolitan area. However, the internal migration pattern indicates that Cubans are settling in Louisiana, North and South Carolina and Missouri. The Puerto Ricans are migrating in large numbers to Miami, Chicago and other midwest cities (Cleveland, Detroit), and to Los Angeles. Mexican Americans are moving to the Midwest, northeast and southeast of the United States. Traditional states such as Illinois ranks 5th in number of Hispanics; Michigan ranks 10th and Ohio ranks 15th. In the midwest alone you have a total of over 1.5 million Latinos. Despite this, policymakers and public officials in the midwestern states are not aware of the Hispanic population explosion in this area, and the midwest is not getting their fair share of resources from the federal government to address the Latino population in this area.

Latinos suffer from a series of socioeconomic disadvantages such as low education and income levels, high unemployment, crowded homes, and cultural and language barriers.

Latinos experience racial and social inequalities and are one of the poorest minority groups in this country. Some of them (i.e., Puerto Ricans) are characterized by sociologists as belonging to the "urban underclass" (a socially-isolated group experiencing high poverty, high dependency on public assistance, and multiple social problems with limited access to health and human resources). Latinos have often been physically segregated from the rest of society (i.e., living in ghetto areas) and have suffered from a disproportionate share of social and economic insecurity. Even though acculturation in the form of adopting the predominant behavior patterns and language does take place, structural assimilation (gaining access to American institutions including the medical care system for prevention, screening, and treatment) continues to be difficult (Giachello, 1988).

CRITICAL PROBLEMS CONFRONTING THE LATINO COMMUNITY IN THE U.S.

AIDS

Acquired Immune Deficiency Syndrome (AIDS) is growing at an alarming rate among Hispanics in the United States and in Puerto Rico, to the point that it is one of the leading causes of death among this population. Hispanics represent 9.1 percent of the total U.S. population, and they account for 16 percent of all the reported AIDS cases. Recent trends indicate that Hispanic women and children are now being affected the most. HIV/AIDS among Hispanics is strongly associated with substance abuse, primarily the injection of illegal drugs with contaminated equipment.

During the first decade of the AIDS epidemic we find that the number of cases increased considerably among all minority populations, particularly black and Hispanics. From 1986 to 1989 the number of cases of AIDS among Hispanics doubled. As of January, 1992, there were a total of 206,171 AIDS cases of which 33,568 were Hispanics (16.3 percent), 55,132 were blacks (28.7 percent) and, 1,599 were of members of other racial/ethnic groups (e.g., Asian American, Native Americans, etc.) (less than 1 percent) (CDC, 1992). Of all the AIDS cases among Hispanics adults/adolescents, homosexual and bisexual males accounted for 46 percent, and homosexual/bisexual males who are also users of needles to inject drugs represented another 39 percent, compared to 65 percent and 19 percent, respectively, for all the adult/adolescent AIDS cases in the United States.

Estimates from the Center for Infectious Diseases indicate that the risk of AIDS among black and Hispanic adolescents and adults was 3–4 times the risk for whites. In addition, the annual incidence rates of AIDS among children and among women of child bearing age have increased more among black and Hispanic populations than among other racial groups (Gayle et al, 1990).

Mortality data for 1987 (NCHS, 1991) on the 10 leading causes of death among Hispanics and whites indicate that AIDS ranks six among the major causes of death among Hispanics. However, it is not listed as any of the 10 major causes of death among the white population (NCHS, 1991).

In examining the 10 leading causes of death by different age groups among Hispanics and whites we find that AIDS is also the 6th cause of death among Hispanics 24 years of age and under. AIDS also ranks 3rd in leading causes of death among Hispanics ages 25 to 44, and 7th, among Hispanics between 45 to 64 years of age. Again, AIDS did not emerge as a leading cause of death among whites in any of these age categories. Although, most recent mortality data seems to indicate that it is now emerging as a leading cause of death of youth between the ages of 20–29.

Mortality data on the 10 leading causes of death for 1987 by Hispanics of different national origin show that AIDS is the leading cause of death among Puerto Ricans, representing 10 percent of all deaths among this population (NCHS, 1991). Diseases of the heart and malign neoplasms are the number 1 and 2 causes of death among Puerto Ricans. Surprisingly, AIDS is the fourth cause of death among Cubans, representing 4 percent of all deaths among this population. AIDS also ranks six in major causes of deaths among persons of Central and South America. Interesting enough, AIDS was not again listed in any of the 10 leading causes of death among Mexicans or Mexican Americans, neither among whites (ibid).

The age distribution by sex of Hispanics AIDS cases show that people most affected with AIDS are in the age category of 30 to 35, followed by those between the ages of 35 to 39. The number of AIDS cases have increased considerably among middle age Hispanics (40 to 59 years), and among older Hispanics (over 60). This has tremendous implications for the planning of home health care, long-term care and specialized medical care facilities for Hispanics.

Sixty-one percent of Hispanic adults with AIDS live in New York, New Jersey, California or Florida. Data on the percent of Hispanic AIDS cases in selected States indicate that 30 percent of all the New Mexico AIDS cases were among Hispanics, followed by 26 percent in the State of New York and 13 percent in California. The percent of Latino population in those States in 1990 were 37

percent for New Mexico, 9.5 percent in New York and 19 percent in California (U.S. Census, 1990). The percent of pediatric cases in selected states, however, were much higher representing 34 percent of the pediatric AIDS cases in California, 34 percent in Illinois and in New York and 22 percent of all the pediatric AIDS cases in New Jersey (CDC, 1991).

The midwest region, with the exception of Illinois, is not experiencing an AIDS epidemic, as in other regions, providing a unique opportunity to engage in primary prevention. However, the data available, as of January, 1992 indicate that Hispanics are over-represented in most midwestern states in the number of AIDS cases. This over-representation is particularly true in Wisconsin and Illinois.

The island of Puerto Rico has the 2nd highest incidence of AIDS per capita (Washington DC being number one), and Puerto Rico also has the highest mode of transmission due to heterosexual contact.

The limited AIDS data available by Hispanics of national origin indicate that the main risk factor for AIDS among the Puerto Rican population in the mainland (and in Puerto Rico) is the use of needles for injection of illicit drugs. This is also the case in the northeastern region where a large Puerto Rican population live and where you have the highest AIDS epidemic, with the exception of California. In the Southwestern states, where over 60 percent of Mexican Americans live, the main mode of exposure to AIDS has been homosexual and bisexual behavior. This is clearly the case in California, New Mexico, Texas and Colorado. In Chicago where 65 percent of Mexican and Mexican Americans live, as well as 22 percent of the Puerto Rican population, we find that the AIDS problem among Hispanics is a Puerto Rican problem. About 90 percent of the AIDS cases among Hispanics in Chicago has occurred in areas with high concentration of Puerto Ricans, and in most cases, where IVDU is the main mode of transmission.

HUMAN IMMUNODEFICIENCY VIRUS (HIV)

The number of AIDS cases is expected to increase rapidly among Hispanics and blacks in the near future as recent data on HIV infection shows that the seropositivity appears to be the highest among these groups (CDC, MMWR, 1991). For example, data on results on HIV-antibody tests conducted in 63 programs throughout the U.S. in selected testing sites (e.g., STDs clinics, OBY-GYN and family planning clinics, TB clinics, drug treatment centers, etc.) show that when compared to the overall U.S. population, both blacks and Hispanics were substantially over-represented among HIV-antibody tests and positive tests. The seropositive rate found among over 71,000 Hispanics tested was 8.6, compared to 5.3 for blacks with over a quarter of a million tested, and 3.9 for whites with close to half a million tested (ibid).

High seropositivity status have also been found among Hispanics (of both sexes) applying for military services during October, 1985 and December, 1989 (CDC, 1990); among Hispanic runaway and homeless adolescents in New York City (Stricof et al, 1991) (see Table 6); among Hispanic newborns also in New York City (Novick et al, 1991), and among Hispanic women of child-bearing years attending a New York City family planning clinic (stricof, 1991). But the seropositivity has been reported as being the highest among Hispanic women entering the New York State prisons (29 percent), compared to black women (14 percent) and white women (7 percent) (Smith et al, 1991); and for Hispanic women in HIV testing and counseling site who reported self-injecting illicit drugs. The seropositivity rate for these Hispanic women was 15.2, compared to 16.9 black women IVDUs and 3.8 for white women with similar type of behavior (CRC, 1991).

HISPANIC WOMEN AND HIV/AIDS

Through January, 1992, women represented 10 percent (21,508) of all the U.S. AIDS adult/adolescent cases (206,171) (CDC, February, 1992) and constituted the fastest growing group of AIDS cases in the U.S. For example, between 1989 and 1990 new AIDS cases among U.S. women increased 33 percent compared to 22 percent among U.S. males (AWARE, 1991). The Centers for Disease Control (CDC) estimate that more than one million people in the U.S. are infected with HIV and at least 100,000 of them are believed to be women, 80 percent of whom are of child bearing age (AWARE, 1991).

AIDS is the fifth cause of death among women of child-bearing years. Presently in New York and New Jersey, it is the number one killer of women ages 15 to 44 (AJPH, 1991; AWARE, 1991). Some of the reasons summarized by Giachello (1991) are related to the fact that: 1) AIDS is perceived as a men illness that affect only gay white men and men who are IVDU. Women in our society "don't suppose to have AIDS." Therefore, there is a denial that women are at risk and many health care workers may not screen women for HIV or AIDS; 2) women are misdiagnosed or diagnosed late because they don't have equal access to medical care, and because AIDS manifests differently in women. The opportunistic infections and illnesses (e.g., herpes, candidiasis, cervical cancer, infection of fallopian tubes, etc.) that affect women with HIV/AIDS are not conditions officially recognized by CDC as related to AIDS. Physicians, as a result, may not think about HIV/AIDS when some of these conditions are present; 3) women traditional roles as primary caretakers of their families serve as barriers as women "don't suppose to get sick". When symptom of illness emerged, women may address them after the needs of her immediate family have been taken care of; 4) women discover their seropositive status late in HIV progress. A study in Baltimore showed that 72 percent of the women with the virus did not even know they had it (Center for Women Policy Studies, 1990); and 5) once women are diagnosed with HIV/AIDS they don't have equal access to on-going medical care or to clinical trials (only about 6 percent of all persons enrolled in the AIDS clinical trials group system are women (Center for Women Policy Studies, 1990) and cannot afford the expensive drugs that may alleviate the conditions. For these and other reasons, women tend to be sicker at time of diagnosis and have a shorter survival rate. For example, the life expectancy for men, from day of diagnosis, currently ranges from between 24 to 36 months. Life expectancy for women from day of diagnosis averages between 3½ months to 6 months (AWARE, 1991). The average life expectancy for black women in New York City is as little as 15 days (ibid) and for Hispanic women in Los Angeles is about 45 days. Women that live longer experience a series of medical, financial and social consequences. For example, because the definition of AIDS does not reflect the symptomatology of women, women are not entitled to social security benefits, as eligibility for disability is based on the CDC official AIDS definition.

Of all women with AIDS in the United States, 21 percent are Hispanic and 53 percent are black (CDC, 1992), although Black and Hispanic women make up only 19 percent of all U.S. women. Furthermore, recent studies have indicated that the chance of acquiring AIDS through heterosexual contact is more than eleven times greater for black and Hispanic women than for white women, and that the risk of acquiring AIDs for Hispanic women is over 8 times greater than that for white women (Holmes, Karon and Kreiss, 1990).

The high incidence of AIDS among women has been related to the increased exposure to HIV infected needle through injecting drug or by having sexual partners who are current or former needle injecting drug users. For example, 51 percent of all the AIDS cases among U.S. women was due to IV drug use, and 33 percent was due to heterosexual contact. Heterosexual transmission was the result of having sex with needle injecting drug users (NIDU) (62 percent), or with bisexual male (9 percent). For black women, having sex with NIDUs or sex with bisexual male, accounted for 60 and 6 percent, respectively, of all heterosexual transmissions. For Hispanic women heterosexual transmission due to these causes accounted for 80 percent and 5 percent, respectively (CDC, 1992).

Some of the factors related to HIV/AIDS for women in general, and minority women specifically are related to sexism, and classism. For example, traditionally, women's emotional, social and medical needs have been neglected as they relate to their multiple roles in society. Protection of women legal and constitutional rights have also been neglected. For example, current political climate favor children over mothers violating women's rights. Medical confidentiality and informed consent for women is "conditional" upon the status of a potential child. Women access to clinical trials and drug treatment, for example, is conditional to an existing or newly conceived fetus. On the other hand, pregnant women are encouraged to be tested so that she or the unborn child can benefit from experimental drugs. In reality this is not true. There is current controversy about the true effect of drugs to pregnant women and to unborn or newborn child.

HISPANIC CHILDREN AND AIDS

Through January, 1992, there were 3,522 pediatric (13 years of age or less) cases in the United States representing 2 percent of the total AIDS cases in U.S. Ninety percent of infected newborns are either black or Hispanics. Fifty-three percent of pediatric AIDS cases are Black, 25 percent are Hispanic and 21 percent are whites. Seventy percent of all U.S. children with AIDS were born to a mother who have a history of NIDU or who had sex with someone who injected drugs. The percentage was the highest among Hispanic children with AIDS (83 percent) (ibid).

HISPANIC YOUTH AND AIDS

Although, there have been only 214 AIDS cases reported among Hispanic adolescents of 13 to 19 years of age, as of January, 1992, the number of AIDS cases among Hispanic young adults 20 to 24 years of age of both sexes, have reached a total of 1420. Hispanics represent 24 percent of all the AIDS cases in this age category. This means that these Hispanic young adults got infected during the adolescent years. Some of the reasons are related to the age structure, to an increase number of sexually active youth, to the experimentation of alcohol and drugs which may lead them perhaps to engage in sex without proper judgement and protection.

Therefore, Hispanic youth appears to be at greatest risk for HIV/AIDS. Some of the rea-

sons are as follow: First, Hispanics is a relatively young population. In examining its age structure we find that in 1990, 35 percent of the Hispanic population was below the age of 18 and approximately one-third (32 percent) was below the age of 16 (U.S. Census, 1988). The number of Hispanics between the ages of 14 to 19 has been estimated to increase by 29 percent by the year 2000 (U.S. Census, 1986). This means that a large number of Hispanics are entering into their reproductive years, and many are becoming sexually active leading to a potential increase in HIV and AIDS.

Second, there is an increased number of sexually active Hispanics. Hispanic adolescent females are expected to postpone sexual activity until marriage, according to prevailing cultural norms and values. However, in reality this is not the case. According to the Alan Guttmacher Institute, in 1988, 49 percent of all Hispanic women aged 15–19 years had sexual relations compared to 52 percent of white and 61 percent of black teen women. The same Hispanic teens had intercourse at an earlier age. Eighty percent of sexually active women had intercourse before the age of 16, compared to 68 percent of the sexually active white teens, and 83 percent of the sexually active black teens (COSSMHO, 1987).

The third factor related to the potential increase of HIV or AIDS cases among Hispanic youth, is the low utilization of contraceptive methods. Data at the national level indicates that only 23 percent of sexually active Hispanic teen women used contraception at first intercourse, compared to 36 percent of black and 55 percent of white sexually active teen women. Among all sexually active teen girls, 68 percent of Latinos, 66 percent of blacks, and 73 percent of whites used contraception (COSSMHO, 1987). When contraceptive was used, it tended to be the condom, used by 57 percent of Hispanic teens, followed by withdrawal, used by 17 percent of Hispanic teens (ibid). The more acculturated adolescents are more likely to have a greater amount of correct knowledge about contraception use than the less acculturated.

Hispanic youth are also embarrassed about approaching health clinics for family planning or going to the drug store to purchase contraceptives which do not require prescription, such as condoms. In addition, family planning clinics may not be accessible to teens because of distance, inconvenience of clinic hours, and high cost of care. When they visit a clinic they have to fill-out complicated forms and wait for long periods of times to be seen. Clinics are also not likely to have bilingual and/or bicultural staff. If the clinic is in the neighborhood, teens may be worried that community workers or patients that may recognize them and find out the purpose of their visits. There may also be the problem that teens who use contraceptives do not know how to use them properly. Some teens have reading and writing difficulties, and at times cannot fully comprehend instructions which are geared to the educated adult population.

Fourth, Hispanic youth are also at risk to get HIV/AIDS because they are experimenting with alcohol and other illicit drugs which make then vulnerable to engage in other risk behaviors for AIDS e.g., use of multiple sexual partners, prostitute, engaging in homosexual behaviors). Alcohol and drugs also make their immune system more vulnerable to infection. In addition, they are experiencing a high incidence of sexually transmitted diseases (STDs) as we will see.

Finally, Hispanic youth are at risk for HIV/AIDS because of their low knowledge about AIDS, compared to white teens (DiClemente, Boyer and Morales, 1988; DiClemente, Zorn and Ternohok, 1988; Strunin, 1989; Strunin and Hingson, 1987), and because of their sexual practices (e.g., low use of condom, multiple sexual partners and use of prostitutes (Giachello, Aguillon and Probst, 1988; Attanasi, Giachello and Arrom, 1989; Giachello, Arrom, and Amaris, 1990) which place at risk for HIV/AIDS.

In summary, AIDS is one of the most serious health problems facing Hispanics in the United States. The number of AIDS cases is expected to increase even more rapidly due to the high seropositivity rates in the Hispanic communities. This is particularly the case among Hispanic women, children and adolescents. Puerto Ricans, both in the island and in the mainland, followed by Cubans and by people of central and south America appear to be the Hispanics subpopulations affected the most by the AIDS epidemic.

Tuberculosis (TB)

Tuberculosis is another dimension of the problem posed by AIDS among Hispanics. HIV infection is known to exacerbate tuberculosis infections which are already prevalent among Hispanics (Hopkins, 1987). Hispanics are at increased risk for tuberculosis because of high rates in Mexico and Central America, overcrowding living conditions in U.S., poor nutrition, and the lack of access to health care for screening and treatment, particularly, associated with poverty.

Statistics released by the Centers for Disease Control (CDC) for 1989 show a 5 percent increase in TB cases over 1988 (CDC, 1990). This is the largest single yearly increase since CDC began counting TB cases in 1953. From 1985 to 1989, almost 17 percent of the 23,495 cases reported occurred among Hispanics. This represented an increase of over 26 percent, from 3,092 cases in 1985 to 3,907 cases in 1989. TB cases in whites decreased almost 10 percent during the same 5 year period, with Hispanics already having a TB case rate almost 5 times greater than the rate among whites.

Almost 88 percent of the Hispanic tuberculosis cases in 1989 were reported by 6 states: California, Florida, Texas, New York, New Jersey and Illinois (USHHS, 1990). Thirty-nine percent (1,509 cases) were U.S. mainland born; 6 percent (223 cases) were foreign born. For 4 percent, the country of birth was unknown. Most of the foreign born came from Mexico, Cuba, El Salvador and Guatemala (COSSMHO, 1990). Tuberculosis among Hispanics is most prevalent in the 25–44 year age group.

The increase in tuberculosis in the last few years has been associated with increased AIDS prevalence both among Hispanics and in the general population. An individual with a weak immune system due to HIV infection or AIDS is at greatly increased risk for the development of tuberculosis. The Centers for Disease Control have found that 4.6 percent of 14,902 AIDS cases studied had Tuberculosis. Black and Hispanics are much more likely to develop tuberculosis in conjunction with AIDS. For example, black and Hispanics accounted for 80 percent of the tuberculosis cases in New York City, 90 percent in Florida and 100 percent in Newark (Division of Tuberculosis Control, CDC, 1987).

Tuberculosis is a contagious disease that can be spread by airborne transmission to others in the community. Tuberculosis is a curable condition; therefore, early diagnosis and treatment are imperative. The increase in HIV-related tuberculosis cases poses a risk for the non-HIV infected population that most of the opportunistic infections associated with AIDS do not. Hispanics, especially children, already have a higher incidence of positive tuberculin skin tests than the general population does.

In children, the incidence of tuberculosis has double significantly. First, there is the impact on the personal health of the children affected. Second, the occurrence of TB in children, especially those under the age of 5, is the most conspicuous evidence that the transmission for the disease is ongoing. In 1989, 29 percent of childhood TB cases occurred among Hispanics, compared to 18 percent in whites.

Increase testing and treatment of individuals with positive tests for tuberculin bacteria can prevent the resurgence of tuberculosis in this country and reduce the risk of tuberculosis for persons with AIDS (Division of Tuberculosis Control, CDC, 1987). Furthermore, the 1987 CDC Conference on AIDS in Minority Populations recommended that 1) HIV and AIDS related TB cases should be identified in a timely manner; 2) HIV counseling and testing should be available to persons with tuberculosis, particularly if they engage in high risk behaviors or live in high risk areas; and 3) infected people should receive the TB skin test (CDC conference, 1987).

In sum, TB cases have declined throughout the years for the general population and in particular for whites. On the contrary, it has increased considerably among Hispanics and blacks). Data indicate that the increase is related to HIV/AIDS and that among Hispanics and blacks, TB and AIDS occur together. Estimate suggest that there may be 10 million persons in the U.S. with latent TB infection (Hopkins, 1987). The degree to which it overlap with HIV is critical in determining future number of TB cases among HIV infected persons. TB is especially serious because it can be spread to community who are not at risks for AIDS.

Sexually Transmitted Diseases (STD's)

Most of the clinical research on STD's among Hispanic has been conducted in the adolescent population. When compared with other populations, Hispanic teenagers have shown the highest rates of chlamydia, gonorrhea, and trichomoniasis (Eager, 1985). One study revealed that Hispanic teenagers aged 15 to 17 have the highest rate of chlamydia (Smith, 1988). Another study conducted in South Texas found that approximately 10 percent of Hispanic women (all ages) who participated in the study were infected with this sexually transmitted disease (Gleeney et al, 1988).

The incidence rate per 100,000 population of primary and secondary syphilis in the United States slowly increased between 1981 to 1983. It then declined between 1985 and 1986, but increased rapidly ever since. This pattern is particularly true for women, primarily Hispanic and black women (CDC, 1990). This same trend is also true for teenagers 15 to 19 years of age, but the rate of growth of syphilis cases has been more dramatic, particularly for black and Hispanic teen women. For example, the rate of primary and secondary syphilis is for Hispanic teen women increased from 17 per 100,000 in 1986 to 22 per 100,000, in 1987, although it slightly declined after that year (HHC, 1989).

States and cities with the highest concentration of Hispanics, have also the highest number and incidence rate per 100,000 population of syphilis in the U.S. These same States (e.g., New York, New Jersey, Florida, Puerto Rico, California) and selected cities (e.g., Miami, New York City, Los Angeles

have also experienced a considerably increased in total syphilis cases between 1985 and 1989, (CDC, 1991).

Regarding gonorrhea, the incidence rate per 100,000 is overall higher compared to syphilis. Gonorrhea has dropped considerably for both men and women of all ethnic/racial groups between 1981 and 1989. The decline in rates was more pronounced among whites and Hispanics of both sexes. Rates for teenagers 15 to 19 years old per 100,000 show overall decreases in the last decade for the total adolescent population, particularly females. But during this same period the black population experienced a considerable increase of gonorrhea, this was particularly true for the black male adolescent.

Also States with high concentration of syphilis, have also high concentration of gonorrhea, although the incidence rates for gonorrhea have declined between 1984 and 1988.

The importance of STD's screening is critical for early diagnosis and treatment. Anecdotal information from health providers suggest that Hispanics deny the possibility of having any of the STD's conditions, and that they are not likely to seek health care for STD's unless symptoms are noticeable or are accompanied by pain. It is well known that chlamydia related consequences for women include pelvis inflammatory disease, infertility and ectopic pregnancy, and that infected pregnant women are at risk for spontaneous abortion and still birth. Chlamydia has also been associated with conjunctivitis in infants born to infected mothers. In general, infants born to mothers with STD's are at risk of blindness, mental retardation and death (Giachello and Torres, 1991).

Recent studies (Turner, 1989; Moran et al., 1989) show that persons with syphilis or gonorrhea have also higher incidence of HIV infection. Persons, particularly Hispanics and blacks, at risk for HIV are also at risk for STD's. Minorities most at risk for STD's include sexually active persons, particularly under 25, and those with multiple sexual partners.

In summary, Hispanic adolescents have showed the highest incidence of chlamydia and trichomoniasis. Trends is syphilis and gonorrhea incidence in the U.S. show that the number of cases for gonorrhea were overall higher, particular between 1985 and 1988. This was particularly true for the black population. The number of gonorrhea cases have declined for whites and Hispanics, although, the declined for Hispanics was slightly less. For the adolescent population, the incidence of gonorrhea declined for white adolescents, but increased considerably for the black adolescents, particularly, males. Regarding syphilis, the incidence has declined for whites and have increased for Hispanics and blacks. This increase was most pronounced for blacks, particularly for 1988 (CDC, 1990).

Alcohol Consumption

There are 10 to 5 million people in the U.S. that have some type of alcohol dependence problem. Studies indicate that alcohol abuse is responsible for excess mortality due to homicide, suicide, unintentional injury, automobile accidents, etc., (USHHS, Secretary Task Force, 1985). Most recently alcohol use and abuse has been associated with HIV/AIDS as people under the influence of alcohol tend to engage in behaviors that put them at risk for HIV/AIDS. Also frequent alcohol consumption weaken the immune system making the individual more vulnerable to develop AIDS once it has been in contact with the virus.

The available literature on levels of alcohol use and abuse among Hispanics indicated great variance across several areas: gender, acculturation and by Hispanics of different national origin. Most of the existing research is based on either one of two methodologies: retrospective self-reporting of consumption or indirect indicators of alcohol consumption. Both of these research techniques are problematic for a variety of reasons, self-reporting is subject to the truthfulness and awareness of the respondent. Hispanic women have been found to under-report their consumption, possibly due to strong cultural inhibitions against women drinking (Alcohol Topics in Brief, 1985). The use of indirect indicators of alcohol consumption is also problematic for research on Hispanics because in the past, no mortality data was collected on Hispanics, and only recently, death certificate have been modified in some states to include a Hispanic identifier. In addition, police statistics of public drunkenness of drunk driving arrests for Hispanics may be influenced by the possibility of greater police surveillance of Hispanics (Caetano, 1983).

Studies on alcohol consumption among Hispanics indicate that Hispanics drink less than whites overall and that younger Hispanics, particularly under the age of 25, drink more than older age groups. Data indicate that males drink considerably more than females, although this pattern is changing with increased participation of women in the labor force and in traditionally male dominated jobs that are more stress producing. Also, the percentage of alcoholic women is expected to increase approximately 10 percent because women live longer (Giachello, 1991). Within Hispanic subgroups, Mexican Americans tend to be both abstainers and heavy drinkers. Data by place of birth indicate that heavy drinker Hispanic men tend to be first generation U.S. born followed by Mexican born men. Heavy drinker females were most likely to have been born in Latin American countries other than Mexico, Puerto Rico or Cuba. Drinking behaviors among Hispanics have been strongly associated with high levels of acculturation measured by high income and high education and English language dominance. Finally, a considerably low percent of Hispanics are in some type of alcohol treatment program, most of the Hispanics in treatment programs are located in the State of California.

Illicit substance abuse

Data available on illicit substance abuse in the Hispanic community is very limited. The available data obtained through 1988 Household Survey, summarized in NCLR report (1990) show that Hispanics are less likely than whites or blacks to report ever having tried illicit drugs, although, they were most likely to report being current users. For example, close to one-third of Hispanics (32.3 percent) reported that they "ever used" any kind of illicit drug compared to 35.9 percent of blacks and 37 percent of Whites. However, 14.7 percent of Hispanics reported using illicit drugs in the past year and 8.2 percent reported using drugs in the past month. This compares to 13.9 percent and 7.0 percent, respectively, for whites and 13.3 percent and 7.8 percent, respectively, for blacks (NCLR, 1990).

The 1988 Household Survey also found that Hispanics were more likely than whites to report current use of certain illicit drugs such as heroin, cocaine, crack and PCP. These types of drugs are usually associated with physical addiction, with excess mortality and with other negative social consequences for the individual, he or her family and for the community. These problems are expected to increase as the percent of Hispanics reporting ever having used cocaine increased from 7.3 percent to 11.0 percent between 1985 and 1988; and users of crack appear to be more prevalent among Hispanic young population between the ages of 18 to 25 (NCLR, 1990). It has been suggested by the literature that whites may be more likely to experiment with illicit drugs, while blacks and Hispanics are more likely to use them regularly (NCLR, 1990). Hispanics were also most likely to report current use of any psychotherapeutic drugs such as sedatives, tranquilizers, stimulants, or analgesics than whites and blacks (NCLR, 1990).

Data on Hispanics by national origin is available for marijuana ana, cocaine, inhalant and sedative use through the Hispanic health and Nutrition Examination Survey (HHANES) (NIDA, 1987). The results which cannot be generalized to the national Hispanic population because of possible regional differences, found that 42 percent of Mexican Americans in the Southwest, 43 percent of Puerto Ricans in New York and 20 percent of Cuban Americans in Florida had used marijuana at some time. Twelve percent of Mexican Americans were current users as were 15 percent of Puerto Ricans and 5 percent of Cuban Americans. Many more Puerto Ricans than Mexican Americans or Cuban Americans had tried cocaine (22 percent, 11 percent and 9 percent, respectively). The use of inhalants and sedatives was not found to be widespread in any of these populations (ibid).

The HHANES survey also found that the percent of use of any of these substances was much higher among males than females for the three ethnic groups. Although it is believed that traditional Hispanic women's roles prevent women from substance abuse, may not hold true in the 80's, as data for seven cities with significant Hispanic populations indicate that 40 percent of Hispanic female arrestee taste positive for some drug. For example, in Los Angeles, Hispanic female arrestee were more likely than Hispanics male to test drug-positive (NCLR, 1990).

Some of the demographic characteristics of Hispanic users, according to HHANES findings, indicated that they were more likely to speak English, with higher levels of income and education; they were most likely to be single, either never married, divorced or separated; and most likely to be born in the United States (NIDA, 1987).

As it has been mentioned, Hispanic women are less likely to use illicit drugs than Hispanic men, and than black or white women. For example, 37.8 percent of Hispanic men and 26.9 percent of Hispanic women reported ever using illicit drugs while the percentages for white and black women were 34.8 and 29.6, respectively.

Studies on women and substance abuse are extremely limited. Data available indicate that less then one percent of chemically dependent women in this country are in specialized treatment programs (Hughes, 1990). Women substance abusers appear to have low self-esteem and tend to focus their worth on others, and have a history of being sexually abused during childhood.

A series of legal, and ethical controversies have emerged regarding women alcohol and drug use status during the pregnancy. There have been increasing debate over whether women who use drugs during the pregnancy should be criminally prosecuted for their conduct. The National Association for Perinatal Addiction Research and Education (NAPARE) (1991) stated that over forty women have been charged nationwide with

felony crimes ranging from delivery of a drug to a minor, to use or possession of a controlled substance, based on their prenatal drug use. It has been argued that criminalization of prenatal drug use may lead pregnant drug user to either delay their entry into the medical care system late or not to use the system at all for prenatal care because of fears of prosecution. This behavior would not either serve the baby or the mother's health (Hughes, 1991). This may have particularly negative consequences to Hispanic women who already delay seeing a health care provider for prenatal care or just do not see one at all. This is particularly true for Puerto Rican and Mexican women (Giachello and Torres, 1991).

Drug Abuse Warning Network (DAWN) provides data on drug related emergency room episodes for Hispanics. Reports indicate that Hispanics accounted for 9.9 percent of all drug related emergency room episodes in 1988. In Los Angeles, this percentage was much higher (28.2 percent). The percent of heroin/morphine related emergencies among Hispanics for all types of drugs was 17.9 percent, but much higher due to these types of drugs in Los Angeles (43 percent) and San Diego (32.7 percent) (NCLR, 1990).

In sum, Hispanics compared to whites and blacks were less likely to report the use of illicit drug at some time in their lives, but were most likely to report recent and current use, particularly of certain drugs such as heroin, cocaine, crack, and PCP. Mexican Americans and Puerto Ricans were equally likely to have used marijuana at times, and Puerto Ricans more so than Mexican Americans were more likely to report current use of marijuana. Puerto Ricans were also most likely to have tried cocaine and to be current users of cocaine than Mexicans or Cubans. Hispanic users were most likely to be males, single, English-speaking with higher levels of education and income and U.S. born.

Alcohol, marijuana and crack cocaine use are quite prevalent across all regions. The frequency of their use vary by region with Puerto Rico relatively low use of alcohol (18 percent) and Hispanics in the southwest reporting 35 percent on a daily bases (ibid). The use of marijuana was particularly high in the Southwest with 29 percent of Hispanics reporting daily use and another 43 percent reporting less frequent use. It has been argued that cocaine use has been directly tied to the trade of sex for drugs and, thus the potential for the spread of HIV by sexual transmission. Daily use of crack is more common in the Northeast and is extremely low in the Southwest and in Puerto Rico.

In summary studies on illicit drug use is limited among Hispanic and among Hispanic subpopulations. The available indicate that Hispanics overall are less likely to use illicit drugs than white and blacks, although some new evidences show that for certain types of drugs (e.g., crack), the percent of Hispanic users is increasing relatively to white and black users. Data by Hispanics of national origin indicate that Puerto Rican and Mexicans are equally likely to report the use of marijuana, but that Puerto Ricans are most likely to use cocaine. Hispanic men are more likely than Hispanic women to use illicit drugs, although recent studies from New York City and data from CDC HIV/AIDS Testing and Counseling Center indicate document high numbers of Hispanic women who are IVDU's.

Hispanic drug users are those with higher levels of acculturation and U.S. born. Profile of Hispanic IVDU's in different regions of the U.S. show that these individuals, despite AIDS education and media campaign are still engaging in high risk behaviors for HIV/AIDS. They appear to be knowledgeable about prevention measures but are not transferring their knowledge into behaviors.

TEEN PREGNANCY

There were a total of 88,880 reported live births teenage (before age 20) Latino women in 1989 (NCHS, 1992). This represented 18 percent of all U.S. teen live births (496,382) in 47 states and Washington, DC. Sixty-four percent of Latino teen births were to Mexican American women, 14 percent to Puerto Rican, 1 percent to Cuban American adolescents, 7 percent to teens of central and South American origin, and 14 percent to "other and unknown" young Latinos (ibid).

The same factors that were mentioned regarding Hispanic youth and HIV/AIDS can also explain the increasing incidence of teen pregnancy in the Latino community. The available Literature on Latino sexuality documents that Latino adolescents are less knowledgeable about sexuality issues and that Latino girls have more conservative attitudes compared to Latino adolescent boys or adolescent girls of other ethnic groups (Padilla and O'Grady, 1987; Scott et al, 1988; Davis and Harris, 1982; Moore and Erickson, 1985).

A factor that may impact childbearing at early age is the high emphasis placed in the Latino culture on motherhood. Children are highly valued and a woman is not perceived as being complete unless she has children (Poma, 1987; Amaro, 1987; Sabagh and Lopez, 1981). Latino adolescents have been exposed to these values in the process of socialization. The transmission of these values, together will peer pressure, over-emphasis of sexual behavior through the mass media, low self-esteem, and the lack of economic and social opportunities for gratifications, may lead to an increase in teen pregnancy. Obviously, differences prevail by level of acculturation and assimilation of the Latino youth into this country. One may find, for example, recently arrived Mexican American adolescents from small towns in Mexico still much attached to their cultural values. They tend to be more obedient to parents and authority, and more sheltered and naive about issues related to sexuality (Becerra and de Anda, 1984). If they get married or become sexually active, in the case of the Mexican female adolescents, it usually occurs after the age of 15, after the celebration of La Quinceanera (the 15th birthday), a ritual that dates back to the Indian traditions. The celebration of the 15th birthday brings about changes in the status of the Mexican girl from childhood to womanhood. Parents go out of their way to obtain the financial resources necessary to celebrate this important and very culturally significant event. The celebration of La Quinceanera is the Latino equivalent of a coming-out party.

Teen pregnancy is associated with a series of negative social and economic consequences to the mother herself and to her child. Teen pregnancy is considered the most likely cause of school drop-out among young women. Forty percent of all young women who drop out of school cite pregnancy or marriage as their reason for leaving (CDF, Jan/March 1990). Two out of three pregnant teens in this country drop out of school. Early childbearing leads to an overall lower level of education, as teen mothers have less opportunities to return to school and limited opportunities to enroll in training programs. This seems to be especially the case for Latinos. Only 27 percent of young Latino mothers who had children in their teens completed high school by their mid-twenties, compared to more than half of white and two third of African American women (CDF, Jan/March 1990).

Young Latinos also have a high proportion of unmarried childbearing. Sixty percent of teenage Latinos who gave birth in 1989 were single (NCHS, 1991). Unmarried Latino teen mothers increase the financial stress of their parents who are already experiencing economic and social stress (Amaro, 1987).

For married girls the possibility of going back to school is even less than for single parents. Married women have the responsibility of not only raising a child but taking care of a home and a husband. They are also more likely to get pregnant again resulting in larger family size with close spacing of children (CDF, 1990; COSSMHO, 1982). It has been estimated that 40 percent of Latino teens who were younger than 16 when they first became pregnant will have a second child within two years (Mott, 1986). This leads to the phenomenon often called, "excess fertility." In addition, early marriages have a higher probability of divorce resulting in a higher incidence of female-headed households and to an increase of what sociologists often call the "feminization of poverty." This leads to sustained poverty not only among women but also for their children. Forty-eight percent of Latino female-headed families were poor in 1991 (U.S. Census, 1991). More specifically, nearly two thirds of all Puerto Rican families (64.4 percent) and close to 50 percent (45.7 percent) of all Mexican-American families headed by a woman were living below the poverty line that year (ibid.).

Limited studies reveal that the stressful situation in which teen mothers live (Perez, 1983) due to a lack of family support or support from the father of the baby, to financial problems, and to strained family relations, combined with the teens' lack of parenting skills, may lead to an increase in abused and neglected children. In Humboldt Park in Chicago, an area of high concentration of Puerto Ricans and African Americans, 30 percent of all abused and neglected children in 1986 had parents in their teens or early 20's (Giachello and Arrom, 1989).

With regard to the medical consequences of teen pregnancy, studies on the entire population (CDF, 1990) seem to indicate that teen pregnancy may lead to complications during the pregnancy (e.g. pre-eclampsia) and during delivery. It has been argued that in many instances this is due to the fact that the girls' bodies are not prepared for safe delivery and labor tends to be prolonged. Current scientific literature on adolescent pregnancy risks states that social and cultural factors are far more important (Makinson, 1985; Manfield, 1987).

Studies also indicate that teen pregnancy is associated with low birth weight, high infant mortality, and increased incidence of maternal death, and of children born seriously ill, disabled, or with mental retardation (Stern, Giachello and Sorrondeguy, 1979; Mansfield, 1987). The maternal death rate for females under 15 is 2.5 times higher than for older females (Cantu-Moore and Fields, 1987). Some of these consequences are related to teens low socioeconomic status and behaviors during the pregnancy such as poor nutrition (eating "junk food") (Ibid), lack of knowledge of proper health care during pregnancy, poor personal health habits or lifestyle practices such as smoking (Marcus and Crane, 1987; Marin, Van Oss-Marin and Perez-

Stable, 1987), alcohol and drug abuse, (NIDA, 1987), financial problems of the young women and/or parents, and the delay in obtaining prenatal care, or not getting medical care at all (Makinson, 1985).

Studies done among Mexican-American teen mothers tend to support the perception that Latino adolescent mothers are likely to be married (particularly Mexican American teens). These studies indicate that they are either legally married or live in some sort of common-law marriage at the time of conception or at time of birth (Felice et al., 1986; Smith, McGill, and Wait, 1987; Darabi and Ortiz, 1987).

Giachello and Aponte (1989) in a recent literature review on the health status of Latino children suggested that early pregnancy among Mexican-American teen mothers may reflect a different cultural imperative which stress early marriage and motherhood. Studies examining acculturation factors (e.g. place of birth) as they relate to teen mothers indicate that foreign born Latino teen mothers are more likely to be married prior to pregnancy or by the time the baby is born (Stern and Giachello, 1977; Stern, Giachello and Sorrondeguy, 1979).

The teen's health behaviors are as important as her social and economic characteristics in determining the life chances of both herself and her baby. One of the most important health behaviors is obtaining prenatal care. This is particularly important for teenagers who are in a high risk category due to their own physical and emotional immaturity. When teen pregnancy is compounded by poverty circumstances, high stress lifestyle, and poor health behavior during pregnancy, the risk to both mother and child is dramatically increased (Giachello and Aponte, 1989). However, practically no studies have examined teens' (or adult's) attitudes and beliefs regarding prenatal care use and if they seek prenatal care for routine preventive services or to treat illnesses or complications during the pregnancy (Balcazar et al., 1991).

In summary, births to Latino teen mothers appear to be increasing. This is partly due to the age structure of the population, to the increasing number of sexually active Latinos, and a series of traditional cultural values and behaviors, as well as to limited knowledge and lack of access to contraceptive methods and family planning clinics. Teen birth is associated with a series of socioeconomic consequences to the mother and the child. Teen mothers are least likely to finish high school, and they tend to be ill-prepared to enter the labor market. An increasing number of adolescent births are occurring among unmarried women promising a future of high poverty and high stress living. Latino pregnant adolescents are least likely to begin prenatal care during the first three months of pregnancy, and are most likely to delay prenatal care during the third trimester or not to get any medical attention at all. However, their pregnancy outcomes overall appear favorable when compared to non-Latino white adolescent mothers, with the exception of Puerto Ricans teens.

DIABETES MELLITUS

The prevalence of diabetes mellitus among Latinos overall is reaching epidemic proportion. An estimated 1.3 million Latinos (11.8 percent of an estimated total 11 million Americans) over the age of 21, are afflicted with diabetes mellitus (American Diabetes Association, 1991; US-PHS, 1991). In 1988, diabetes was the 9th leading cause of death among Latinos and the 6th leading cause of death among Mexican Americans. Because diabetes increases with age it also represents the 5th leading cause of death among Latinos 65 years of age and over (NCHS, 1990). The diabetes mortality rate for Latinos is twice the rate for non-Latino whites (U.S. House of Representative Select Committee on Aging, 1992).

Diabetes Mellitus is a syndrome involving both metabolic and vascular abnormalities. The two major types of diabetes mellitus are type I, insulin dependent (IDDM) which affects only 2 to 5 percent of Latino diabetics (Bertolli, 1990) and often occurs before age 20, and type II, the non-insulin dependent diabetes (NIDDM) (US–PHS, 1991).

According to the American Diabetes Association (1991), Mexican Americans and Puerto Ricans experience 110 to 120 percent higher diabetes rates compared to whites. The rate for Cuban Americans ranges from 50 to 60 percent. Mexican Americans and Puerto Ricans also have 2 to 3 times greater risk of non-insulin dependent diabetes mellitus (NIDDM) than non-Latinos (Gordon, 1988; American Diabetes Assoc, 1991). Some of the frequent symptoms of the condition are frequent urination (polyuria) increased thirst and appetite (polyphagia) and drowsiness. Diabetes is a serious condition that can cause damage to many tissues and organs of the body, such as the nervous system, kidney, disorder of the retina, high blood pressure, and heart and blood vessel (cerovascular) disease. Blindness and amputation in the absence of treatment is 2 to 3 times as frequent among Mexican Americans and Puerto Ricans as among non-Hispanic whites. Data from National Center for Health Statistics (NCHS)'s Health and Nutritional Examination Survey (NANES II) and the 1982–84 Hispanic HANES show that 42 percent of Mexican Americans, 40 percent of Puerto Ricans and 58 percent of Cubans who had diabetes did not know they had the disease. The prevalence of undiagnosed diabetes was higher among Puerto Ricans and Mexican Americans than in whites. It has been found that the prevalence of diabetes is related to low socioeconomic status, lack of insurance and hesitation of Latinos to visit a physician (US General Accounting Office, 1992).

Regarding Latino women, one study found that 10 percent of Mexican-American women over the age of 45 were diabetic, compared to the national rate of 3.7 percent (Manley, Lin-Fu, Miranda, Noonan and Parker, 1984). Latinos' increased risk may be due to genetic predisposition, age, diet, obesity, family history of diabetes, and sedentary lifestyle which are all risk factors for the development of NIDDM.

Gestational diabetes, which occurs only during the pregnancy is another risk factor for NIDDM. Women who have had gestational diabetes have a 30 to 40 percent chance of developing NIDDM. Women who are older, overweight, have a family history of diabetes, and have a history of multiple, unexplained miscarriages, or unusually large babies, are prone to gestational diabetes (USDHHS, Secretary's Task Force, 1986). Given these factors, Latinos are believed to be at increased risk for gestational diabetes, although there have been no studies regarding the incidence of this condition among women in this group.

In summary, the above section attempted to provide a review of the health status of Latinos measured by some selected indicators (i.e., HIV/AIDS, TB, STDs, alcohol, and other drugs and diabetes). There are other issues of great concerns that were not addressed such as violence and occupational injuries, cardiovascular conditions and hypertension, among others.

Access to Medical Care

Lack of access to medical care is frequently cited as the single greatest problem that Latinos face in the health care system. Access is an indicator of the ability to obtain medical care for an immediate health need. It is also indicator of the likelihood of receiving preventive and maintenance health care. The lack of access to the health care system results from financial, cultural, and institutional barriers. Latinos lack access to a broad array of health services, especially primary care. Poor and uninsured Latinos who turn to public facilities for routine care confront a lack of bilingual/bicultural services, long waiting times between calling for an appointment and the actual visit, and long waits once they get there. This contributes to their disproportionate use of more costly services, such as hospital emergency rooms when symptoms of illness persist or when the illness has reached an advanced stage. Access to inpatient care is also a problem in many cities like Chicago, where over the past four years as many as fourteen community hospitals serving low income areas and providing charitable care to the poor have closed. There are several indicators of access; whether or not a person has a regular source of care, health insurance coverage/financial barriers, inconveniences in obtaining care and the actual utilization of medical services. The research findings on these areas will be briefly elaborated below.

REGULAR SOURCE OF MEDICAL CARE

The term, "regular source of care," refers to an established and identifiable facility or medical source that an individual or a family use of on a routine basis. Having a regular source of care is a good indicator of health services utilization because it facilitates the entry into the system, and the continuity and quality of care (Aday et al, 1980, 1984). Studies consistently document that Latinos are less likely than any other group to be linked to a regular source of care (RWJF, 1983, 1987; Andersen et al, 1981; Roberts and Lee, 1980; Aday et al, 1980). This is particularly true among those with low family income (Aday et al, 1980).

The situation appears to be worsening among Latinos. A 1986 national survey, conducted by Lou Harris and Associates, found that the percentage of Latinos without a regular source of care was almost double that for Whites (30 percent to 16 percent). Furthermore, the percentage of Latinos without a regular source of care almost tripled in four years, from 11.8 percent in 1982 to 30 percent in 1986 (RWJF, 1983, 1987).

The 1982–84 HHANES data shows that within Latino subgroups the percentage of those having a regular source of care varies by gender and by age group. For instance, only 56 percent of Mexican American men between the ages of 20 to 30 reported a regular source of care, compared to 69 percent for those 31 to 45 years old and 78 percent for those between the ages of 46 to 74. Mexican American women consistently reported higher linkages with a regular source of care (78 percent for those 20 to 30, 83 percent for those between 31–45 years, and 86 percent for those women between 46 and 74) (Estrada et al, 1990).

Latinos who are least likely to report a regular source of care are also least likely to use medical services (Roberts and Lee, 1980). A national health survey conducted by the National Center for Health Services Research (NCHRS) (now known as the Agency

for Health Care Policy and Research (AHCPR) found that ethnic/racial groups (primarily Latinos and African Americans) without a regular source of care were least likely to visit a doctor during an illness, thereby diminishing treatment opportunities for these populations (Bernstein and Berk, 1982).

Local surveys have been able to document differences among Latinos of various national origins regarding their linkages with a routine source of medical care. For instance, a 1987 study conducted in poverty areas in Chicago found that persons of Mexican origin were at the greatest disadvantage, with 30 percent having no regular source of care, compared to 23 percent for African Americans and 25 percent for both Puerto Ricans and Whites (Lewin-Epstein and Andersen, 1987).

The lack of linkages to a regular source of medical care is also a problem among Latino children (Bloom, 1990; Giachello and Aponte, 1989). A 1988 national INterview Survey on Child Health conducted by the National Center for Health Statistics (NCHS) found 19 percent of all Latino children 17 years of age or less not linked to a source of care compared to 11.1 percent for non-Latino children. The problem was more severe among children 12 to 17 where 27 percent did not have a routine source of medical care (Bloom, 1990).

Among people who report a regular source of care, Latinos are least likely to see a private physician as their regular source of care. They are more likely than Whites to go to public health facilities or clinics, hospital outpatient clinics and emergency rooms (Aler, 1978; Bernstein and Berk, 1982; Giachello and Andersen, 1986; Kasper and Barrick, 1982; and Radecki and Bernstein, 1989; UIH, 1985). A 1986 national survey (RWJF, 1987) found that the use of hospital emergency rooms was higher for Latinos and African Americans than for Whites (21.7 percent, 18.7 percent and 17.7 percent, respectively). This also may be due to the different health status and the higher probability for Latinos and African Americans of being exposed to violence, trauma and injury (Giachello and Arrom, 1980; Chicago Tribune, March, 1992). The hospital Emergency Room is also highly utilized by Latino and African American Elderly. A 1985 study conducted by the Medical Social Work Unit of the University of Illinois hospital among persons 50 years of age and over in Chicago found that 33.9 percent of Latinos and 44.5 percent of African Americans reported using the hospital emergency room as a regular source of care compared to 21.5 percent for whites (UIH, 1986).

Solis et al (1990), in their analysis of HHANES data, found differences by Latino subgroups and by gender regarding the type of regular source of care. The study found that Mexican American women were most likely to use a community clinic for routine care (19.5 percent) compared to Cuban American women (14.5 percent) and Puerto Rican women (18.9 percent). Hospital outpatient clinic and hospital emergency rooms were used the most, regardless of sex, by Puerto Ricans.

Although Latinos and African Americans overall are most likely to use public health facilities, they are equally likely as Whites to indicate a preference for private physicians (Weaver, 1978). The eventual choice of medical facility is related to income, doctor's ethnic background (i.e., doctor's ability to speak Spanish), and the individuals immigration status (Stern and Giachello, 1977). When Latinos report having a private physician as their regular source of care, the physicians are most likely to be either general practitioners or family practice doctors, rather than specialists.

Physicians' private offices or clinics are the facilities lest likely to have medical services available outside regular office hours such as on evenings and weekends (NCHS, 1982; Giachello and Arrom, 1989; Aponte and Giachello, 1989; Garcia, Saucedo-Gonzalez and Giachello, 1985). Accessing medical services outside of regular office hours and on weekends varies by Latino subgroups. For example, the Chicago 1984 access study found that Mexicans were again less likely than Puerto Ricans to have access to after hours medical services, (Garcia et al, 1985), or to emergency treatment (Kasper and Barrish, 1982).

In sum, Latinos are overall less likely to be linked to a regular source of health care. This is particularly true among Mexican Americans. When Latinos report a regular source of care, it tends to be a public health care facility, a hospital outpatient clinic or a hospital emergency room. Depending on the facility, Latinos, particularly Mexican and Mexican Americans, experience a series of difficulties in accessing medical services outside regular office hours (evenings and on weekends) and for emergency treatment.

HEALTH INSURANCE AND OTHER FINANCIAL BARRIERS

In a recent study based on the 1982–84 HHANES data, Estrada et al (1990), examined specific barriers that Mexican Americans experience in using medical services. Cost of health care emerged as the number one factor mentioned by 18 percent of the sample. Similarly, Andersen and associates, found in their national survey on access to health care that Latinos and African Americans in 1982 had more difficulty than Whites in getting medical care due to financial reasons (Andersen et al, 1986). Similar findings were obtained by RWJF (1987) and by Garcia et al, (1985).

Thus, the lack of health insurance is one of the most serious barriers that Latinos currently confront in obtaining access to health care (Andersen et al, 1981; Andersen et al, 1986; Wilenskey and Walden, 1981; Trevino and Moss, 1983; RWJF, 1987; US GAO, 1992).

Recently analyses of the problem have indicated that uninsurance among Latinos is related to employment status, type of industry, and income (US GAO, 1992). A recent report issued by the U.S. General Accounting Office on Hispanic Access to health care stated that 33 percent of Latinos (over 6 million persons) were uninsured during all or part of 1989 compared to 19 percent of African Americans and 12 percent of whites (US GAO, 1992). This report indicates that 78 percent of Latino families members under the age of 65 who were uninsured lived in families with an adult worker (ibid, p. 12). It also stated that Latinos uninsured were more likely than whites and African Americans to work in industries that are less likely to provide health insurance coverage such as construction and agriculture (ibid). Health insurance coverage decreases with income. Working Latinos with low incomes, particularly those below poverty level, were much more likely to be uninsured than those with higher incomes (ibid). This is particularly true among Latino males with lower incomes. They were twice as likely to be uninsured (64 as opposed to 30 percent) compared to Latino males with higher incomes.

The severity of the problem of lack of health insurance has been more clearly documented in recent community studies. A 1987 health needs assessment conducted by Projecto Alivio and the Latino Institute in selected Mexican American neighborhoods in Chicago based on face-to-face interviews, found that 44 percent of Mexican American households did not have health insurance (Attinasi and Lopez, 1987).

In other parts of the nation, the situation is even more acute. In some areas in Los Angeles, for example, only 48 percent of the Latino population had some form of insurance, compared to 73 percent of the White population and 72 percent of the African American population (Radecki and Bernstein, 1989). In some areas in four counties in Nebraska, the rate of uninsured Mexican Americans has been found to be as high as 83 percent (Welch et al., 1973). Among some groups such as recently arrived Latinos (primarily Mexicans), the rate of uninsurance has been found to be also considerably high (Moore, 1986). It is believed that this is also true among the 2.1 million undocumented workers living in the United States in 1989 of which 1.6 million have been born in Mexico (US GAO 1992).

Insurance coverage varies by Latinos of national origin with Mexican Americans being worst off. In 1989 over one-third of the Mexican American population (37 percent) was not insured compared with 16 percent of the Puerto Rican and 20 percent of the Cuban American (Trevino et al., 1991).

Research on uninsured Latinos by gender also indicates differences in coverage among subpopulations. For instance, the 1982–84 Hispanic Health and Nutrition Examination Survey (HHANES) found that 34 percent of Mexican American males in the study reported no health insurance compared to 28 percent for Cuban American males and 30 percent for Puerto Rican males. The percentage for Latino women were 34 percent for Mexican American, 25 percent for Cuban American women, and 17 percent for Puerto Rican women (Solis et al., 1990).

The problem of insurance coverage is even more severe among Latino children and adolescents (Bloom, 1990; Giachello and Aponte, 1989). Giachello and Aponte (1989) found that in Chicago, 38 percent of Mexican-American children and adolescents were uninsured. Mexican adolescents experienced the greatest disadvantage, with over half of its 18–19 year old (56 percent) uninsured. Even in a more affluent Latino community, such as that of the Minneapolis-St. Paul metropolitan area, a 1990 telephone survey among Latinos found that only 27 percent of adolescents 16–21 had insurance (Giachello and Arrom, 1990).

Latinos who did not have health insurance, often report that they lost insurance coverage when they were laid-off. Others state that they have no health insurance because they cannot afford to pay the high premiums (Garcia et al, 1985). Because of Latinos' lack of health insurance, a higher proportion of their annual family income is used to pay for medical expenses (Welch et al., 1973).

Studies on type of health insurance coverage have found differences among racial and ethnic groups and among Latinos of various national origins. Trevino et al, 1991 using data from the 1989 Current Population Survey found that Mexican Americans (43.7 percent) and Puerto Ricans (43.6) followed closely by African Americans (45.4 percent) were least likely to have private health insurance. Furthermore, Puerto Ricans were most likely of all racial and ethnic groups to report Medicaid coverage (32.5 percent), followed by African Americans (23.3 percent), compared with Mexican Americans (13.7 per-

cent), Cuban Americans (11.9 percent) and compared with the total U.S. population (8.3 percent).

One of the explanations that have been provided for the high percentage of Puerto Ricans in Medicaid programs is that a high percentage of Puerto Rican poor families are female headed households. Therefore they are more likely to be eligible for Medicaid coverage. This is due to the fact that many states exclude two-parent families from the Medicaid program regardless of whether or not they meet the income requirements. A second explanation is the difference in Medicaid eligibility criteria across states. Texas and Florida where 3 out of every 10 Latinos live in the U.S., are the most restrictive states, while New York and New Jersey where Puerto Ricans are mostly concentrated, are not (COSSMHO, 1990; GAO, 1992; Trevino et al, 1991). Furthermore, Arizona and New Mexico do not have a medically needy program (COSSMHO, 1990; GAO, 1992).

The National Coalition of Hispanic Health and Human Service Organizations (COSSMHO, 1990) explored in detail the Medicaid programs of seven states: Arizona, California, Florida, Illinois, New Jersey, New York and Texas. The Latino population in these states comprises 84.4 percent of the total Latino population in the U.S. The survey found that the percentage of Latino Medicaid recipients varies by state, ranging from 0.4 percent in Florida to 33.7 percent in Texas. They also found that almost two out of every three Latinos (65 percent) below age 65, under the poverty level and not covered by private insurance coverage were not covered by Medicaid, compared to 36 percent of Whites. Furthermore, for those covered, the per capita spending under the Medicaid program for a group of preventive care and acute illness services in all the states, except New York and New Jersey, was lower for Latinos than for Whites.

The COSSMHO (1990) survey also examined Medicaid eligibility criteria for the seven selected states. In order to be eligible for Medicaid the individual must first qualify for public assistance, usually through Aid to Families with Dependent Children (AFDC) or Supplemental Social Security Income (SSI), a program for low income aged, blind and disabled persons. Different states have different criteria for eligibility, but, on the whole, the average eligibility income for SSI is more than two times that for AFDC. Thus, these eligibility standards act as yet another barrier for Latino access to medical services.

Therefore, for Mexican Americans some of the inequities of the Medicaid program may account for their low Medicaid coverage. In addition, Mexican undocumented workers are not eligible for Medicaid programs in some states, and even if they have U.S. born children they may not apply for Medicaid for fear of discovery and deportation (Giachello and Aponte, 1989). If they do, members of the family may have difficulty completing the legalization process for U.S. residency or citizenship later on, if they become eligible. However, in some states, such as New York, undocumented persons may be eligible for Medicaid benefits.

Medicaid has not been a solution to the lack of insurance for all poor people, particularly Latinos and African Americans below the poverty level (U.S. DHHS, 1985). Furthermore, studies show that health care providers are least likely to accept Latino patients with Medicaid than with Medicare. Providers located in Latino barrios and with at least 50 percent of Latino clients were the ones most likely to accept Latinos with Medicaid coverage (Aponte and Giachello, 1989).

Also having insurance coverage, however, does not ensure equal access because, according to Burciaga Valdez (1991), of inequities in benefits packages, providers' discretion in deciding which health insurance company to accept, increased search costs due to private cost-containment efforts (e.g., deductibles and copayments). Burciaga Valdez states that Latinos appear particularly vulnerable to these weaknesses in the current system of financing medical care (ibid. 4).

The relationships between health insurance and use of services also have been recently documented. Data from the Hispanic Health and Nutrition Examination Survey, Trevino et al (1991) found that lack of health insurance reduces an individual's access to health care, as a high proportion of the uninsured did not have a regular source of medical care, had not consulted a physician in the past year, and never had a routine medical examination, compared with the insured. Latinos with only Medicaid coverage were most likely to report a physician visit within the year followed by those with Medicare and other public insurance programs. Wells et al., 1989, found that Medicaid coverage was associated with an increase in the probability of hospital admission for Mexican Americans.

Finally, even the presence of insurance (public or private) may not provide adequate coverage for the needs of Latinos. More than half of private health insurance plans do not cover pre- or post-natal care, both critical time periods for insuring a child's future health. Of employment-based insurance plans: only 9 percent cover preventive care, only 15 percent cover eyeglasses, and only 32 percent cover dental care (Public Health Service, 1981). Similar inadequacies are also found in public programs (COSSMHO, 1990).

In summary, Latinos are more likely to not be able to afford medical care and to have no health insurance. The situation has become more acute in the last decade and appears to be more severe among certain communities in the nation and among certain sub-groups, such as children and adolescents, those with lower income and recently arrived immigrants. Among Latino ethnic groups, Mexicans and Mexican Americans are most likely not to be covered by health insurance. When health insurance is reported, Puerto Ricans are most likely to be covered by government sponsored programs such as Medicaid or Medicare. Furthermore, recent data indicates that Latinos are not benefiting from those programs to the extent that they should. Finally, lack of health insurance appears to be associated with low linkages with a regular source of medical care and low use of health services.

GENERAL INCONVENIENCES IN OBTAINING CARE

In addition to financial barriers in accessing health care services, Latinos experience a host of other inconveniences. Some of the most often mentioned in the literature include: long travel time to a regular source of care, time gap between calling for an appointment and the actual visit and the long waiting time in doctor's office once you get there (Andersen et al, 1981; Aday et al, 1980; Andersen et al, 1986; Solis et al, 1990). Some of these factors are related to insufficient resources to meet the demand of Latino clients. Staff and physical space, in many instances, appeared to be in short supply (USDHHS-HRSA, 1990).

A recent study using 1982-84 HHANES data identified a series of barriers to utilization of medical services by Mexican Americans (Solis et al, 1990). The study found that 33 percent of the sample reported encountering one or more barriers the last time they attempted to obtain health care. Among those who encountered barriers, 73 percent reported that the barriers prevented them from obtaining care. The 13 barriers most often mentioned in rank of order were: 1) cost of health care; 2) had to wait a long time in the office or clinic; 3) had to wait too long to get an appointment; 4) would lose pay from work; 5) the hours of services were inconvenience; 6) care was not available when needed; 7) did not know where to go; 8) did not have transportation; 9) had no confidence in the staff; 10) needed someone to take care of children; 11) staff did not speak Spanish; 12) staff was disrespectful; and 13) there were no Latino staff members (Solis et al, 1990:28).

Other inconveniences in obtaining care for Latinos are related to the fact that the health care system in this country possesses limited flexibility to meet the needs of populations that are poor or may have different illnesses, cultural practices, diets or languages (U.S. DHHS-HSRA, 1990). Failure in communication is often a problem as providers not only do not know the language but also use too many technical words confusing further the client.

Providers lack of knowledge and sensitivity about Latino culture and health behavior may also result in a series of stereotypes affecting negatively the provider-consumer relationship. This may have implications not only in services delivery but also in patient compliance. For instance, some non-Latino providers may regard Latinos as superstitious, present-oriented, and uninterested in preventive exams and non-compliant (Gregory, 1978).

In addition, prejudice and social discrimination against Latinos may maintain and reinforce the social distance between provider and consumer (Quesada and Heller, 1977; Aponte and Giachello, 1989). A recent survey done in Chicago documented providers' knowledge, attitudes and practices toward Latino patients/clients (Aponte and Giachello, 1989). The study found that more than half of the health care providers who responded to a mailed questionnaire reported not knowing about Latino health status and about the heterogeneity of the Latino population. They also reported not knowing the meaning of the terms "Latinos" and "Hispanics" and how they are used by many Latinos interchangeably. Also 50 percent said that Latinos should learn English instead of expecting bilingual services to be provided. Clear differences emerged in this study in levels of knowledge and cultural sensitivity between health care providers serving high number of Latino clients as opposed to those serving relatively low numbers of Latinos. Those providers serving few Latinos clients show the least interest in learning about Latino health problems or about how to reach out and serve Latinos (ibid).

Communication and the provider-consumer relationship may be negatively affected by the use of interpreters. Interpreters require a great deal of skill to describe and explain terms, ideas and processes regarding patient care (Putsch, 1985). Usually the responsibility for interpretation in a health or mental health facility falls according to Putsch (1985) to anyone who is bilingual, such as an employee, family members (e.g., child), friend, usually with no formal interpretation training. This may be due to inaccuracies, failure to disclose information, violation of

confidentiality, and failure of the provider to develop rapport with the patient (but with the interpreter).

Limited provisions are being made in many health facilities that serve large numbers of Latinos to establish procedure to handle the case of interpreters. For example, Aponte and Giachello (1989) found that only 40 percent of health care providers reported having a protocol for dealing with monolingual Spanish speaking clients. Of those who reported a protocol, close to one-third stated that the protocol consisted of telling the client to bring his/her own interpreter, and two-thirds indicated that an interpreter was available on site. Providers serving primarily Latino clients were least likely to report having any sort of arrangements for serving their clients who spoke only Spanish (ibid).

SHORTAGE OF LATINO HEALTH PROFESSIONALS

It has been frequently mentioned in the literature that language and cultural barriers can be overcome by recruiting bilingual or bicultural staff (Reeves, 1990). There is currently a shortage of bilingual Latino health professionals such as physicians, nurses or other health providers. Furthermore, there are few Latinos enrolled in health professional schools throughout the nation (U.S. DHHS, 1986; COSSMHO, 1992; USDHHS-HRSA, 1990). This is partly related to the high rate of school drop-outs among Latino youth. In addition, Also cuts in scholarships, student loans, and assistance and lack of social support programs have made it even harder for minority students who make it through high school to move on to college.

Data from 1990 Bureau of Labor Statistics's Current Population Survey demonstrate that Latinos were under-represented in various health service occupations. They made up only 4.5 percent of physicians, 4.1 percent of pharmacists, and 2.5 percent of registered nurses (RN's) (COSSMHO, 1992). Judging from the percentage of Latinos enrolled in various health programs, the situation slightly improved in the 1980's in some areas (USDHHS-NCHS, 1991; USDHHS-HRSA, 1991). Despite the increase, Latinos are still most notably under-represented in osteopathic medicine (1.6 percent), dentistry (2.8 percent) and optometry (2.7 percent) (USDHHS, 1986). It is also disheartening to note that for some medical fields such as allopathic medicine, since 1980, the rate of increase of Latino enrollment has slowed (USHHS, 1986; USDHHS-NCHS, 1991; USDHHS-HRSA, 1991). Due to this shortage of Latino health professionals, recruiting bilingual staff is essential.

Presence of bilingual staff does more than provide translation services. It also promotes a perception of caring about Latinos, opens the way for changes in service delivery that can contribute to better access for Latinos, and improves the quality of service delivery (Giachello, 1985). Understanding a patient's language is the beginning of understanding his/her health and illness beliefs and behavior, and facilitates treating the patient as a whole person, and not just as a configuration of disease symptoms.

Despite this, a citywide survey on health care providers' perceptions of Latino clients in Chicago, found that only 28 percent of providers made any special efforts to recruit bilingual personnel (Aponte and Giachello, 1989). Non-profit providers and those located in Latino areas were most likely to make such efforts (47 percent and 45 percent, respectively). Of those who did, providers located in Latino areas reported encountering the most difficulty in recruiting such personnel.

In summary, institutional barriers to access to health and mental care for Latinos include: problems in communication (verbal and non-verbal) between the patient and the provider; misconceptions and stereotypes among both; providers' lack of knowledge and interest about Latinos; lack of interpreter services and lack of bilingual/bicultural staff in clinics and agencies that potentially serve Latinos.

USE OF HEALTH AND MENTAL HEALTH SERVICES

The literature on the utilization of health and mental health service indicate that Latinos overall underuse these services. For example, they are less likely than whites to see a physician or to be hospitalized within a year; or to use preventive health services. However, differences do exist by Latino subgroups and by gender in a series of utilization measures. For example, Puerto Ricans and Cubans, reported the highest use of formal medical care while consistently Mexican Americans were least likely to use the formal medical care system. Latino women in reported higher use than Latino men for preventive services but lower use for mental health care. Having health insurance and a regular source of medical care have been strongly associated with Latinos use of services. Puerto Ricans' poor health status and their relative high medical coverage have frequently been cited as an explanation for their high use.

Summary

It is clear that Latinos are experiencing serious health problems and that access to health care continues to be difficult for this population. They are experiencing a chronic lack of access to health care due to financial, cultural and institutional barriers. There is limited linkages with regular sources of medical care, and differences exists in the sources, patterns, and quality of health care received by Latinos. There is also shortage of bilingual and bicultural health professionals, combined with drastic cuts in health and human services programs.

These problems are occurring at a time when Latino medical needs are becoming greater. Latinos with the worst health status and with the poor access live in communities that are experiencing a series of health and social problems such as family violence, crime and gang activities, and high school drop-outs. All this suggests a strong association between poor health and poverty both of which are the result of institutional racism, classism and discrimination. Hispanic health must be viewed within a broader context. Most of the health problems of Latinos are problems caused by structural conditions in society. They include, among others, type and location of employment within the economic structure (i.e., services industry), environmental and occupational hazards. By not addressing the origins of the problems we are treating the most costly symptoms.

The health care crisis isn't unique to Latinos. Signs of trouble are everywhere. Hospital and physician fees are too high. There is unnecessary medication, overextensive testing, excess hospitalization, clinical and administrative waste, fragmentation and poor coordination of services. But Latinos bear a disproportionate burden. There is also a shortage of physicians and other medical staff willing to work in medically underserved areas where most Latino live.

The kinds of access problems that Latinos face must sooner or later have a national solution. The federal government must recognize that health care is a right and not a privilege. Without health we cannot work, we cannot take care of our families, and we cannot be productive citizens. However, considering the present political and economic climate in our nation, the federal government will probably not undertake any initiatives to expand its role to develop a universal system of access to care. Therefore, it is up to individual states to develop models such as those recently developed in Hawaii, New York, Massachusetts and Minnesota. However, the problem with this is that these models are "custom made" to the individual needs and problems and to the unique resources and political climate of each state.

Thus, while some states will develop comprehensive programs, others will still fall short by far. Eventually, these local models will have to be replaced by a national health care system. Hopefully, before the year 2000, the political climate will be such as to enable this change to take place.

RECOMMENDATIONS

General

It is critical that as you deliberate on issues affecting Hispanics you keep in consideration the tremendous diversity of the Hispanic population. Diversity by national origin, by socioeconomic status, by levels of assimilation and acculturation and by regional areas. You need to expand the network of Latinos that you consult on health and human services issues to include representation from the different Hispanic groups, and from different regions of the country. You for example, can not expect that people from the Bronx, New York, be familiar with what is happening with Lantinos in El Paso, Texas. You at times are not listening to the people that you need to listen to.

There is a need for long-term institutional/structural changes to deal effectively with the health problems of Latinos. Social changes must occur in our society to minimize poverty and to improve levels of education and income, among Latinos in general and Latino women in particular.

Social reforms are also needed in the medical care and social service systems that could improve Hispanic access to health care. A national health care system/insurance similar to the Canadian model is much needed where everyone can have access regardless of their ability to pay, gender, age, race or nationality. A system that will not only eliminate financial barriers in accessing the system, but the racism, sexism and social discrimination that prevails in many medical facilities.

We urge your support to the Senate Bill 1944 that calls for the Office of Minority Health to assist in the establishment of either Office of Minority Health in city and state health departments or on-going programs and activities in this area.

There is a need to increase funding to the USDHHS-Office of the Surgeon General. This Office has less than $50,000 a year of discretionary fund to do all the activities that the public expect to be done. This office for the first time ever has a Latino women and I believe that she has been set-up for failure because of the limited funds available to her. Currently, this office is in process of forming a in a 15 member. Latino national planning committee that will be in charged of developing a comprehensive Hispanic Health Initiative for the Public Health Service (PHS). Committee activities include the (a) planning of a national working group symposium on Sept, 1992; (b) planning of 5 regional conferences on Hispanic Health—one of them in the Chicago area in March, 1993; (c) the planning of a large national conference in September, 1993 in Los Angeles. There is tremen-

dous amount of enthusiasm and hope that for the first time Latino issues will be seriously addressed. However, the U.S. Surgeon General only has committed funds from other PHS agencies to conduct the September, 1992 symposium. It is imperative, that this committee support the efforts of the U.S. Surgeon General's activities in addressing Latino health issues and, that support should be translated into resources allocation (more funds).

The Disadvantaged Minority Health Improvement Act of 1990 (P.L. 101-527) has provision requiring that the Office of Minority Health (OMH) provide technical assistance in the development of bilingual assistance programs in cities and states health departments. However, the language of this particular section is vague, it needs revisions. It requires OMH to develop a strategic plan in this area, but no funds were allocated for its implementation. This is a critical area as many city and state health departments are increasingly providing services to a diverse population that speaks a different language and no provision is in place to have a protocol in place, to have bilingual forms, to have bilingual personnel or to develop and implement activities that will assist the staff to become culturally sensitive and competent.

Research and data

Despite an increase of data on Latinos in the past 6 years, tremendous gaps exist. For example, we don't know anything about the health status of people from Central or South America which are the fastest growing population within the different Latino groups. There is no data on Latinos life expectancy. Most of the estimates that we currently use are based on regional studies done by the private sector (i.e., insurance company). We have no estimates at all on life expectancy based on birthplace or ethnic origin.

There is limitation of data regarding the health status of Puerto Ricans compared to Mexicans or Mexican Americans. Everything seems to indicate that the Puerto Rican health profile is similar to that of African Americans. But when the health status of Latinos overall are examined on a given indicator such as infant mortality or babies born of low birthweight, infant mortality of infants of low birth weight does not appear as a problem for Latinos because the Mexican American women have lower infant mortality and lower incidence of babies born with low birth weight. Therefore, more sophisticated research needs to be done that will lead to better health policies and programs "custom-made" to the specific needs of the different Latino populations.

We urge your support for funding for 1993 of some of the following provisions under section 7 of the Disadvantaged Minority Health Improvement Act of 1990:

To improve the level of racial and ethnic detail obtained through national surveys conducted by the Centers for Disease Control (CDC) and the National Center for Health Statistics (NCHS);

Requires the Secretary to work with states with high concentrations of Asians and Hispanics to increase the amount of detail obtained through vital statistics; and,

Establish an extramural grants program to improve minority statistics. Grants were authorized for the support of special studies or surveys to fill in gaps where national surveys cannot provide sufficient data; analysis of existing data; and research to improve methods for obtaining information on racial and ethnic subpopulations.

No new funding was appropriated for the first two provisions. An appropriation of $976,000 was made in FY 1991 and again in FY 1992 to support grants. This grants program is authorized to be funded at levels up to $10,000,000 in FY 1993.

As the interest of policymakers has focused on the above gaps and turned toward the design of interventions, the need for refining existing data systems has grown. This led to the above legislative mandates.

This committee should look into the funding allocation to the U.S. Bureau of the Census. This agency has every year, practically to engage in a battle to obtain their resources to do their work. We need the U.S. Bureau of the Census to do research as they provide the population estimates used in national and regional health surveys. These estimates are used as denominators. If they don't get the proper funding for this tasks, this will have a very negative impact in survey research.

Services

There is a need to increase allocation of resources for early screening and treating people with tuberculosis. This problem is not being handled, to the best of my knowledge, by the many federal government or by city and state health department as a medical emergency. For example, there is a need to investigate what some of the federal agencies are doing. For example, what the Centers for Disease Control and Health Resources Administration Services are doing about TB outbreak.

The Early Periodic Screening Diagnosis and Treatment program under the Medicaid program should be expanded so that every child will be screened regarding their immunization status and where provisions will be made regarding proper reimbursement to health care providers, and where among other things they have access to the necessary vaccines.

HIV/AIDS

In the distribution of funds the way the system works is for groups to be forced to be competing with one another for limited funds. Example, gay/bisexual men competing for funds against ethnic minorities (Hispanics and blacks). In addition, the priorities in the distribution of AIDS have been shifted. They are now aimed at testing and counseling and services delivery to persons infected with HIV/AIDS. Although proper attention should be given to this area, drastic reductions are beginning to occur and more are expected aimed at the area of primary prevention in reference to the general population (e.g., general awareness campaign, HIV/AIDS education activities, etc.). This is particularly true for programs funded by the Centers for Disease Control (CDC) as this agency experienced a 20 billion dollar reduction in fiscal 1991 budget and for current fiscal 1992 experienced an additional $14 million cut in HIV/AIDS prevention program. It is my understanding that this shift in priority areas is due to restrictions imposed by Congress which argues that there is limited evidences that funds used for primary prevention are making impact. This shift may have negative consequences to the Hispanic communities who just began to be exposed to HIV/AIDS education and prevention activities. Many Hispanics, particularly migrants, or those living in small communities in the midwest have not been reached at all. For these populations already lacking access to medical care in general, HIV and AIDS is not a "chronic manageable disease."

Congress needs to legislate and to recommend to federal agencies to develop programatic means that will minimize the competition for fundings among groups at high risk for AIDS.

There is currently a shift in policies at the Federal level from primary prevention and education to early intervention and treatment. We need a continuum of care act. The Ryan White CARE Act was a bigh accomplishment but the money allocated was not enough to meet the demand. Approximately, $880 million was authorized and only less than half ($350 million) was funded. Furthermore, only $150 million are new monies and those new monies are coming from the HIV prevention and education areas, and from cuts in other essential human services programs that goes directly to the community.

This committee cannot allow that money for prevention and education be taken away from community. Prevention and education remains the only effective tool in the fight against AIDS and is inexpensive and extremely cost-effective way to fight the epidemic.

We need this Senate's Hispanic Task Force to assure that enough resources are coming to the Midwest Region and that a fair share goes to the Hispanic community. The Midwest Region is frequently overlooked because we don't have an AIDS crisis (with the exception of Chicago) of the magnitude of New York City, Los Angeles, San Francisco and Miami. The National Commission on AIDS has predicted that 80 percent of all new AIDS cases in the 1990s will come from outside New York City and San Francisco. We should not wait until HIV/AIDS becomes a crisis in the midwest. We must now increase allocation for primary prevention and education as the most cost-effective means of preventing the spread of AIDS.

This year, depending on availability of funding from the Centers for Disease Control (CDC), about 30 national and regional minority HIV/AIDS coalitions engaging in HIV/AIDS education and prevention activities will be renewing their 5 years contract. The Midwest Hispanic AIDS Coalition (MHAC) is one of the regional entity that will be competing for renewal. MHAC was formed to specifically serve the Hispanic communities in 6 states: Illinois, Indiana, Michigan, Minnesota, Ohio and Wisconsin. The organization has been in existence since 1988 providing intensive training, technical assistance to agencies serving Hispanics in the region, and conducting needs assessment and evaluation research on a diversity of programs in the region. Because of MHAC tremendous success, it has been viewed as a model program by CDC and many other public and private local aid organizations. It is important that this body assures the authorization and appropriation of funding for HIV/AIDS prevention and education and for the continuation of minority coalitions such as MHAC.

There is a strong need to assure that the Ryan White CARE Act be fully funded to its level of authorization. The amount of funds currently available under the different titles is not enough to meet the growing needs and demands. For example, about 100,000 persons have been found to be HIV infected in 1990 and again in 1991 in this country. Under title I, in 1991 only 16 cities met the criteria for funding based on the number of AIDS cases. In 1992 it increased to 18 cities. For 1993 funding, 30 cities (almost double) in total are eligible.

There is a need to revise the definition of AIDS to include the clinical manifestation of the conditions for women. There is a need to assure that Social Security benefits be available for women with HIV/AIDS. The Social Security Administration must be mandated

to adopt a definition of AIDS which reflects the symptomatology of women rather than using the CDC definition for determining who is disabled and eligible for benefits.

This committee must engage in legislative process that will assure that the Office of Immigration and Naturalization would not exclude the entry of persons to the U.S. based on the HIV status, the frequent argument used is that it will represent a financial burden to the medical institutions in U.S. if persons need medical care. However, similar immigration guidelines do not exist for persons coming to U.S. with Cancer, or with diabetes or heart problems.

Shortage of Hispanic health professionals

We strongly urge the US Senate Democratic Hispanic Task Force to support to introduce and support bills that will eliminate or minimize the financial barriers experienced by Hispanics who are interested in pursuing a health career. Efforts should be made to increase students loans and scholarships for Latinos and other disadvantaged groups.

This committee should request from the General Accounting Office an investigation on the Joint Commission on Health Care Organizations. This entity (located in Chicago) is responsible for the accreditation of many health education programs (nursing, psychology) and health care institutions. The criteria that they use and the assessment tools that they develop do not address cultural diverse issues. For example, for accreditation of health programs, criteria used by the Joint commission do not stipulate the need to integrate in curriculum content cross-cultural issues, and it not demand that cultural and racial groups or women be represented in those programs.

We urge you to strongly advocate for an increase of funds to current Hispanic Centers for Excellence and to expand these centers in other much needed universities with high concentration of Latino students.

Under the Disadvantaged Minority Health Improvement Act of 1990 2.5 million dollars were allocated to establish Centers for Excellence in Schools of Medicine addressing concerns of Hispanics and of Native Americans in terms of recruitment and training. This follows the models of Centers for Excellence established in traditional black colleges and universities. One of the centers is located at the University of Illinois College of Medicine. However, due the limited amount of money allocated to the Latino Centers for Excellence, each center has about $200,000 which is not enough to meet its mission. Centers for Excellence aimed at the African Americans and the Claude Peppers's Centers of Excellence for older people had a much healthier budget. Please investigate and advocate for these Hispanic Centers for Excellence. They are critical in increasing the number of Latinos physicians. I do hope that efforts will also be made to expand this concept to other health and human services educational programs.

Increase in Hispanic Health Professionals at the federal level

We strongly urge you to increase the number of Latino personnel in the Federal Government at all levels, particularly policy level positions. Many reports have been prepared by the Federal Government assessing the needs of Hispanics in the past 3 years. All of them consistently have stated the shortage of Hispanics in the Federal Government. The most recent report (not yet published) from the Office of Minority Health—Public Health Service (PHS) is one that summarizes a series of recommendations that came out of the National Hispanic Health Policy Summit. For the first time ever, 25 national Hispanic organizations in the areas of health and human services were met between September, 1991 to March, 1992 to discuss and reach consensus on a series of issues related to Hispanic Health. One of the key recommendations was to increase the number of Latinos in the Federal Government, particularly at USDHHS.

The report from the Hispanic Health Policy Summit (1992) state that currently Hispanics account for less than 3 percent of all employees in the Federal Government work force. Among Federal health professionals with doctoral degrees, Hispanics comprise less than 2 percent of employees. Of those Federal health professionals in the DHHS managing significant departmental budgets, Hispanics constitute less than 1 percent. There is evidence that the Latino workforce in the Federal Government is declining. Furthermore, there is a total of only four (4) Latinos in Senior Executive Levels (including the U.S. Surgeon General). Two of those positions were occupied by Latinos in the past 9 months due to pressure from the Latino communities.

Many initiatives addressing culturally diverse groups (primarily women, and racial and ethnic groups) have been initiated by the Federal Government, particularly in the past 5 years. All of them are supposed to help these groups. However, the initiatives aimed specifically at Latinos, for example, at the National Institute of Health (NIH), at times appear to be questionable. The commitment many times are there, but no efforts have been made to recruit Latinos to direct those initiatives/programs. Therefore, many of those efforts have been perceived as not accomplishing much, as the appropriate design, and protocols at times have been developed without the cultural understanding, sensitivity and cultural competence.

Alcohol and Substance Abuse

It is imperative that the public campaign on War Against Drugs as well as any anti-drugs strategic plan incorporate and bring for public discussion ways of minimizing and/or ultimately eliminating the abuse of legal (alcohol) and illegal drugs in this country.

It is important that the government and the public recognize the direct relationship between HIV/AIDS and abuse of drugs and develop the proper strategies to deal effectively with problems.

A fair share of funding under the "War Against Drugs" Program must be allocated for prevention and treatment of drug abuse in the Midwest Region. This program targets priority areas for allocation of funds with high intensity regarding drug abuse. In the original list of areas selected—none of them were in the midwestern Data available indicate that Chicago and Detroit have an alarming high number of drug addiction, particularly IVDU. The problem in both cities is most prevalent among Hispanics and blacks. It is imperative that proper funding be made available directly to community-based organizations who are already serving this population with very limited resources and have the capabilities of providing services in the areas of prevention and education within a cultural framework.

There is a need for more drug treatment programs for Latinos who are dependent on alcohol and other drugs. There is a need to strongly advocate for more treatment slots for women with alcohol and drug addiction. The need appears to be the greatest for pregnant women. These women tend to be excluded from drug treatment programs. Arguments used are that these programs do not have birth centers and cannot handle complications that require neonatal care. American Civil Liberty Union is now in process of challenging this policy.

Support for the Freedom of Choice Act

Now that women's constitutional rights is being challenged by the Supreme Court. It is imperative that this committee support the Freedom of Choice Act. It is a myth to believe that Latino women do not have abortions because of cultural and religious consideration. The limited studies available document the increasing of abortions that are performed on Hispanic women.

INTERBANK LIABILITIES

• Mr. RIEGLE. Mr. President, the FDIC Improvement Act of 1991 sought to curtail the practice of treating some banks as too big to fail. A key provision of the act, section 308, requires the Federal Reserve Board to prescribe standards that have the effect of limiting the risks posed by one depository institution's exposure to other depository institutions.

As I explained on March 5, 1991:

> The logic of such limitations is clear: Interbank deposits are, in reality, simply a loan from one bank to another. Like any other loan, they expose the lender to risk. A bank that lends a major portion of its capital to a single borrower is acting imprudently, whether the borrower is a commercial real estate developer or another bank. A bank should not pull all its eggs in one basket—even if the basket is another bank.

The rationale for section 308 is well expressed in an article by Walker F. Todd and James B. Thomson of the Federal Reserve Bank of Cleveland, entitled "An Insider's View of the Political Economy of the Too Big to Fail Doctrine." The article appeared last year in "Public Budgeting and Financial Management," volume 3, pages 547–617. The Federal Reserve Bank of Cleveland also makes the article available as Working Paper No. 9017.

I commend this article to all who support carrying out the intent of section 308 and curtailing too big to fail.

Mr. President, I ask to include a copy of this article in the RECORD.

The article follows:

[Federal Reserve Bank of Cleveland]

WORKING PAPER 9017: AN INSIDER'S VIEW OF THE POLITICAL ECONOMY OF THE TOO BIG TO FAIL DOCTRINE

(By Walker F. Todd and James B. Thomson)

ABSTRACT

Understanding interbank exposure is the key to understanding the too big to fail doctrine. In this paper, we present arguments supporting three principal hypotheses: high levels of interbank exposure reduce the safety and soundness of the banking system; interbank exposure affects the ability of the Federal Deposit Insurance Corporation (FDIC) and bank regulators to use market discipline as a constraint on banks' risk-taking; and a rising level of interbank exposure is indicative of reduced stability of the financial system. In addition, we provide evidence that interbank exposure does not, at

this time, appear to be a generalized problem for U.S. banks; however, some banks in all categories of asset size still have comparatively high ratios of interbank exposure to capital, despite a general decline in these ratios since the Continental Illinois failure (1984).

The FDIC alone is not to be credited or blamed for the evolution of the too big to fail doctrine out of the FDIC's "essentiality" doctrine: that is, "a bank that is essential could not be allowed to fail no matter what the cost." The Federal Reserve, the Comptroller of the Currency, large U.S. and foreign banks, and politicians also deserve a share of the credit or blame. During Congressional testimony on the Continental failure, former Comptroller of the Currency Todd Conover "hinted that the eleven largest banks in the nation were immune from failure." One of the principal justifications offered by FDIC officials for the Continental bailout was the alleged interbank exposure of 2,300 other banks that would have lost more than the insured amount of their deposits if Continental had been closed without a full guarantee of repayment to uninsured claimants. That, in brief, is how the federal bank supervisory authorities came to find themselves embroiled in the "disparate treatment/too big to fail" controversy that still is unresolved.

Interbank exposure may arise from normal, efficiency-promoting correspondent banking activities that are not inherently dangerous but that may become so if not closely monitored. The primary focus of this paper is overnight or term interbank exposure that is directly and deliberately undertaken, including sales of federal funds, loans to depository institutions, purchases of securities under agreements to resell (reverse repos), and purchases of acceptances of other banks. Various forms of indirect interbank exposure certainly are worth studying, but information regarding such exposure is difficult to capture from call report data; thus, indirect interbank exposure is mentioned only occasionally in this paper. However, all forms of interbank exposure lie at the heart of the too big to fail doctrine. Interbank exposure acts as a constraint on the FDIC's ability to force its fellow regulators to close insolvent banks, which provides disconcerting guideposts as to probable future experience with cross-guarantee proposals that would be analogous to private deposit insurance schemes. Market-oriented corrective measures, such as market-value accounting for banks, strictly enforced minimum capital standards, per customer lending limits applied to banks as well as nonbanks, and netting out interbank holdings of capital instruments in calculating capital adequacy would go a long way toward reducing and controlling purported systemic failure risk arising from interbank exposure.

PREFATORY QUOTATIONS

"We are living amid the vestiges of old controversies, and we speak their language, though we are dealing with different thoughts and different facts.—Walter Bagehot, *Lombard Street*, p. 161 (1873).

"History is a good teacher but there are inattentive pupils."—George Stigler, quoted in Harold Lever and Christopher Huhne, *Debt and Danger*, p. 31 (1986).

"[Former FDIC Chairman William M. Isaac] has doubts about the [Continental] rescue. 'I wonder if we might not be better off today if we had decided to let Continental fail, because many of the large banks that I was concerned might fail have failed anyway," he said. "And they probably are costing the FDIC more money by being allowed to continue several more years than they would have had they failed in 1984.'"—William Isaac, quoted in Robert Trigaux, "Isaac Reassesses Continental Bailout," *American Banker*, p. 6 (July 31, 1989).

I. ORIGINS OF THE MODERN TOO BIG TO FAIL DOCTRINE

Former FDIC Director Irvine Sprague describes the origins of the too big to fail doctrine in banking as follows. The text refers to a May 17, 1984, FDIC press release regarding Continental Illinois National Bank and Trust Company of Chicago ("Continental"):

The third paragraph caused more hassling among the regulators themselves and with the banks than all the rest of the press release put together. And well it should have. It was the essence of the rescue. This paragraph granted 100 percent insurance to all depositors, including the uninsured, and all general creditors. It read as follows:

"In view of all the circumstances surrounding Continental Illinois Bank, the FDIC provides assurance that, in any arrangements that may be necessary to achieve a permanent solution, all depositors and other general creditors of the bank will be fully protected and service to the bank's customers will not be interrupted.

"Its purpose, quite bluntly, was to stop the run and prevent recurrence. We had to have stability. The guarantee was extraordinary but not unprecedented. We had given similar public assurances to buy time for a permanent solution for Greenwich Savings Bank in New York City in 1981 and for the United Southern Bank in Nashville, Tennessee, in 1983. These two were also granted 100 percent insurance by press releases. Only the Continental guarantee, however, touched off a nationwide debate that to this day continues to raise questions and generate controversy." (Sprague [1986], p. 162).

Sprague added that, under former 12 U.S.C. Section 1823(c)(2), the FDIC was authorized to provide open-bank assistance to any failing insured bank if its continued operations were deemed "essential to provide adequate banking service in its community." More liberal authority for the FDIC to provide open-bank assistance was not enacted until the Competitive Equality Banking Act of 1987.

The first use of the FDIC's "essentiality" doctrine occurred in 1971, to bail out Unity Bank, an $11.4 million, minority-owned bank in Boston (Sprague [1986], pp. 36–44). The size of banks rescued under the essentiality doctrine increased through the $8 billion First Pennsylvania case in 1980 (Sprague [1986], pp. 86–92) and eventually the $41 billion Continental case. Sprague notes that the FDIC's May 1984 assistance package for Continental was based on the essentiality test, "so presumably a bank that is essential could not be allowed to fail no matter what the cost." (Sprague [1986], p. 162). Later, during Congressional testimony on the Continental failure, former Comptroller of the Currency Todd Conover "hinted that the eleven largest banks in the nation were immune from failure." (Sprague [1986], p. 259). That, in brief, is how the federal bank supervisory authorities came to find themselves embroiled in the "disparate treatment/too big to fail" controversy that still is unresolved.

Interestingly, this modern evolution of the FDIC's essentiality doctrine created a situation in which the FDIC's statutory mandate was squarely contradicted:

"The pendulum has swung once again toward 100 percent protection of depositors and creditors. Despite the fact that Congress made it clear in the 1950 Act that the FDIC was not created to insure all deposits in all banks, in the years since Congress has gradually increased the insured amount to $100,000. In addition, the regulators have devised solutions that protect even the uninsured in the preponderance of cases." (Sprague [1986], p. 32; see also, Caliguire and Thomson [1987] and Penning [1968]).

The FDIC alone is not to be credited or blamed for this evolution of the too big to fail doctrine. During the First Pennsylvania rescue (1980), Sprague reports that "there was strong pressure from the beginning not to let the bank fail . . . [from] the other large banks, . . . the comptroller, . . . [and] frequently from the Fed." (Sprague [1986], p. 88). The following passage is particularly telling in regard to how the "domino theory of banking" (precursor of too big to fail) first appeared in policy-making circles:

"I recall at one session [in 1980, regarding First Pennsylvania], Fred Schultz, the Fed deputy chairman, argued in an ever rising voice, that there were no alternatives—we had to save the bank. He said, 'Quit wasting time talking about anything else!' Paul Homan of the Comptroller's office was equally intense as he argued for any solution but a failure. The domino theory dominated the discussion—if First Pennsylvania went down, its business connections with other banks would entangle them also and touch off a crisis in confidence that would snowball into other bank failures here and abroad. It would culminate in an international financial crisis. The [domino] theory had never been tested." (Sprague [1986], pp. 88–89).

Foreign observers (British, in this case) clearly assumed, by the mid-1980s, in the aftermath of the Continental rescue, "that the Federal Reserve will not allow one of the lynchpin banks to fail." (Lever and Huhne [1986], p. 22). Thus, the Federal Reserve's ever-looser lender of last resort policies since the Franklin National Bank failure (1974) reasonably might be viewed as one of the principal factors in creating the too big to fail doctrine (Todd [1988a]; Schwartz [1987]; Spero [1980]).

Some of those originally involved in the creation of this doctrine have come to repent it, but too late to do the taxpayer much good. Politics, not pure economics, is now clearly the driving factor in preserving the doctrine, which is generally acknowledged to stand in the way of both the expansion of banks' powers and the reduction of taxpayers' costs. Former FDIC Chairman William Isaac has been quoted as saying that the regulators and politicians probably made a costly mistake in trying to save Continental, but Isaac also admits that, if he were Chairman now, he would be trying to save everybody for political reasons, regardless of cost, just like current FDIC Chairman William Seidman (Trigaux [1989]).

II. WHY THE TOO BIG TO FAIL DOCTRINE MATTERS

Imprecisely defined terms and policy conceptions that are not rooted in practical reality often determine official decisions regarding banking, regardless of the clarity (or lack thereof) of the terms normally used in economists' discussions of banking theory. Among our favorite examples of such vague or unnatural terms and conceptions are "lender of last resort," "solvency," "liquidity," and the like, at least as those terms currently are used in the policy debate (Thomson [1990]; Todd [1988a]). Clarity of terms and precision of historical conceptions do matter, as does the legitimacy of the line of descent of the policy in question. Other-

wise, policy discussions regarding banking tend to deteriorate into the situation described by Joseph Schumpeter (1950, p. 340), as follows:

"[I]ndividuals, as well as groups often do not know where, if anywhere, they belong and, sometimes from ignorance, at other times from a correct perception of advantage, they mix up contradictory principles into mongrel creeds of their own. All this confuses observers and accounts for the wide variety of current interpretations."

Reversing what some might consider normal procedure, we explain why the policy discussion of the too big to fail doctrine matters at both macroeconomic and microeconomic levels, and then we define a few key terms.

The conception of interbank exposure encountered most frequently in policy discussions is the reduction of risk in Federal Reserve-operated and some private-sector payments networks. This risk arises from intraday or daylight overdrafts due to the posting of debit and credit entries for transfers of funds and securities over those networks. By far the greater part of such transfers arises from government securities and foreign exchange trading activities. The volumes of these transfers in recent years, $183 trillion over Fedwire (1989) and $32 trillion over CHIPS (1988), have dwarfed the relevant measures of real economic activity ($5.2 trillion of U.S. gross national product [1989] and $2.7 trillion of gross world trade [1988] for all countries). A variety of risk-reduction measures have been proposed and implemented in recent years, including institution-specific net debit and net credit limitations, or caps per sender, and the planned imposition of a 25 basis points per annum fee for intraday overdrafts on Fedwire in excess of 10 percent of each sending institution's risk-adjusted capital. Because most payments network transfers are initiated by or paid to money center institutions that are clearing or settling securities or foreign exchange trades (Federal Reserve Bank of New York [1987–88]), the 15 or so largest U.S. banks probably will account for nearly 90 percent of the planned intraday overdraft fees. However, trading (and the magnitude of intraday overdrafts) has become large enough to create Federal Reserve concern only since the 1970s. The failure of Bankhaus I.G. Herstatt during the U.S. banking day in 1974 also increased regulatory concern regarding intraday interbank exposure (Spero [1980], pp. 108–114). Since intraday interbank exposure became a significant Federal Reserve concern during the early 1980s, it has become one of the driving factors behind the too big to fail doctrine and has begun to be addressed by specific policy initiatives (Stevens [1989]; Aspinwall and Scott [1989]; Spero [1980], pp. 108–114).

Interbank exposure also may arise from normal, efficiency-promoting correspondent banking activities that are not inherently dangerous but that may become so if not closely monitored. Clearing or other correspondent balances maintained by smaller banks at large regional or money center banks, or even by larger banks that are not members of the same clearinghouse, may give rise to unexpected credit risk exposure against the respondents. Thus, checks drawn on a large regional bank, accepted for deposit at a small bank in the same region, might constitute a significant risk with respect to the capital of the small bank if the large respondent failed and were closed while in possession of the small bank's checks, before the failed respondent made final settlement for those checks. Such concerns were said to have been a factor in the FDIC's and Federal Reserve's decision to rescue or bail out Continental in 1984. Then, as during Continental's prior rescue by the old Reconstruction Finance Corporation in 1933, Continental was "a great correspondent bank—a banker's bank—in which a large proportion of the country banks . . . kept accounts." (Jones [1951], pp. 47–49; Sprague [1986], pp. 250–251). Of course, correspondent banking risk runs downhill also: Cincinnati's commercial banks refused to accept for deposit checks drawn on closed privately insured thrift institutions during the March 1985 crisis in Ohio because recovery of the full value of those checks was uncertain until the thrift crisis actually began to be resolved, about one week after the systemwide closing began. (See Wolfson [1986], pp. 117–121; Kane [1988]; Federal Reserve Bank of Cleveland *Annual Report*, 1985.)

Neither intraday interbank exposure nor correspondent banking risk is the principal focus of this paper. The primary focus is, instead, overnight or term interbank exposure that is directly and deliberately undertaken, including sales of federal funds, loans to depository institutions, purchases of securities under agreements to resell (reverse repos), and purchases of acceptances of other banks. In addition, various forms of indirect interbank exposure certainly are worth studying, but information regarding such exposure is difficult to capture from call report data; thus, indirect interbank exposure is mentioned only occasionally in this paper. Indirect interbank exposure includes loan participations purchased (often including shared national credits), credits extended against third-party guarantees (including bank-issued guarantees or letters of credit), and risk against bank counterparties on foreign exchange contracts, foreign exchange swap agreements, interest-rate swaps, forward-rate agreements, etc. Interbank exposure also can arise with respect to intraday overdrafts or correspondent banking activities for the accounts of foreign banks, both in the United States and abroad, because of cross-border transfer risk.

All these forms of interbank exposure lie at the heart of the too big to fail doctrine. Fears of retail depositors' "cash-over-the-counter" runs on banks are not really the driving factor in the regulators' decisions to protect the largest banks from failure. That is because it takes a very long time to count and disburse large amounts of cash. In Ohio in March 1985, it was unusual for any one banking office to be able to pay out more than $1 million to $2 million of cash to retail depositors in a single day. At that rate, it would take up to 43,000 banking-office days to pay off the $43 billion of domestic deposits of Citibank (1989) in cash to retail customers. The real danger that concerns federal regulators is institutional or electronic runs on banks. When funds leave a bank at the rate of from $100,000 to $5 million per electronic transfer, it then becomes possible to empty even a large bank like Citibank (which had about $115 billion of total deposits at year-end 1989) in only a day or two.

Only banks normally have direct, on-line access to electronic transfers of funds over Fedwire. Banks that are not members of the same clearinghouse have a further incentive to remove funds electronically at the first sign of trouble because Fedwire transfers are final when received, while clearing-house settlements can be reversed. Thus, in the last 15 years or so, federal regulators rationally have worried more about electronic runs, almost always by other large banks (usually foreign banks, at that), that could empty big banks in a single day. Regulators rationally worry less about long lines of nervous retail claimants waiting for their money, as in Ohio and Maryland in 1985, but long lines of customers attempting withdrawals (visible runs) still worry bankers and politicians enough to cause them to pester regulators, nevertheless.

Because Continental was the turning point at which interbank exposure and the too big to fail doctrine were linked so as to become one and the same in the minds of bank regulators, it is appropriate to close this section of the paper with the following passage, again from Sprague's *Bailout* (1986, p. 248):

"Martin Mayer . . . argued in a *Financier* article in late 1985 that the FDI Act almost certainly does not permit what the FDIC did at Continental. He simply did not accept the attorney general's opinion that the transaction was legally structured. Mayer observed correctly that the real difficulty was that foreign holders of debt securities and commercial paper in the holding company would have yanked their $17 billion in Eurodeposits out of the bank if the securities holdings were not fully protected in the bailout. If the holding company was not saved, the bank could not be rescued."

Thus, discussions of interbank exposure rationally also must include discussions of interbank holdings of bank holding company commercial paper, deposit notes, and the like.

III. SYSTEMIC RISK AND CONTAGIOUS BANK RUNS

The risk of contagious bank runs often is discussed as a public policy concern and as a justification for the too big to fail doctrine. Most discussions apparently define this risk as the sensitivity of one bank to the failure of another bank. Although that sensitivity may be indirect (*i.e.*, nervous depositors, noting the failure of one bank, run on another bank, even though the second bank still is solvent), the principal concern of this paper is direct sensitivity (*i.e.*, one bank, fearing the loss of its funds, removes them from another bank). The failure or suspension of one bank, or of a limited number of banks, arguably was an event that could have caused or contributed to multiple failures or suspensions in the banking system in the pre-1933 era. Significant contagion effects of that type would have public policy implications today both for the way banks are regulated and for the solvency of federal deposit insurance funds. Some federal regulators and academics also call this phenomenon "systemic risk" (Corrigan [1990]).

We believe that, for reasons explained below, the type of indirect and irrational systemic risk usually discussed by bank regulators today to justify increased regulatory discretion in applying the too big to fail doctrine never actually existed in the United States, except possibly during the Great Contraction of 1929–1933. Instead, the type of contagion or systemic risk that actually has existed and still exists is both direct and rational. That is, banks providing funds to a bank in trouble rationally might conclude that they were unlikely to recover those monies and therefore might attempt to remove great quantities of those funds electronically (Thomson [1990]; Kaufman [1988]). In this paper, we use the term "interbank exposure" to refer to such direct, rational contagion or systemic risk,[1] recognizing all the while that banks can fail for a variety of reasons that do not necessarily have anything to do with interbank exposure. Rather, our

Footnotes at end of article.

point here is that it is interbank exposure that has become the principal rationale for the too big to fail doctrine, while we believe that interbank exposure could and should be reduced or controlled in such a way that it no longer could be construed as a sufficient justification for the doctrine. Market-oriented corrective measures, such as market-value accounting for banks, strictly enforced minimum capital standards, per customer lending limits applied to banks as well as nonbanks, and netting out interbank holdings of capital instruments in calculating capital adequacy would go a long way toward reducing and controlling alleged systemic failure risk arising from interbank exposure. If the too big to fail doctrine is to continue to be the guiding light of regulators, then let it find something besides interbank exposure as its main reason for being.

Interbank exposure ordinarily is thought to rise to the level of contagion risk because the failure of one bank may be translated into losses at other banks whose asset portfolios include claims against the failing institution. These losses could be large enough to exhaust the claimant bank's capital, causing it to fail. It is not difficult to imagine a situation in which the failure of one medium-to-large bank could result in a chain of bank failures. The FDIC used this very argument, after all, to justify the Continental bailout in 1984.

The remainder of this paper is organized as follows. Section IV presents a brief explanation as to why interbank claims exist in our banking system. We argue that, up to a given level of exposure, the efficiencies gained by correspondent banking relationships usually outweigh the associated risks. If properly managed, the interbank exposures that arise out of correspondent banking relationships do not represent a serious source of contagion in the banking system. In section V, we look at the implications of interbank exposure for the continued solvency of the FDIC's fund as a constraint on the FDIC's ability to close insolvent banks and as a guide to probable future experience with cross-guarantee provisions that would be analogous to private deposit insurance schemes. Section VI presents the historical relationship between rising interbank exposure and financial crises. Section VII gives a rough picture of the direction of aggregate interbank exposure for U.S. banks since the failure of Continental Illinois. We present our conclusions and policy suggestions in section VIII.

IV. CORRESPONDENT BANKING AND INTERBANK EXPOSURE

Interbank exposure is defined quantitatively, for the purposes of this paper, as the assets one bank has at risk with respect to another bank. In this study, the interbank-exposure items include cash items in the process of collection (CIPC), balances due from depository institutions (BDDI), loans to depository institutions (LDI), acceptances of other banks (AOB), and federal funds sold and securities purchased with agreements to resell (FFS). We selected these items for our study because they are available from call report data. Recent innovations in banking may have created new categories of interbank exposure that should be included in future studies, but those innovations, such as interest-rate and currency swaps, are either poorly measured by publicly available data (*e.g.*, the data exist only as measures of undifferentiated aggregate exposure to both banks and nonbanks) or are not measured at all. . . .

The first two interbank-exposure items listed, CIPC and BDDI, which comprise variable cash and balances due, arise out of correspondent banking relationships. Indeed, it is likely that correspondent banking is responsible for the lion's share of the interbank exposure accounted for by CIPC and BDDI and at least some of the interbank exposure represented by LDI, AOB, and FFS.

Correspondent banking evolved in the earliest stages of the U.S. and U.K. banking systems and has the effect of arbitraging away much of the inefficiency of a unit banking system.[2] Correspondent banking is less important in large, nationwide branching systems like that of post-1920s Canada. (See Kryzanowski and Roberts [1989].) In a correspondent banking relationship there are two types of institutions: correspondent banks (usually small banks) and respondent banks (usually large banks). The relationship allows a correspondent bank to obtain services, such as check clearing, securities safekeeping, and computer services, from its respondent bank at a lower cost than would be incurred if it performed those functions itself. Federal Reserve Banks compete with large regional and money center banks for such correspondent banking business. In addition, a respondent bank can provide its correspondent bank with a source of increased portfolio diversification through loan participations. Correspondents often place surplus funds with respondents (or use respondents as intermediaries for the onward placement of surplus funds) via sales of federal funds and reverse repos. In return for the services provided by the respondent bank, the correspondent normally keeps noninterest-bearing balances at its respondent bank as a form of implicit payment for the services that it receives. Correspondent banks also keep cash balances at respondent banks that provide their check-clearing services as a reserve account against (to) which the respondent bank can debit (credit) checks drawn on (payable to) the correspondent bank.

To the extent that interbank exposure arises from normal correspondent relationships, most economists assume that the benefits associated with the increased efficiency of the banking system outweigh the risks associated with interbank exposure. Indeed, if properly managed, much of the interbank-exposure risk faced by a correspondent bank can be diversified away by the establishment of multiple correspondent banking relationships, although in actual practice such diversification of risk might prove insufficient if more than one of the respondents were members of the same clearinghouse. Diversification can limit the exposure of a correspondent bank to any one respondent bank and can reduce the replacement costs of establishing new correspondent banking relationships if one of the respondent banks fails.

V. INTERBANK EXPOSURE AND FEDERAL DEPOSIT INSURANCE

Interbank exposure can increase the risk exposure of the FDIC in at least two ways. First, it reduces the independence of bank failures. That is, interbank exposure increases the probability that the failure of a bank A will be accompanied by the failure of banks B, C, and D. Second, it reduces the ability of the FDIC to close and dispose of insolvent banks in a manner that does not protect shareholders and uninsured creditors. Most interbank claimants have greater amounts at risk than those covered by the nominal $100,000 of federal deposit insurance. As in the Continental case (1984), perceived high levels of interbank exposure can create political and regulatory pressures that would force the FDIC to adopt a policy of full or partial forbearance toward a failing bank's uninsured creditors and/or stockholders, thereby removing depositors' discipline as a significant component of market discipline on the bank's behavior (Thomson [1990]).

If bank failures were truly independent events, the risk exposure of the FDIC's insurance fund from any single bank failure would be the expected value of losses should the bank fail, multiplied by the probability that the bank would fail. That is, the FDIC's risk exposure to the bank would be a function of the riskiness of the bank. However, if contagion or systemic risk effects (such as interbank exposure) caused bank failure to be a nonindependent event, then the risk exposure of the FDIC's insurance fund with respect to any single bank would be a function of both the riskiness of the bank's assets and the degree of interbank sensitivity within the banking system. In such a scenario, the cost to the FDIC of bank A's failure would have to include any losses that it would incur from banks that went under as a result of bank A's failure.[3] It is clear that interbank exposure increases the risk to the FDIC from a single bank failure. Because contagion effects arising from direct interbank exposure are one form of risk that the FDIC cannot diversify away in its own portfolio (it necessarily is exposed to risks from the failure of any insured bank), interbank exposure may increase the total risk exposure of the FDIC to the banking industry by creating a situation in which the troubles of one bank necessarily and directly are transmitted to other banks.[4]

The second undesirable consequence of direct interbank exposure is its effect on the FDIC's capacity to dispose of failed institutions without extending forbearances to uninsured creditors and stockholders. Kane (1989) presents a set of four constraints that often prevent the FDIC from closing an insolvent bank: information constraints, staff constraints, the implicit and explicit reserves in the FDIC's insurance fund, and political and legal constraints. It is clear that an increase in direct interbank exposure would increase the severity of each of these constraints. For example, with high levels of direct interbank exposure, the information the FDIC would need to close an insolvent institution would have to include the condition of the institution and the impact of its failure on other banks.

As the passages from Sprague (1986) in the first section of this paper indicate, Continental (1984) was and probably still is the leading example of how interbank exposure affected the way a failing bank was handled by the bank regulators. In testimony before the House Banking Committee's Subcommittee on Financial Institutions, Supervision, Regulation, and Insurance, then FDIC Chairman William Isaac stated that one factor that prompted the bailout was the FDIC's concern over the impact Continental's failure would have on small banks with interbank exposure to it. Regarding this concern, Isaac states that:

"Hundreds of small banks would have been particularly hard hit. Almost 2,300 small banks had nearly $6 billion at risk in Continental; 66 of them had more than their capital on the line and another 113 had between 50 and 100 percent."[5]

But was Isaac's statement correct? Later analysis showed that it was unlikely that more than a dozen or so banks (all of them small) would have failed as a result of allowing Continental to fail. In a report to the House Banking, Finance and Urban Affairs Subcommittee on Financial Institutions, Su-

pervision, Regulation, and Insurance, Congressional staff found that, if Continental had been allowed to fail without government assistance, and even if Continental's losses totaled 60 percent of assets (only a 40 percent payment to uninsured claimants), then only 27 banks would have failed, and only 56 banks would have experienced losses between 50 and 100 percent of their capital. Using a more realistic (but still higher than apparently is expected) loss rate of 30 percent of Continental's assets, the Congressional staff found that only six banks would have failed, and only 22 would have experienced losses between 50 and 100 percent of their capital.[6] Nevertheless, it is clear from the passages cited from Sprague (as well as from our personal memories) that the regulators' perception of interbank-exposure risk reduced their capacity to dispose of Continental in a manner that would have protected only the 10 percent of all depositors who were insured.

VI. THE HISTORICAL RELATIONSHIP BETWEEN RISING INTERBANK EXPOSURE AND FINANCIAL DISTRESS

We are unaware of any study that indicates that rising interbank exposure causes financial distress, although Adam Smith describes some situations in which this might be so. However, the historical evidence suggests that interbank exposure is a leading indicator of financial distress, a sign of overlending perhaps (what Adam Smith and Walter Bagehot called "overtrading". Not all financial panics necessarily have been preceded by rising levels of direct interbank exposure, but several notable instances of increased interbank exposure were followed by financial panics. The liveliest sources to read on this point include studies by Adam Smith (1976 ed.), Walter Bagehot (1873), Charles P. Kindleberger (1978), and, of all people, Herbert Hoover (1952).

Kindleberger, Stephen V.O. Clarke (1983), and Joan Edelman Spero (1980), among other recent writers, consistently have identified either the credit (asset) or funding (liability) risk of direct, international, interbank exposure (or both) as concerns for monetary and bank supervisory authorities. Clarke's study of the international interbank market (1983, pp. 43–48) was prescient regarding both the efficiencies and myopic tendencies of the interbank funds market. He proposed the creation of a risk-related private insurance pool, funded by banks, that would replace the initial involvement of central banks as lenders of last resort in periods of interbank payment difficulties. Active involvement of the central banks would be reserved for truly disastrous, not merely difficult or inconvenient, periods of distress in the interbank market. Adam Smith, Hoover, Kindleberger, Spero, and Clarke all described direct interbank exposure as a device for propagation or transmission of financial distress from one bank to another or from one financial center to another.

Guttentag and Herring (1986) noted the myopic tendencies of international lenders regarding the sustainability of debt service capacities of debtors as a possible explanation of frequent overlending and subsequent economic defaults in contexts analogous to the developing-country debt problems of the 1980s. Lever and Huhne (1986, pp. 31–55), Kaletsky (1985), and Todd (1989), among others, noted this same myopic and amnesiac quality regarding international lending, with particular attention to direct interbank exposure during the 1920s in Todd (1989). Chernow (1990, pp. 636–652) describes in detail the interesting cases of Morgan Guaranty Trust Company, Bankers Trust Company, and Citibank, all of New York, in the rolling over and rescheduling of billions of dollars of credits for Brazil (including interbank or "Project IV" credits) after 1982. Those rollovers and reschedulings were intended to keep alive the fictions that U.S. banks could ignore lessons of the past, in both Europe and Latin America (which the New York banks particularly should have remembered), and that commercial banks could make "good loans" to developing countries with unstable legal and political environments and clouded future repayment prospects (Chernow [1990], pp. 636–639; Todd [1989]). Wolfson (1986, pp. 102–105) analyzes the emergency measures taken regarding Mexican credits in August 1982; a smaller proportion of those credits were interbank claims than in the case of Brazil.

In the pre-World War II era, one of the riskier forms of direct interbank exposure identified in the historical literature was accommodation paper. Accommodation bills of exchange are refinancing drafts drawn by one bank upon another to enable the first bank to share the credit risk of its customer (account party) with another bank (the drawee or accepting bank). In the more arcane forms of accommodation or refinancing drafts, the drawing bank's underlying customer (account party) may also be a bank, so that long chains of accommodation or refinancing paper can be established. It was not at all unusual to find proposals in the interbank market in the 1980s regarding accommodation bills with at least three banks linked in a chain of legal accountability between the bank with the ultimate liability and asset exposures in the United States (the U.S. accepting bank) and the original underlying nonbank customer (if any) in some foreign country (Todd [1988b]). Fortunately, such proposals still are the exceptions, not the rule, in the U.S. bills of exchange (bankers' acceptances) market.

While most international, interbank claims were concentrated in London and offshore banking havens during the 1970s and early 1980s (Clarke [1983]), U.S. banking offices increased their direct, international interbank exposures for both assets and liabilities in recent years. However, mid-year 1989 exposure levels for the 34 largest U.S. holders of correspondent balances (demand deposits), for example, were $9.3 billion, down about 12 percent from mid-year 1988 levels (*American Banker* [1990]). International interbank claims of all types on U.S. banks by unaffiliated foreign banks rose from $120 billion at year-end 1988 to $135 billion at year-end 1989 (*Federal Reserve Bulletin*, May 1990, table 3.17). From the perspective of borrowers of interbank credit, the amounts involved can become quite large: Interbank claims of all types and of all countries on Brazil just before the February 1987 one-year moratorium on Brazil's external debt were reported as approximately $35 billion, then about one-third of Brazil's total foreign debt and about 12 percent of its gross domestic product (Batista [1988], pp. 39, 191).

Adam Smith (1976 ed., Book II, chapter 2, pp. 327–337) describes the operations of chains of accommodation paper in the affairs of Scottish banks, particularly the Bank of Ayr, which failed in 1772 after two years of such practices. Essentially, to meet demands upon them that could not be met from existing resources, Scottish banks drew accommodation drafts on London bankers. When the Scottish banks no longer could pay or roll over maturing accommodation drafts, the scheme became unraveled. Smith says that "the operations of this bank [Ayr] increased the real distress it meant to relieve" and that, even had it succeeded, the operation "would only have transferred a great part of [the capital of the country] from prudent and profitable, to imprudent and unprofitable undertakings."

Kindleberger (1978, pp. 53–63) describes the evolution of accommodation paper (or finance bills) in the eighteenth century as follows, and his account is worth restatement here *in extenso* for our purposes:

"Bills of exchange were not necessarily drawn each time a consignment of goods took place, covering the exact amount of the transaction. In 1763, in Sweden, Carlos and Claes Grill bills on Lindegren in London could not be identified with particular shipments, which were often made in rapid succession, but were drawn when the firm needed money, generally for remittances to creditors. This would seem to be the evolution of accommodation paper, in which the credit of a house or individual is gradually separated from that of particular transactions. In the end, the accommodation bill was nothing more than an IOU or promissory note. Real bills partisans, like H. Parker Willis . . . were firmly opposed to accommodation paper and regarded commercial bills based on trade as [properly] self-liquidating. . . .

"The problem arises where the ratio of the debt represented by the bill to the debtor's wealth gets out of hand, as may happen in periods of euphoria. Drawing of bills in chains is evidently infectious. Described by Adam Smith as a normal business practice [in *The Wealth of Nations*, Book II, chapter 2, pp. 327–337] it can easily be overdone. A draws on B, B on C, C on D, and so on; all increase the amount of credit available for use. The vice of the accommodation or finance bill, according to [R.G.] Hawtrey, [*The Art of Central Banking* (1932)], is its use 'for construction of fixed capital when the necessary supply of bonafide long-run savings cannot be obtained from the investment market.' [Thus, the equivalent practice today would be the use of short-term interbank borrowings to support long-term lending practices.] He claims the system was particularly abused in the London crisis of 1866 [the collapse of Overend Gurney] and the New York crisis of 1907. We have already noted that the spectacular failure of the de Neufvilles in 1763, which produced panic in Hamburg, Berlin, and (to a lesser extent) London as well as Amsterdam, was the result of the unraveling of a particularly impressive chain of discounts. If one house fails, the chain collapses and may bring down good names, those with a reasonable ratio of debt to capital, as well as bad. With accommodation bills, traders with limited capital of their own are able to acquire the use, at least temporarily, of large volumes of borrowed funds, a use they may try to stretch into longer-term. . . . In 1857, John Ball, a London accountant, reported knowing firms with a capital of under 10,000 pounds and obligations of 900,000 pounds, and claimed it was a fair illustration [of accommodation financing used to support longer-term lending]. . . .

"When they were abused, finance or accommodation bills gave rise to excessive credit expansion. At all stages, fictitious names were introduced into the chain from time to time, to improve the appearance of creditworthiness. From time to time, also, such bills were written for odd amounts, to suggest an underlying commercial transaction. And when this was done, claims were sometimes made . . . that the banks abroad knew it was finance paper disguised as com-

mercial bills [and thus should not be heard to complain when the practice collapsed]." Hawtrey (1932, p. 129) made the following telling point about accommodation or finance bills: "The real point is that the accommodation bill is a sign of distress. It is not drawn to supply funds for the acquisition of an asset, but to make good a deficiency of cash due to disappointed expectations."

Reviewing the theory of accommodation financing in light of Smith's, Hawtrey's, and Kindleberger's accounts, we see that it may become a dangerous practice for banks in expansionary times to extend credit to other banks, believing themselves to have behaved in a safe and prudent manner because the extensions of credit are entirely short-term in nature. (See Clarke [1983].) A funding gap develops because the borrowing banks, in turn, finance longer-term loans and investments with the proceeds of their drawings. If large credits extended by the ultimately borrowing banks go bad, as happened with the loans participated out to other banks by Penn Square in 1982, the participating banks, such as Seafirst and Continental in that case, may be dragged into severe capital impairment or even insolvency by the collapse of interbank credits (indirect, in that case) that they have extended.[7] Accordingly, it would be nothing more than good common sense for bankers and bank regulators to be aware of the nature and extent of interbank commitments, both direct and indirect, as well as the extent to which banks rely on interbank borrowings as significant sources of funds.

We have used Smith's and Kindleberger's examples to illustrate the perils of the variety of interbank exposure that comprises accommodation paper. However, it should be obvious that the same perils may exist for any form of interbank extensions of credit.

The most incisive recent explanation of the potential pitfalls for U.S. banks in the international interbank market is in Clarke (1983). However, for the ultimate historical illustration of what could happen to the U.S. banking system if it became too exposed to foreign interbank credits, it is necessary to turn to the *Memoirs* of Herbert Hoover. Hoover's account of the international payments crisis during the summer of 1931 shows the important role played by accommodation paper and, by extension, by direct interbank credit exposure in putting the international financial dominoes so close together that they all had to topple after Creditanstalt of Vienna suspended foreign payments in the spring of 1931. Hoover's account of the crisis begins, in relevant part, as follows (Hoover [1952], III, p. 73):

"With these bank closings in central Europe, I naturally wanted to know if American banks had any loans to or deposits in the banks of this crisis area. I first telephoned Henry Robinson, chairman of a large California bank [First National Bank of Los Angeles, an ancestral component of Security Pacific], who had had much experience in international banking. He told me that many of our banks had bought German trade bills and bank acceptances, both 60 and 90-day paper. The trade bills were supposed to be secured by bills of lading covering goods shipped, and to be payable on delivery of the goods. The bank acceptances were simply 'kited' bills without any collateral. Robinson expressed great alarm."

We believe that what Hoover meant in that passage is that Robinson was expressing discomfort because U.S. banks had been extending direct interbank credit to German and other central European banks via accommodation paper without verifying independently the European banks' assumption that there really were underlying trade transactions to support the volume of refinancing acceptances or finance bills that the banks of central Europe were drawing on U.K. and U.S. banks. As Hoover's account later shows, the volume of refinancing bills drawn greatly exceeded the actual volume of underlying trade transactions. The drawing banks, in the fashion described above by Kindleberger, resorted to accommodation paper whenever they needed funds, even though there were no trade transactions to support their drawings. While it would have been illegal under U.S. law for drawing banks to fail to disclose that their drafts were not actually connected to particular trade transactions, this practice would not necessarily have created a financial crisis if the central European banks had had the capacity gradually to reduce and ultimately to repay the refinancing bills they drew, or if there had been no precipitating factor causing extensive presentment for payment of finance bills drawn by central European banks instead of routine renewal. Regrettably, neither solution was viable because the volume of bills drawn so far exceeded the value of all central European export accounts receivable that it was inconceivable that the eventual, normal operations of international trade would have enabled the finance bills to be repaid. For example, German gross exports during all of 1931 were only $1.9 billion, and the export surplus was only $650 million (Schuker [1988], p. 45). The precipitating factor causing presentment for payment was that French banks, acting with the encouragement of the French government for domestic political reasons, began to redeem all their holdings of accommodation paper issued by German and Austrian banks to protest the formation of a German-Austrian customs union in the spring of 1931. Thus, with the central banking resources available at the time, there was no way to avoid the crisis through the normal operations of the international interbank market. (See Clarke [1967], pp. 177–201; Clay [1957], pp. 373–398.)

Continuing his account of the 1931 crisis, Hoover writes as follows (1952, III, pp. 73–74):

"I at once inquired of Federal Reserve officials what amounts of these bills [the kited or interbank accommodation acceptances] were held by American banks and business houses. After some inquiry, they informed me that our banks held only $400 million or $500 million of them and that they could be easily handled. [Notwithstanding the assurances of Federal Reserve officials, those amounts were real money in those days, approximately one-half of one percent of gross national product]. Worrying over the matter during that night, I was somehow not satisfied with this report, and in the morning I directed the Comptroller of the Currency to secure an accurate report on such American holdings direct from the banks. Twenty-four hours later I received the appalling news that the total American bank holdings probably exceeded $1.7 billion; that certain banks having over one billion dollars of deposits held amounts of these bills, which, in case of loss, might affect their capital or surplus and create great public fears. [Without his naming them, we assume that President Hoover was referring to the New York Clearing House banks.] Here was one consequence of the Reserve Board maintaining artificially low interest rates and expanded credit in the U.S. from mid-1927 to mid-1929 at the urging of European bankers. Some of our bankers had been yielding to sheer greed for the six or seven percent interest offered by banks in the European panic area."

New York rates for commercial loans rose from 4.5 to 6 percent during those two years. Hoover means that, using the rationales usually offered for expanded direct interbank credits, bankers seeking a higher rate of return than is available through normal domestic extensions of credit to nonbank customers may resort to direct interbank extensions of credit, including foreign interbank credits. Hoover continues as follows (1952, III, p. 74):

"Worse still, the Comptroller informed me that these European banks were already in default on many bank acceptances and were frantically endeavoring to secure renewals. He thought the acceptances comprised a major part of American bank holdings and informed me that some of the 'trade bills' did not have the collateral documents attached."

One of the control devices for preventing naked accommodation acceptances or finance bills from entering the market is to require the attachment of bills of lading or detailed descriptions of the underlying trade transactions that support the drawing of the drafts. This has been traditional market practice for centuries,[8] but in periods of euphoria, not unlike the 1980s, sound market practice is abandoned, and it becomes not at all unusual to find U.S. banks accepting drafts drawn on them by foreign banks, ostensibly to support underlying trade transactions on the books of those foreign banks—transactions that are not disclosed in full to the credit-extending U.S. banks. Similarly, interbank credit extensions in other forms (such as Eurodollar placements) might be obtained by borrowing banks ostensibly for the purpose of supporting their own extensions of trade credit, but it should be apparent that such borrowings could be used merely to cover funding shortfalls that otherwise would cause the closing of the borrowing insolvent foreign institutions. Hoover continues (1952, III, p. 74):

"When the Comptroller's information began to come in, I sent for [Under] Secretary [of the Treasury Ogden] Mills who was also fearful, and requested him to ask his friends in the Bank of England by telephone what they knew about the volume of these bills. In a day or two they replied, in alarm, that there might be $2 billion in the banks of Britain and the Dominions, together with Sweden, Norway, Switzerland, and Denmark. They also stated that there were quantities in Latin American and Asian banks. They said the German and other eastern European banks were frantically trying to renew the bank acceptances and were being refused.

"It looked at this time as if Germany, Austria, Hungary and other eastern European countries had as much as $5 billion of these short-term bills afloat. The Germans had also, over the years since the war, floated many long-term loans by their government, their municipalities, and their business houses. It looked as if the German total external debt alone, excluding reparations but including long-term debt, might possibly exceed $5 billion. They not only had paid all their reparation installments to the allies out of this borrowed money, but had paid for reconstruction of German industry and their budget deficits. It was obvious that they and the others could not meet their short-term obligations, at least for the present."

For reference, $5 billion in 1931 would have represented more than 5 percent of U.S. gross national product, would have been approximately one-and one-half times total

federal budget outlays, and, in the case of Germany, would have represented at least seven years of that country's trade surpluses plus net capital inflows, excluding debt service on official borrowings, reparations payments, and capital flight. Hoover continues (1952, III, pp. 74–75):

"Thus, the explosive mine which underlay the economic system of the world was now coming clearly into view. It was now evident why the European crisis had been so long delayed. They had kited bills to A in order pay B and their internal deficits.

"I don't know that I have ever received a worse shock. The haunting prospect of wholesale bank failures and the necessity of saying not a word to the American people as to the cause and danger, lest I precipitate runs on our banks, left me little sleep.

"The situation was no longer one of helping foreign countries to the indirect benefit of everybody. It was now a question of saving ourselves. . . .

"I cabled Secretaries [Henry] Stimson [State] and [Andrew] Mellon [Treasury] my plan, which was for a stand-still agreement among all banks everywhere holding German and central European short-term obligations. As my cable outlining the plan might become public, it had to be carefully phrased so as not to fire further alarms as to the already tense central European situation."

Hoover's cable, as he put it, was far more optimistic about Germany's ability to pay than Hoover's private belief indicated. Hoover says that Secretaries Stimson and Mellon were more pessimistic than he. However, Stimson and Mellon also urged Hoover to agree to a French proposal for a $500 million emergency loan to Germany from the western governments. Hoover replied as follows (1952, III, pp. 77–78):

"I replied that this was a banker made crisis, and that the bankers must shoulder the burden of the solution, not our taxpayers; moreover, that the amount proposed would not be a drop in the bucket [compared to the amount actually needed to refund the entirety of the German external debt]. It was merely a partial relief of banks at government expense. Or even if a loan to Germany was provided by American, British, and French and other banks themselves, it [still] would be a wholly inadequate solution. I again informed them [Stimson and Mellon] by telephone in detail of the situation as to German and other central European short-term obligations in the U.S. and abroad. I also stated that such a loan would not even take care of the American situation alone [that is, maintaining current payment status on German obligations to U.S. banks].

"At this point I instructed Mr. Mills to ask a friend in the Bank of England by telephone what their idea was of the French proposal. He quickly learned that the Bank of England did not approve of such a loan. Also, the British treasury officials had no faith that it would meet the crisis. The affair began to take the color of the usual attempt of European political officials to make us the first to refuse to do something and therefore the scapegoat for anything that happened. Indeed, one reason given to me by Messrs. Stimson and Mellon for American governmental support of a loan was fear of just that. I finally telephoned them emphatically that we would not participate in such a loan and that I was publishing the gist of the stand-still proposal to the world that very minute. They protested against the publication as undiplomatic. I issued it nevertheless.

"The next day, the [International Monetary Conference, meeting in London], with the now public proposal in front of it, adopted the essence of my plan and delegated the Bank for International Settlements at Berne to carry it out. Its success depended on bankers of all countries holding the bills [the frozen interbank or refinancing bills drawn by the central European banks] and agreeing further that they would accept pari passu payments on unsecured bills when payment could be extracted by the Bank for International Settlements.

"A group of our New York banks informed me that they could not agree to the stand-still plan and that the only solution was for our government to participate in a large international loan to Germany and other countries. My nerves were perhaps overstrained when I replied that, if they did not accept within 24 hours I would expose their banking conduct to the American people. They agreed."

Strange behavior for an unquestionably conservative Republican president from California toward the New York banks in light of more recent iterations! Hoover says further that, a year later, the Bank for International Settlements (BIS) made a retrospective study of the central European bills of exchange problems and estimated that the total problem was far larger even than Hoover had imagined it. The BIS study, as described by Hoover, said that the total amount of short-term international private indebtedness that existed at the beginning of 1931 was more than $10 billion.

"At that time the magnitude of indebtedness was not known . . . central banks began to realize . . . a danger and they endeavored . . . to strengthen their reserves of foreign exchange. . . . The menace . . . did not appear as self-evident as it does today. . . . It was . . . almost certain to break the situation at some point. The liquidation in a single year [was] of more than six billion of short-term indebtedness . . . of the balance . . . still outstanding, a substantial amount has in fact become blocked." (Omissions in original).

Hoover concluded that "it is also obvious that I was right when I maintained that a half a billion of government money [for the proposed official loan to Germany] would have been only a drop in [this $10 billion] bucket." (1952, III, p. 79).

Despite his understanding of the dangers of increased international interbank exposure to the American banking system, Hoover nevertheless approved two large private bank loans to support the parity of the pound sterling at or near $4.86 in the summer of 1931. On August 1, Hoover approved a $250 million loan, and on August 26, U.S. banks lent another $400 million to the Bank of England (Hoover [1952], III, pp. 81–82). Hoover should have learned his lesson from the central European experience earlier that summer. Ultimately, the Bank of England suspended redemption of international payments of gold on September 21, 1931. Thus, on top of the central European interbank credit problem, Hoover's acquiescence in private bank lending to the Bank of England resulted in an additional $650 million dollars of credit exposure (about 0.7 percent of U.S. gross national product) that had little or no value for enabling U.S. banks (principally the money center banks) to meet claims on them from domestic sources.

In the fall of 1931, following the suspension of gold payments by the Bank of England, Hoover gathered leaders of the banking and insurance industries in Washington, together with some cabinet officials and congressional leaders, and proposed the creation of the National Credit Association. The Association, which was similar in concept to the currently discussed cross-guarantee or private deposit insurance schemes, was to be funded with an initial capital contribution of $500 million from U.S. banks. The banks were to use that capital pool, together with potential borrowing authority for the Association of $1 billion more, to make loans to support troubled financial institutions in the United States. (Hoover [1952], III, pp. 84–88). However, as Hoover later notes (1952, III, pp. 107–111), the banking situation in this country became so fearful in the winter of 1931–32 that, after a few weeks of effort, the National Credit Association died, and bankers asked for direct federal help. In January 1932, Hoover requested creation of the new Reconstruction Finance Corporation to take over, under federal auspices, the "extended liquidity support" role of the National Credit Association. (See Jones [1951].) There still was no solvency or capital support lender at the federal level (Todd [1988a]).

The historical record shows us that direct interbank lending can perform a useful function in channeling funds more efficiently from areas of low loan demand to areas of high loan demand, when such a system is managed prudently. The record also shows that, in periods of monetary and credit expansion, it becomes increasingly difficult for bankers to restrain their enthusiasm for lending, including direct interbank lending, so as to remain within the limits of prudence and common sense. Upon occasion, overexposure to direct interbank credits arises, and then disaster follows inevitably, albeit with the delay necessary for the discovery of the nature and extent of the problem (two years in the case described by Smith, up to four years after the onset of expanded direct interbank lending in the case described by Hoover). Increasing interbank exposure probably is an early warning signal of impending trouble for the banking system and might, in some circumstances, be a principal cause of the kinds of contagion or systemic risk that many bank regulators cite as justification for creation of the too big to fail doctrine. The point those regulators conveniently ignore is that, without direct interbank lending, it usually is difficult for any bank to become, or to long remain, too big to fail.

VII. A MEASURE OF INTERBANK EXPOSURE

[Part VII, which contains extensive tables and charts, has been omitted here to facilitate typesetting. It appears in volume 3 of *Public Budgeting and Financial Management*, pages 575–601 (1991). It is also available upon request from the Senate Banking Committee.]

VIII. CONCLUSIONS AND POLICY RECOMMENDATIONS

Interbank exposure is a form of sensitivity that need not (but in the eyes of some influential authorities, at least, potentially does) constitute contagion or systemic risk that has significant public policy implications for the safety and soundness of the banking system.

We present arguments and anecdotal evidence supporting three basic hypotheses. The first is that high levels of interbank exposure reduce the safety and soundness of the banking system. This contagion risk increases the probability that a single bank failure, or the failure of a limited number of banks, would result in a series of bank failures. Our second hypothesis is that interbank exposure affects the ability of the FDIC to use market discipline as a constraint on banks' risk-taking. A reduction in the inde-

pendence of bank failures increases the constraints on the FDIC's ability to dispose of insolvent banks without extending forbearances to the bank's uninsured depositors, general creditors, and stockholders. The third hypothesis is that a rising level of interbank exposure is indicative of reduced stability of the financial system. Interbank claims tend to rise as banks see reduced investment opportunities in their traditional markets and as entry into new markets is precluded by either regulatory or competitive factors. As the credit quality of nonbank borrowers decreases, banks will increase indirect lending to these and other comparable borrowers through other banks as a supposedly safer alternative to direct lending. Unfortunately, the historical accounts indicate that the perceived safety of increased interbank lending may be a delusion that chains a greater number of financial institutions together in a 1980s version of the medieval dance of death. Interbank lenders and borrowers become chained to each other and prosper together as long as real, nonfinancial economic activity increases, but they also perish together if real, nonfinancial economic activity decreases without appropriate adjustments in lenders' behavior. Worse yet, as recent experience in northeastern real estate markets illustrates, stories about "credit crunches" appear in the financial press following declines in real economic activity, and these might constitute a signal of enough political pressure to "ease up" so as to deter regulators from pursuing necessary reforms, such as disclosing and reducing direct interbank exposures.

To remedy problems associated with direct interbank exposure, useful solutions might include the following measures:

(1) The construction of a data collection system geared to measuring direct and some forms of indirect interbank exposure. This could be done by modifying the existing call reports or setting up a separate reporting schedule. As we noted in section VII, data on interbank claims are not collected now in a manner that allows us to properly measure and evaluate interbank-exposure risk. In fact, the remainder of our policy recommendations are based on the assumption that interbank-exposure risk can be accurately measured, in the future if not at present. Some supervisory movement in this direction already is underway; beginning with the June 30, 1987, call reports, commercial banks have had to report aggregate amounts of loans purchased from other depository institutions, as well as loans sold to other institutions.[12] Obviously, much more still has to be done to improve collection of data on interbank exposure, but collection of data on loan participations purchased and sold is an important first step.

(2) Excluding CIPC and insured interbank deposit balances from the measures, we suggest that:

Banks be restricted to having not more than 50 percent of their capital at risk to any single financial institution (including bank, thrift, and nonbank-financial holding companies) and that they be required to report to their primary supervisor any combination of direct and indirect exposures to any financial institution that exceeds 15 percent of their primary capital. Public disclosure of such exposures also would be helpful in advancing the cause of market discipline. For asset exposures to (claims on) other financial institutions in excess of 15 percent of capital, offsetting liability exposure on the claimant bank's balance sheet could be deducted when determining its net interbank exposure to any one financial institution. All net, direct interbank exposures that exceed 50 percent of capital (in the aggregate) should be publicly disclosed and should be scrutinized by examiners as part of the examination process.[13]

Banks have aggregate interbank-exposure limits set by their primary regulators. (Alternative: banks should determine and then publicly disclose their own direct interbank-exposure limits.) These aggregate exposure limits should include a restriction on exposure to banks within the claimant bank's local clearinghouse association and separate limits on total exposure to all banks in the domestic banking system and to all foreign banks for each particular country of origin. Because of regional, concentration-of-risk patterns that emerged in the 1980s, it also might be useful to have banks calculate and disclose aggregate interbank exposures by Federal Reserve District. Because there is no theory or evidence that tells us how high to set the aggregate exposure levels, we defer to banks' own publicly disclosed judgments or to judgments of the regulators on this issue. However, U.S. bankers do have experience in determining direct interbank-exposure limits, both under Federal Reserve-sponsored payments system risk-reduction initiatives and on their own initiatives, even without Federal Reserve involvement (Clarke [1983], pp. 27–32). Thus, the only truly novel aspect of this proposal would be either regulatorily administered or publicly disclosed interbank-exposure limits.

Because of sovereign credit risk for nationalized banking systems and cross-border currency transfer risk in general, a limit should be set on the total interbank claims of each U.S. bank on all financial institutions from each foreign country. Limits also should be set on a bank's aggregate interbank exposure to any single region of the world (such as Latin America or Eastern Europe). Historically, self-imposed limits on international interbank exposure have proved to be too weak or too inconsistently enforced to be of practical use in limiting loss when payment flows have been interrupted (Clarke [1983], pp. 27–32). Because of the historical interplay between banks' cross-border lending and foreign policy considerations (see Tolchin [1990]; Chernow [1990]), any regulatory limits on such regional lending might have to be set in consultation with the Treasury and State Departments. We believe that no domestic bank's aggregate net interbank claims on specific countries and regions of the world should be allowed to exceed the level set for the claimant bank's exposure to the largest (or next-largest) institution in its own local clearinghouse association.

Such measures would limit the alleged ripple effects of irrational, contagious bank failures and would increase the safety and soundness of our banking system. They should allow the FDIC and other bank regulators to exercise market discipline fully in deciding to allow large banks (or interlocked smaller banks) to fail as a consequence of either supervisory intervention or rational bank runs. Thus, the regulators' Continental dilemma would be either avoided or significantly diminished. However, before a meaningful system of supervision or regulation of interbank exposure can be implemented, the definition of interbank exposure needs to be expanded to include off-balance-sheet exposures and other relevant asset exposures, such as holdings of stock and subordinated debt of other banks, that are not currently available from call report data.

This paper presents a measure of interbank exposure for U.S. banks from March 1984 until March 1990. Interbank-exposure ratios formed on aggregated data indicate that the overall level of interbank exposure declined during this period. The same ratios formed on an individual-bank basis support this conclusion. Overall, the evidence suggests that interbank exposure is not a serious problem. However, a limited number of banks have exposure ratios that are high enough to warrant further investigation by their regulators.

FOOTNOTES

[1] Commenting on an earlier draft of this paper, Hester (1987) observed (accurately, we believe) that the terminology we were using then (and that still prevails in academic and policy discussions) is somewhat confused. Hester wrote that "contagion and systemic risks are medical terms with meanings which are quite different. Contagion refers to the spread of disease and systemic risk refers to a simultaneous collapse of different elements or organs. Neither is equivalent to sensitivity, which [is] . . . the partial derivative of one variable with respect to another."

[2] One explanation for the lack of scale economies in banking found by Benston, Hanweck, and Humphrey (1982) is that correspondent banking enables small banks to capture some of the efficiencies of larger banking organizations.

[3] The classic recommendation regarding this type of problem would be for the Federal Reserve, the FDIC, or another lender of last resort to lend freely to banks with exposure to bank A but *not* to lend so as to prevent the market-determined failure of bank A itself. See, for example, Humphrey (1989); Todd (1988a); Clarke (1983); and Bagehot (1873, p. 197). Clarke's observations on the classic lender-of-last-resort theory are worth restatement here (1983, p. 45):

"Although arrangements linking [deposit] insurance assessments with risk would contribute to prudent banking, they do not assure it. So long as banks—especially big banks—have reason to assume that the monetary authorities will not let them fail, moral hazard remains a problem. Banks that adopt go-for-broke strategies can bid up deposit rates sufficiently not only to offset the increases in insurance premia but also to attract investors who are willing to gamble. To be sure, a dynamic economy requires a willingness to take risks but whether this willingness should be found in banks may be doubted, especially if the cost of faulty business judgment is borne by the public. In order to provide assurance that they would bear the full cost of risk-taking, banks should therefore be required not only to pay risk-related insurance premia but also to understand clearly that support from the lender of last resort will be provided only to solvent institutions.

"In recent years the Federal Reserve has paid lip service to this injunction . . . but uncertainty about the precise position of troubled banks has led to slippage in practice. In a significant number of cases, market reports of difficulties at an institution have led to heavy outflows of uninsured deposits and to application for credit from the Discount Window. More often than not, the Fed has responded in the spirit of 'Treat the patient first and ask questions about solvency later.' Even then the question was not, 'Is the institution solvent now?' but rather—'With reformed management and, perhaps, some capital infusion, does the bank stand a fair chance of becoming solvent at some point in the not-too-distant future?'"

[4] See Shaffer (1989) regarding the effect of "pooling" on joint failure risks.

[5] See William M. Isaac's testimony before the House of Representatives, Committee on Banking, Finance and Urban Affairs, Subcommittee on Financial Institutions, Supervision, Regulation and Insurance (U.S. Congress [Hearings] [1985], pp. 457–491). See also Wolfson (1986, p. 111) for a comparable statement regarding Continental by Comptroller of the Currency Todd Conover.

[6] Staff report, U.S. Congress [Hearings] (1985), pp. 418–445.

[7] See Zweig (1985). In the Penn Square lending frenzy, Seafirst and Continental may have relied substantially on Penn Square's credit evaluations of the loans in which they participated, thereby creating what can be termed "indirect interbank exposure." Indirect interbank exposure represents a form of agency problem in the spirit of Jensen and Meckling (1976). However, our study is concerned primarily with *direct* interbank exposure. See also

Wolfson (1986, pp. 99–102, 106–113) regarding the legacy of Penn Square.

[8] Regardless of one's views on the "real bills" doctrine in monetary policy, a *macroeconomic* issue, it remains a bedrock principle of safe and sound banking, a *microeconomic* issue, that only "real bills" should be treated as "prime" bankers' acceptances of the types normally eligible for discount or purchase by a central bank (Todd [1988b]; Hawtrey [1932]).

[Footnotes 9–11 are to Part VII, which has been omitted.]

[12] See Fraust (1987).

[13] We base our suggested 50 percent of capital limit on net, aggregate, interbank exposures on the FDIC's citation of 50 percent capital impairment as one of its standard measures of the purported impact of Continental's failure (1984) on its correspondent banks (see footnote 5). The 15 percent reporting or disclosure limitation is not based on any rule or evidence, but it matches the 15 percent of capital per customer lending limit that generally applies to bank customers. Clarke, in an unpublished letter (June 20, 1990) commenting on a draft of this paper, offered the following observations:

"I'm not at all confident in the efficacy of such [voluntary, self-imposed] limits. Recent experience in the real estate market in the [Northeast] . . . suggests that the banks have already forgotten the lessons of their disastrous Latin American loans. So, in the absence of anything better, I'm inclined to stick with the proposals on pp. 43–48 of my [1983] paper. But what can you do if you get regulators like those in the FSLIC during the '80s and senators like the wicked five and a president and Congress that think the market can do no wrong?"

APPENDIX A

(By James B. Thomson)

Markets and Banking System Stability

Although it is widely accepted that a free-market solution to the problem of failing banks would be the most efficient one, there are some who would dispute the claim that the market solution is stable at all, let alone the most stable solution. (See Campbell and Minsky [1987]; Corrigan [1989]; and Guttentag and Herring [1986, 1988].) Such reservations about the stability of markets (at least of financial markets) may be traced to the claim that market solutions result in more short-run volatility than regulatorily determined solutions. In the case of banking, bank failure rates and the frequency of runs on insolvent institutions are proxies for volatility. Thus, as the argument goes, the more volatile a banking system is, the less stable it is. One flaw in such arguments is that they rely too heavily on one aspect of systemic stability—short-run volatility—and ignore other more important aspects. A second flaw is that such arguments focus on short-run phenomena rather than on long-run evidence, even though stability is a concept that truly has meaning only in a long-run context. In other words, volatility of flows of funds, or liquidity, draws more academic and supervisory attention (wrongly, I think) than sustainability and stability of outcomes (for example, maintenance of solvency, or positive net worth on a market-value basis), which are capital-stock concepts.

Economists use the term "stability" to refer to a specific set of properties that a market or an economic system possesses. In the simplest terms, one can think of the financial system as a ball rolling down a path. The first condition for stability is directed momentum: When there are no outside forces operating on the ball, it follows its equilibrium path. When an exogenous force, for example, new information arriving in the market, acts on the ball, it deviates from its path. How far the ball deviates and how quickly it returns to the equilibrium path are also factors that affect the stability of the system.* Volatility is related to only one of these conditions: that is, it is a measurement of how far and how often the ball deviates from some path. Measures of volatility give us no information on how quickly the ball returns to the equilibrium path and, indeed, cannot tell us whether the ball returns to its path at all.

Market systems naturally exhibit more short-run volatility than regulated ones because market forces continually make corrective adjustments in order to return their ball to its equilibrium path. In regulated systems, corrective actions tend to be deferred (supervisors pretend that the ball has not really deviated from its path), creating an environment in which there are substantial periods of nonadjustment, with substantial adjustments made occasionally. Large-scale adjustments often occur at the expense of having the ball deviate farther and farther from its equilibrium path in the interim. Hence, the ball might stray from its equilibrium path more often and for longer periods of time.

The difference between the market and regulatory adjustment processes is equivalent to the difference in exchange-rate adjustments under floating and fixed exchange-rate regimes. Under a floating exchange-rate regime, supply and demand factors in markets cause nearly continuous adjustments of the exchange rate and, at times, a high level of short-run volatility. Under a fixed exchange-rate regime, the official exchange rate is maintained for long periods, with large adjustments made periodically. Short-run volatility measured by movements in exchange rates typically would be low in a fixed-rate regime, while actual volatility in the foreign exchange markets might be quite high. Hence, regulated systems exhibit less short-run volatility than market systems, but conclusions about the relative stability of the two systems, based solely on "measured" short-run volatility, may be as misleading as comparisons of apples and oranges and, in any case, are subject to the same "flows of funds versus capital stock" criticism mentioned above.

To the extent that regulated systems achieve less short-run volatility by suppressing the corrective forces inherent in markets, the greater is the probability that, over time, a major adjustment would be needed. This is analogous to the absence of small earthquakes along a fault line, which allows stress to build up and thereby increases the probability that a major quake eventually will occur. Small quakes, like self-correcting market forces, relieve the pressures that accumulate over time. Suppression of these forces through regulatory interference allows the pressure to rise and increases the magnitude and violence of the resulting adjustment. Therefore, over the long run, regulated financial systems tend to display more volatility and to stray farther from and adjust less quickly to the equilibrium path than market-oriented financial systems.

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* For simplicity, the discussion here treats the path of the rolling ball as though it were fixed. However, the analysis also is valid when the path is allowed to evolve over time and to be affected by the same forces as those acting on the ball.

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ORDERS FOR TOMORROW

Mr. BAUCUS. Mr. President, on behalf of the majority leader I ask unanimous consent that when the Senate completes its business today it stand in recess until 10:30 a.m. Tuesday, July 21; that following the prayer, the Journal of proceedings be deemed approved to date; that, following the time for the two leaders, there be a period for morning business not to extend beyond 11 a.m., with Senators permitted to speak therein for up to 5 minutes each; that Senator PRESSLER be recognized for up to 10 minutes; that at 11 a.m. the Senate resume consideration of S. 2877, the interstate transportation of municipal waste; further, that, on Tuesday, the Senate stand in recess from 12:30 until 2:15 p.m. in order to accommodate the respective party conferences.

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

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

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

RECESS UNTIL 10:30 A.M. TOMORROW

Mr. BAUCUS. Mr. President, if there is no further business to come before the Senate today, I now ask unanimous consent that the Senate stand in recess as previously ordered.

There being no objection, the Senate, at 5:55 p.m., recessed until Tuesday, July 21, 1992, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate July 20, 1992:

DEPARTMENT OF STATE

JOHN CAMERON MONJO, OF MARYLAND, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE ISLAMIC REPUBLIC OF PAKISTAN.

HARRIET WINSARE ISOM, OF OREGON, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF CAMEROON.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

LINTON F. BROOKS, OF VIRGINIA, TO BE AN ASSISTANT DIRECTOR TO THE U.S. ARMS CONTROL AND DISARMAMENT AGENCY, VICE SUSAN JANE KOCH, RESIGNED.

CORPORATION FOR PUBLIC BROADCASTING

DAVID P. PROSPERI, OF ILLINOIS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR PUBLIC BROADCASTING FOR A TERM EXPIRING MARCH 26, 1997, VICE MARSHALL TURNER, JR., TERM EXPIRED.

DEPARTMENT OF TRANSPORTATION

EDWARD MORGAN PALUSO, OF PENNSYLVANIA, TO BE A MEMBER OF THE ADVISORY BOARD OF THE SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION, VICE L. STEVEN REIMERS.

STERLING G. SECHRIST, OF OHIO, TO BE A MEMBER OF THE ADVISORY BOARD OF THE SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION, VICE VIRGIL E. BROWN, RESIGNED.

NATIONAL INSTITUTE OF BUILDING SCIENCES

WALTER SCOTT BLACKBURN, OF INDIANA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE NATIONAL INSTITUTE OF BUILDING SCIENCES FOR A TERM EXPIRING SEPTEMBER 7, 1993, VICE KYLE CLAYTON BOONE, TERM EXPIRED.

NATIONAL COUNCIL ON DISABILITY

SHIRLEY W. RYAN, OF ILLINOIS, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1994, VICE JOHN LEOPOLD, TERM EXPIRED.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. WILLIAM H. FORSTER [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

LT. GEN. PETER A. KIND [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. DONALD M. LIONETTI [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. LEO J. PIGATY [redacted] U.S. ARMY.

IN THE ARMY

THE FOLLOWING NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE UNITED STATES ARMY IN ACCORDANCE WITH SECTION 624, TITLE 10, UNITED STATES CODE. THE OFFICERS INDICATED BY ASTERISK ARE ALSO NOMINATED FOR APPOINTMENT IN THE REGULAR ARMY IN ACCORDANCE WITH SECTION 531, TITLE 10, UNITED STATES CODE:

MEDICAL SERVICE CORPS

To be lieutenant colonel

RICHARD L. AGEE [redacted]
PRISCILLA M. ALSTON [redacted]
STEVEN M. ASTRIAB [redacted]
JOHN E. BALL [redacted]
MARK BERTHOLD [redacted]
ALAN L. BLATTERMAN [redacted]
JOHN L. BLISS [redacted]
SHIRLEY A. BOLTON [redacted]

HOLGER L. BRENCHER xxx-xx-x...
DANIEL J. CALDWELL xxx-xx-x...
JOSEPH D. CAMBRE xxx-xx-x...
DAVID S. CARTER xxx-xx-x...
DAVID W. CHANDLER xxx-xx-x...
ANGEL E. CINTRON xxx-xx-x...
MICHAEL G. CRAGO xxx-xx-x...
RAYMOND P. DALTON xxx-xx-x...
DARWYN DONNENWERTH xxx-xx-x...
PAUL W. DUNLAP xxx-xx-x...
GEORGE J. DYDEK xxx-xx-x...
WILLIAM L. ESTES xxx-xx-x...
JAMES D. FAIRLESS xxx-xx-xx...
GLEN M. *. FITZPATRICK xxx-xx-x...
JAMES L. FLETCHER xxx-xx-xx...
KENNETH J. FOPPIANO xxx-xx-xx...
MICHAEL J. FOSTER xxx-xx-xx...
ROBERT T. FOSTER xxx-xx-xx...
FREDERICK *. GARLAND xxx-xx-x...
STEPHEN C. GLASGO xxx-xx-x...
ROBERTO A. GONZALEZ xxx-xx-x...
RAJ K. GUPTA xxx-xx-x...
BRUCE E. HAMILTON xxx-xx-x...
CARL E. HENDRICKS xxx-xx-x...
DOUGLAS HEWITT xxx-xx-x...
HOWARD E. JOHNSON xxx-xx-x...
LEIF G. JOHNSON xxx-xx-x...
MICHAEL G. JOHNSON xxx-xx-x...
JOSEPH KARWATKA xxx-xx-x...
WILLIAM M. KOCISCAK xxx-xx-x...
DAVID M. *. KOSKELA xxx-xx-x...
JOHN C. KOTULAK xxx-xx-x...
JEFFREY N. *. LEAGRANDE xxx-xx-xx...
STEVEN M. LEMON xxx-xx-x...
LAWRENCE *. LIGHTNER xxx-xx-x...
KENNETH LINTHICUM xxx-xx-x...
GEORGE D. MAGEE xxx-xx-x...
KIM D. MANSFIELD xxx-xx-x...
MARY Z. MAYS xxx-xx-x...
RICHARD G. MCADAM xxx-xx-x...
TERRY L. MCARTHUR xxx-xx-x...
JEFFERY L. *. MCCOLLUM xxx-xx-x...
JAMES F. MCGAHA xxx-xx-x...
EUGENE A. MILLER xxx-xx-x...
KATHARINE D. *. MILLER xxx-xx-x...
DAVID T. MOONAN xxx-xx-x...
WALTER MOORE, JR xxx-xx-x...
WILLIAM D. MORRIS xxx-xx-x...
DUANE C. MUNGER xxx-xx-x...
THOMAS MURPHY, JR xxx-xx-x...
GERALD L. ONEY xxx-xx-x...
MICHAEL W. *. PARKER xxx-xx-x...
MICHAEL H. PENGELLY xxx-xx-x...
JOHN R. PIETERS xxx-xx-xx...
MYRON V. PIZIAK xxx-xx-x...
LLOYD L. POLEN xxx-xx-x...
ROBERT C. READ xxx-xx-x...
PAUL M. REILLY xxx-xx-x...
WELFORD C. *. ROBERTS xxx-xx-x...
JODY R. ROGERS xxx-xx-x...
WESSIE C. ROGERS xxx-xx-x...
KENNETH D. ROLLINS xxx-xx-x...
DAVID A. RUBENSTEIN xxx-xx-x...
RAMON M. SANCHEZ xxx-xx-x...
THOMAS J. SEMARGE xxx-xx-x...
PATRICK L. SHIPLEY xxx-xx-xx...
JAMES C. SIMMONS xxx-xx-x...
GREGORY P. SMITH xxx-xx-x...
JAMES G. SOLOMON xxx-xx-x...
DARRELL E. STAFFORD xxx-xx-xx...
RICHARD I. *. STARK xxx-xx-x...
ALAN C. TANKIN xxx-xx-x...
MICHAEL G. TATE xxx-xx-x...
BOBBY R. TEMPLIN xxx-xx-x...
NEAL H. TRENT xxx-xx-x...
BRETT D. WALKER xxx-xx-x...
JOSEPH C. *. WALL xxx-xx-x...
JAMES P. WALSH xxx-xx-x...
JOHNNY L. WEST xxx-xx-x...
JOSEPH C. *. WHITE xxx-xx-x...
DAVID E. WILLIAMS xxx-xx-x...
DENNIS L. WILLIAMS xxx-xx-x...
JACKIE L. *. WILLIAMS xxx-xx-xx...
JOHN J. WILLIAMS xxx-xx-x...
MICHAEL R. WILLIAMS xxx-xx-x...
ANTHONY W. YOUNG xxx-xx-x...
SHERYL A. CONNER xxx-xx-x...

ARMY MEDICAL SPECIALIST CORPS

To be lieutenant colonel

CINDY J. BENSON xxx-xx-x...
SUZANNE S. CHIANG xxx-xx-x...
SHIRLEY N. CONRAD xxx-xx-x...
KEITH G. HAURET xxx-xx-x...
NANCY E. HENDERSON xxx-xx-x...
RICHARD D. JANSEN xxx-xx-x...
RICKY JOSEPH xxx-xx-x...
DEBRA J. *. METZGER xxx-xx-x...
VALERIE J. OBRIEN xxx-xx-x...
JOHN P. OBUSEK xxx-xx-x...
BILLIE J. RANDOLPH xxx-xx-xx...

VETERINARY CORPS

To be lieutenant colonel

JOHN A. *. BLEY xxx-xx-x...
WILLIAM W. BRINKLEY xxx-xx-x...
RANDAL C. LAYTON xxx-xx-x...
FRED E. LYONS xxx-xx-x...
EDWIN O. NUZUM xxx-xx-x...
DAN E. *. SCHILLING xxx-xx-x...
CATHERINE D. SMITH xxx-xx-x...
OTIS L. STANLEY xxx-xx-x...
MICHAEL J. TOPPER xxx-xx-x...
JAMES H. VANETTEN xxx-xx-x...
GEORGE D. YOUNG xxx-xx-x...

ARMY NURSE CORPS

To be lieutenant colonel

CYNTHIA A. ABBOTT xxx-xx-x...
CAROLYN A. ADAMS xxx-xx-x...
SUSAN M. ANDREWS xxx-xx-x...
MARG APONTEOQUENDO xxx-xx-x...
ALBERTA M. *. BEE xxx-xx-x...
DEBULON E. *. BELL xxx-xx-x...
CAROLYN G. BERNHEIM xxx-xx-x...
ANN *. BRAZIL xxx-xx-x...
MARGO D. BROCK xxx-xx-x...
CAROL B. BROWN xxx-xx-x...
ELIZABETH A. BRYANT xxx-xx-x...
MICHAEL A. CALDER xxx-xx-x...
HAROLD J. CARROW xxx-xx-x...
PAUL E. CHADEK xxx-xx-x...
GLORIA D. COFER xxx-xx-x...
MARY S. CONNOLLY xxx-xx-x...
DIANA J. *. CONRAD xxx-xx-x...
GEORGE W. CROSBY xxx-xx-x...
ROBERT C. DAHLANDER xxx-xx-x...
BARBARA L. DEETER xxx-xx-x...
FRANCES K. *. DEVLIN xxx-xx-x...
LAURA L. DILLEY xxx-xx-x...
PATRICIA DIMEGLIO xxx-xx-x...
DEBRA J. DIVELBISS xxx-xx-xx...
JANET R. EAGAN xxx-xx-x...
GAIL D. *. ERLITZ xxx-xx-x...
ANNETTE E. ETNYRE xxx-xx-x...
KENNETH C. FERRO xxx-xx-x...
THOMAS E. FLASH xxx-xx-x...
GARY W. *. FLECKER xxx-xx-x...
DIANE J. FLESHIN xxx-xx-xx...
RICHARD D. FLESHIN xxx-xx-x...
KATHY O. FLESHMAN xxx-xx-x...
ELLEN M. GEBHART xxx-xx-x...
ROSEMARIE GIBBONS xxx-xx-x...
JOHN C. *. GILL xxx-xx-x...
PATRICIA GONZALVES xxx-xx-x...
MICHAEL F. *. GRISWOLD xxx-xx-x...
DANA *. GRUBER xxx-xx-x...
DANEEN T. HARRIS xxx-xx-x...
JANET R. *. HARRIS xxx-xx-x...
SANDRA L. *. HELLMAN xxx-xx-x...
JILL D. HENRY xxx-xx-x...
NOLAN J. *. HINSON xxx-xx-x...
DEAN A. HOFMAN xxx-xx-x...
DONALD F. IVEY xxx-xx-x...
STEPHEN J. *. JANNY xxx-xx-xx...
MARY B. *. JOHNSTON xxx-xx-x...
LINDA G. *. JONES xxx-xx-x...
THERESA V. JONES xxx-xx-x...
LELAN JURGENSMEIER xxx-xx-x...
LINDA S. LAWS xxx-xx-x...
DEBB LOMAXFRANKLIN xxx-xx-x...
BIJOY K. MAHANTI xxx-xx-x...
LAURIE A. MCNABB xxx-xx-...
THOMAS E. MEANS xxx-xx-x...
MARY S. MILLER xxx-xx-x...
BRENDA I. *. MYGRANT xxx-xx-x...
SHIRLEY I. NEWCOMB xxx-xx-x...
KATHLEEN V. *. NEWMAN xxx-xx-x...
BONNIE S. PEARSON xxx-xx-x...
KAREN B. *. PEPPER xxx-xx-x...
DIANE J. PLEMENIK xxx-xx-x...
LOIS E. PLOOSTER xxx-xx-x...
VIRGINIA L. *. PULLIAM xxx-xx-x...
DAVID H. RANG xxx-xx-x...
SUSAN I. REINHART xxx-xx-x...
JAMES M. *. RICH xxx-xx-x...
WILLIAM J. ROBENOLT xxx-xx-x...
ANALIZA Y. *. SAVAGE xxx-xx-x...
ANITA J. *. SCHMIDT xxx-xx-x...
MILAGROS B. SCHRECK xxx-xx-x...
LOI SCHRETENTHALER xxx-xx-x...
GLORIA B. SHAW xxx-xx-x...
MARTHA J. SKIPPER xxx-xx-xx...
DEBORAH G. SMITH xxx-xx-x...
MILDRED M. SMITH xxx-xx-x...
ALESIA K. SOVA xxx-xx-x...
ELIZABETH STEWART xxx-xx-x...
CAROL A. *. SWANSON xxx-xx-x...
ANN L. SWARTZ xxx-xx-x...
DONNA L. TALBOTT xxx-xx-x...
STEVEN L. TEFFT xxx-xx-xx...
ANN M. TRELEVEN xxx-xx-x...
ORIAN W. TUCKER xxx-xx-x...
ANNE E. *. VARNER xxx-xx-x...
MARIBETH C. *. VOLK xxx-xx-x...
ARTHUR P. WALLACE xxx-xx-x...
PATRICK A. *. WESLEY xxx-xx-x...
GAIL J. WILLIAMSON xxx-xx-x...
CYNTHIA A. WOODLING xxx-xx-x...
NANCY A. *. WOOLNOUGH xxx-xx-x...
LINDA H. YODER xxx-xx-x...
LARRY K. ZAGER xxx-xx-x...
LYDIA R. ZAGER xxx-xx-x...

IN THE ARMY

THE FOLLOWING NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE UNITED STATES ARMY IN ACCORDANCE WITH SECTION 624, TITLE 10, UNITED STATES CODE. THE OFFICERS INDICATED BY ASTERISK ARE ALSO NOMINATED FOR APPOINTMENT IN THE REGULAR ARMY IN ACCORDANCE WITH SECTION 531, TITLE 10, UNITED STATES CODE:

DENTAL CORPS

To be lieutenant colonel

SAMUEL J. ANGULO xxx-xx-x...
STEPHEN J. *. AWE xxx-xx-x...
LINDA C. *. BASQUILL xxx-xx-x...
PATRICK J. *. BASQUILL xxx-xx-xx...
BRUCE A. *. BORETSKY xxx-xx-x...
TIMOTHY M. *. CAMPBELL xxx-xx-x...
BLAKE C. CHILDERS xxx-xx-x...
ESTHER L. CHILDERS xxx-xx-x...
FERNA COSTASNIEVES xxx-xx-x...
MICHAEL F. *. CUENIN xxx-xx-x...
PAUL J. ENGIBOUS xxx-xx-x...
DONALD E. *. FANNING xxx-xx-x...
JAMES G. *. FISHER xxx-xx-x...
PAUL F. FORTE xxx-xx-x...
JEFFREY D. *. FOWLER xxx-xx-xx...
KARL K. *. FURUKAWA xxx-xx-x...
DONALD L. GEBHART xxx-xx-x...
MONROE M. GINSBURG xxx-xx-x...
CURTIS D. GOHO xxx-xx-x...
TED W. HAMMOND xxx-xx-x...
LARRY J. HANSON xxx-xx-x...
WILLIAM C. *. HORTON xxx-xx-x...
DAVID G. KERNS xxx-xx-x...
TIMOTHY M. *. KING xxx-xx-x...
LEANDER LANIER, SR xxx-xx-x...
FREDERICK LIEWEHR xxx-xx-x...
ROBERT K. MANGA xxx-xx-x...
ALBERT M. MANGANARO xxx-xx-x...
JEFFREY *. MCCLENDON xxx-xx-x...
KEVIN T. *. MCGLYNN xxx-xx-x...
STANLEY C. MORRIS xxx-xx-x...
MICHAEL G. MOYER xxx-xx-x...
TERRENCE S. MURPHY xxx-xx-x...
WAYNE L. OLSEN xxx-xx-x...
WILLIAM R. *. PATTON xxx-xx-x...
ADOLFINA M. POLK xxx-xx-x...
MELVIN S. POLK xxx-xx-x...
JAMES K. SCHMITT xxx-xx-x...
VICTORIA L. SEARCY xxx-xx-x...
JOHNETTE J. *. SHELLEY xxx-xx-xx...
JOSIAH S. *. TOOLEY xxx-xx-x...
RANDALL *. TOOTHAKER xxx-xx-x...
THOMAS W. UTT xxx-xx-x...
DOUGLAS N. *. WADE xxx-xx-x...
JAMES C. *. WARING xxx-xx-x...
ROGER W. *. WEYAND xxx-xx-x...
JOSEPH A. WINEMAN xxx-xx-x...
DANIEL A. *. WOLF xxx-xx-x...

MEDICAL CORPS

To be lieutenant colonel

SUE H. ABREU xxx-xx-x...
CAROL F. *. ADAIR xxx-xx-x...
CARL W. *. ADAMS xxx-xx-x...
BRE *. ALCOVERBALLARD xxx-xx-x...
DEBRA B. *. ALLEN xxx-xx-x...
BEVERLY A. *. ANDERSON xxx-xx-x...
ROBERT R. *. ANTHONY xxx-xx-x...
ALICIA Y. *. ARMSTRONG xxx-xx-x...
NAOMI E. ARONSON xxx-xx-x...
MICHAEL R. *. BAKER xxx-xx-x...
JAMES G. *. BARR xxx-xx-x...
DANIEL *. BATTAFARANO xxx-xx-x...
WAYNE B. *. BATZER xxx-xx-x...
WENDY B. BERNSTEIN xxx-xx-x...
WILLIAM S. *. BESSER xxx-xx-x...
RALPH O. *. BOLING xxx-xx-x...
MICHAEL *. BRAZAITIS xxx-xx-x...
ISAAC D. *. BROUSSARD xxx-xx-x...
WILLIAM E. *. BUCHANAN xxx-xx-x...
ARLENE L. *. BURKE xxx-xx-x...
GUILLERMO *. CABEZA xxx-xx-x...
MIG *. CAMACHOGARRIDO xxx-xx-x...
WILLIAM E. *. CARAS xxx-xx-x...
JOSEPH J. CARAVALHO xxx-xx-x...
EDWARD R. *. CARTER xxx-xx-x...
RICHARD M. *. CARTER xxx-xx-x...
RICHARD S. *. CHESSER xxx-xx-x...
WILLIAM G. *. CIOFFI xxx-xx-x...
CLIFFORD C. CLOONAN xxx-xx-x...
CHARLES F. *. COHAN xxx-xx-x...
RHONDA L. CORNUM xxx-xx-x...
LAWRENCE *. CORRENTI xxx-xx-x...
STEPHEN C. CRAIG xxx-xx-x...
DAVID F. *. CRUDO xxx-xx-xxxx
JOHN S. *. DANIEL xxx-xx-x...
STEPHEN M. *. DAVIS xxx-xx-x...
LOUIS J. *. DELDO xxx-xx-x...
RAHUL N. *. DEWAN xxx-xx-x...
ERIC L. *. DOANE xxx-xx-x...
RALPH L. *. DRU xxx-xx-x...
CORAZON Y. *. DUPREL xxx-xx-x...
PHILIP D. DYER xxx-xx-x...
GARY T. *. DYKSTRA xxx-xx-x...
BILLINGSLEY *. ELLIS xxx-xx-xx...
DAVID D. ELLIS xxx-xx-x...
JOSEPH M. ERPELDING xxx-xx-xx...
WARNER D. FARR xxx-xx-x...
THOMAS *. FITZPATRICK xxx-xx-x...
RICHARD S. *. FOULKE xxx-xx-x...
KENNETH J. FRANKLIN xxx-xx-x...
PETER D. *. FRIES xxx-xx-xx...
JONATHAN C. *. FRUENDT xxx-xx-x...
GEORGE F. FULLER xxx-xx-x...
STEPHEN I. *. GATES xxx-xx-x...
ALAN G. GETTS xxx-xx-x...
DAVID *. GILLINGHAM xxx-xx-x...
JEFFERY R. GINTHER xxx-xx-xx...

CHARLES H. *. GLEATON xxx-xx-x...
DAVID I. GOLDBERG xxx-xx-x...
DAVID M. *. GONZALEZ xxx-xx-x...
JANE V. *. GWINN xxx-xx-x...
NOEL D. *. HABIB xxx-xx-x...
DALLAS C. *. HACK xxx-xx-x...
NEAL E. *. HARDING xxx-xx-x...
BRADLEY N. HARPER xxx-xx-x...
BRENDA S. *. HARPER xxx-xx-x...
JEFFREY L. *. HARRIS xxx-xx-x...
STEPHEN P. HETZ xxx-xx-x...
RANDALL T. *. HULING xxx-xx-x...
INA M. *. INOUYE xxx-xx-x...
JONATHAN H. *. JAFFIN xxx-xx-x...
THOMAS W. *. JEWELL xxx-xx-x...
WAYNE B. *. JONAS xxx-xx-x...
JEFFREY R. *. KEIM xxx-xx-x...
JOHN W. *. KELLY xxx-xx-x...
KARL R. KERCHIEF xxx-xx-x...
YOUNG O. *. KIM xxx-xx-x...
JAMES J. *. KING xxx-xx-x...
CHARLES P. *. KINGSLEY xxx-xx-x...
ROBERT G. *. KNIGHT xxx-xx-x...
RICHARD D. *. KOPKE xxx-xx-x...
KARL J. *. KREDER xxx-xx-x...
STEVEN G. *. LANG xxx-xx-x...
ROBERT D. *. LARSEN xxx-xx-x...
LEONARD *. LITTLE, JR. xxx-xx-x...
PAUL B. *. LITTLE xxx-xx-x...
CAROLYN *. MACDONALD xxx-xx-x...
DONALD L. *. MADDOX xxx-xx-x...
SUSAN L. *. MALANE xxx-xx-x...
MANISCALCOTHEBERGE xxx-xx-x...
RICHARD L. MARPLE xxx-xx-x...
ROBERT A. MAZZOLI xxx-xx-x...
MIKE MCBILES xxx-xx-x...
JOHN W. *. MCBURNEY xxx-xx-x...
DANIEL R. *. MCCORMACK xxx-xx-x...
JAMES S. *. MCGHEE xxx-xx-x...
ROGER G. *. MCINTOSH xxx-xx-x...
JOHN G. *. MCNEIL xxx-xx-x...
VICTOR L. *. MODESTO xxx-xx-x...
ALAN L. MOLOFF xxx-xx-x...
DAVID W. *. MONAHAN xxx-xx-x...
RICHARD H. *. MOORE xxx-xx-x...
SEAN E. *. MULLEN xxx-xx-x...
EDWARD T. *. NEELY xxx-xx-x...
ANN E. NORWOOD xxx-xx-x...
PATRICK J. *. OFFNER xxx-xx-x...
MARK K. *. PARSONS xxx-xx-x...
JOHN J. *. PEACHER xxx-xx-x...
WILLIAM A. *. PEARCE xxx-xx-x...
THOMAS A. *. PERKINS xxx-xx-x...
EDWINA J. *. POPEK xxx-xx-x...
ALFREDO C. *. RAMIREZ xxx-xx-x...
SYLVESTER *. RAMIREZ xxx-xx-x...
HARRY B. *. RAUCH xxx-xx-x...
SHIRLEY E. *. REDDOCH xxx-xx-x...
JOHN E. *. REED xxx-xx-x...
STEVEN E. *. REISSMAN xxx-xx-x...
MERLIN L. *. ROBB xxx-xx-x...
JOHN F. ROSER xxx-xx-x...
PAUL S. *. RUBLE xxx-xx-x...
ALBERT P. *. SARNO xxx-xx-x...
JOSEPH A. SCANIFFE xxx-xx-x...
WILLIAM E. *. SHIELS xxx-xx-x...
LILLIAM *. SIERRA xxx-xx-x...
CLIFFORD L. *. SIMMANG xxx-xx-x...
JOHN C. *. SINCLAIR xxx-xx-x...
JOSEPH W. *. SLEDGE xxx-xx-x...
DALE B. *. SMITH xxx-xx-x...
ANDREW P. *. SOISSON xxx-xx-x...
WILLIAM *. SOUTHGATE xxx-xx-x...
STEPHEN SPAULDING xxx-xx-x...
ELISABETH *. STAFFORD xxx-xx-x...
LINDA L. STRAND xxx-xx-x...
JAMES *. STUBBLEFIELD xxx-xx-x...
JULIUS L. *. TEAGUE xxx-xx-x...
RICHARD C. TENGLIN xxx-xx-x...
WILSON *. TORRES xxx-xx-x...
VLADIMIR *. TROCHE xxx-xx-x...
RICHARD *. TRUESDALE xxx-xx-x...
CLYDE A. *. TURNER xxx-xx-x...
GARY E. *. TURNER xxx-xx-x...
PHILIP *. VOLPE xxx-xx-x...
DONALD C. *. WADE xxx-xx-x...
ROBERT W. *. WEIEN xxx-xx-x...
LAWRENCE T. WESTON xxx-xx-x...
WILLIAM C. *. WILLIARD xxx-xx-x...
GARY L. *. WILSON xxx-xx-x...
BENJAMIN G. WITHERS xxx-xx-x...
ROBINGTON J. *. WOODS xxx-xx-x...
MICHAEL R. *. WYMES xxx-xx-x...
JOHN S. YOUNG xxx-xx-x...

IN THE ARMY

THE FOLLOWING NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE UNITED STATES ARMY IN ACCORDANCE WITH SECTION 624, TITLE 10, UNITED STATES CODE. ALL OFFICERS ARE ALSO NOMINATED FOR APPOINTMENT IN THE REGULAR ARMY IN ACCORDANCE WITH SECTION 531, TITLE 10, UNITED STATES CODE:

CHAPLAIN

To be major

LARR ADAMSTHOMPSON xxx-xx-x...
LINDA L. AMBLER xxx-xx-x...
DAVID L. ARNOLDT xxx-xx-x...
ARCHIE E. BARRINGER xxx-xx-x...
TIMOTHY L. BARTLETT xxx-xx-x...
DANIEL J. BLOCK xxx-xx-x...
JAMES S. BOELENS xxx-xx-x...
BARRY D. BOWDEN xxx-xx-x...
GARY W. BROWN xxx-xx-x...
PAUL P. BUCK xxx-xx-x...
THOMAS C. CONDRY xxx-xx-x...
CLIFTON H. CRAFT xxx-xx-x...
GLENN S. DAVIS xxx-xx-x...
THOMAS L. DAY xxx-xx-x...
ALVESTER I. GALES xxx-xx-x...
DAVID R. GERBER xxx-xx-x...
FLOYD R. GILBERT xxx-xx-x...
WAYNE E. HARRIS xxx-xx-x...
JOHN P. HASH xxx-xx-x...
MURRY R. HERRON xxx-xx-x...
CURTIS B. HEYDT xxx-xx-x...
RONALD B. HILL xxx-xx-x...
JOHN R. HOUSER xxx-xx-x...
CAROLYN B. JACOBS xxx-xx-x...
PALMA N. JUAREZ xxx-xx-x...
DAVID A. KENEHAN xxx-xx-x...
DOUGLAS K. KINDER xxx-xx-x...
RICHARD D. KING xxx-xx-x...
LARRY R. LAWRENCE xxx-xx-x...
GEORGE LEATHERWOOD xxx-xx-x...
ARCHIE L. LINNEAR xxx-xx-x...
THOMAS A. MACGREGOR xxx-xx-x...
EDWARD M. MACURA xxx-xx-x...
CLEMENTE MAURICIO xxx-xx-x...
RAYMOND L. MEAD xxx-xx-x...
MICHAEL MESSINGER xxx-xx-x...
CAROL A. MITCHELL xxx-xx-x...
MITCHELL L. MORTON xxx-xx-x...
THOMAS MURRAY xxx-xx-x...
JOHN J. PENNEY xxx-xx-x...
KENNETH D. PFEIFFER xxx-xx-x...
MARY A. PITTS xxx-xx-x...
BARRY W. PRESLEY xxx-xx-x...
KENNETH B. RATLIFF xxx-xx-x...
GILLEY RICHARDSON xxx-xx-x...
MICHAEL D. RIDDLE xxx-xx-x...
LIONEL D. ROBINSON xxx-xx-x...
STANLEY H. SCHWARTZ xxx-xx-x...
ROBERT L. SCRUGGS xxx-xx-x...
DAVID E. SMITH xxx-xx-x...
BENNIE G. STALLINGS xxx-xx-x...
MICHAEL D. TARVIN xxx-xx-x...
TIMOTHY J. TEAHAN xxx-xx-x...
JAIRO A. TELLEZ xxx-xx-x...
VANCE P. THEODORE xxx-xx-x...
ROBERT W. THOMPSON xxx-xx-x...
DONNY D. THRASHER xxx-xx-x...
JOHN F. ULM xxx-xx-x...
CRAIG N. WILEY xxx-xx-x...
JOHN A. WILKES xxx-xx-x...
TIMOTHY WILLOUGHBY xxx-xx-x...

EXTENSIONS OF REMARKS

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, July 21, 1992, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 22

9:00 a.m.

Armed Services

Projection Forces and Regional Defense Subcommittee Closed business meeting, to mark up those provisions which fall within the subcommittee's jurisdiction of S. 2629, to authorize funds for fiscal year 1993 for military functions of the Department of Defense, and to prescribe military personnel levels for fiscal year 1993.

SR-232A

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1993 for the Departments of Labor, Health and Human Services, and Education, and related agencies.

SD-192

Environment and Public Works

Nuclear Regulation Subcommittee

To hold hearings to examine the effects of the Chernobyl nuclear accident, focusing on human and environmental devastation, the continued health risk to the people and the environment of the region, and the role of U.S. businesses and nuclear experts in helping with the clean-up and safety improvement throughout the former Eastern bloc.

SD-406

Governmental Affairs

Government Information and Regulation Subcommittee

To hold hearings to examine certain bureaucratic problems individuals encounter when purchasing a home.

SD-342

Judiciary

Constitution Subcommittee

To hold hearings on S.J.Res. 297, S.J.Res. 302 and S.J.Res. 312, measures proposing amendments to the Constitution relating to the election of the President and Vice President of the United States.

SD-226

Rules and Administration

To hold hearings on S. 2748, to authorize the Library of Congress to provide certain information products and services.

SR-301

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on the state of the United States economy and America's global competitive position.

SD-538

Finance

To hold hearings to examine the state of U.S. trade policy, focusing on proposed legislation to open foreign markets to U.S. exporters and to modernize the operations of the U.S. Customs Service.

SD-215

Foreign Relations

International Economic Policy, Trade, Oceans and Environment Subcommittee

To hold hearings on proposed legislation authorizing funds for the Overseas Private Investment Corporation.

SD-419

Veterans' Affairs

To hold hearings on S. 2974, to revise certain administrative provisions relating to the United States Court of Veterans Appeals, S. 2369, to provide for the reclassification of members of the Board of Veterans' Appeals and to ensure pay equity between those members and administrative law judges, S. 2379, S. 2737, S. 2958, H.R. 939, H.R. 4368, bills to revise certain provisions of the veterans home loan program, and S. 2961, to permit the burial in ceremonies of the National Cemetery System of certain deceased Reservists, to furnish a burial flag for such members, and to furnish headstones and markers.

SR-418

Joint Economic

To hold hearings to examine Japan's role in the integration of the Asia-Pacific region and the consequences for the U.S., focusing on Japan's trade and investment in the region, the possibilities for a Japan-led trade bloc, and U.S. influence and market share in the region.

2203 Rayburn Building

10:30 a.m.

Armed Services

Strategic Forces and Nuclear Deterrence Subcommittee

Closed business meeting, to mark up those provisions which fall within the subcommittee's jurisdiction of S. 2629, to authorize funds for fiscal year 1993 for military functions of the Department of Defense, and to prescribe military personnel levels for fiscal year 1993.

SR-222

Judiciary

To hold hearings on the nominations of Francis A. Keating, II, of Oklahoma, to be United States Circuit Judge for the Tenth Circuit, Timothy E. Flanigan, of Virginia, to be an Assistant Attorney General, and Henry Edward Hudson, of Virginia, to be Director of the United States Marshals Service, all of the Department of Justice.

SD-106

2:00 p.m.

Armed Services

Closed business meeting, to mark up S. 2629, to authorize funds for fiscal year 1993 for military functions of the Department of Defense, and to prescribe military personnel levels for fiscal year 1993.

SR-222

Foreign Relations

To hold hearings on the nominations of Donald Burnham Ensenat, of Louisiana, to be Ambassador to Brunei Darussalam, Jon M. Huntsman, Jr., of Utah, to be Ambassador to the Republic of Singapore, John Stern Wolf, of Maryland, to be Ambassador to Malaysia, and Robert F. Goodwin, of Maryland, to be Ambassador to New Zealand, and to serve concurrently as Ambassador to Western Samoa.

SD-419

Select on Intelligence

To hold closed hearings on intelligence matters.

SH-219

2:30 p.m.

Energy and Natural Resources

Public Lands, National Parks and Forests Subcommittee

To hold hearings on the report and recommendations to the Director of the National Park Service from the Steering Committee of the 75th Anniversary Symposium, and on the status of the transition of the Presidio to the National Park Service.

SD-366

Select on Indian Affairs

To hold hearings on the proposed Yavapai-Prescott Water Rights Settlement Act, and the Ft. Mojave Water Use Act.

SR-485

3:00 p.m.

Appropriations

District of Columbia Subcommittee

Business meeting, to mark up proposed legislation making appropriations for fiscal year 1993 for the government of the District of Columbia.

SD-192

JULY 23

9:00 a.m.

Armed Services

Closed business meeting to continue mark up of S. 2629, to authorize funds for fiscal year 1993 for military functions of the Department of Defense,

and to prescribe military personnel levels for fiscal year 1993.

SR-222

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1993 for the Departments of Labor, Health and Human Services, and Education, and related agencies.

SD-192

Commerce, Science, and Transportation

To hold hearings in conjunction with the National Ocean Policy Study on S. 1898, to revise the Marine Mammal Protection Act of 1972 to provide for examination of the health of marine mammal populations and for effective coordinated response to strandings and catastrophic events involving marine mammals, and on proposed legislation to reduce the number of dolphins killed in tuna purse seining operations and to reduce dolphin mortality in the Eastern Pacific Fishery.

SR-253

Labor and Human Resources

Children, Family, Drugs, and Alcoholism Subcommittee

To hold hearings to examine the effects of violence on America's youth.

SD-430

Rules and Administration

To hold joint hearings with the Committee on House Administration on S. 2813 and H.R. 2772, bills to establish in the Government Printing Office a single point of online public access to a wide range of Federal databases containing public information stored electronically.

SR-301

Small Business

To hold hearings on H.R. 5191, to encourage private equity capital to small business concerns.

SR-428A

Select on Indian Affairs

To hold hearings on S. 2833, to resolve the 107th Meridian boundary dispute between the Crow Indian Tribe, the Northern Cheyenne Indian Tribe and the United States and various other issues pertaining to the Crow Indian Reservation.

SR-485

10:00 a.m.

Banking, Housing, and Urban Affairs

To continue hearings on the state of the United States economy and America's global competitive position.

SD-538

Foreign Relations

To hold hearings on S. 2064, to impose a one-year moratorium on the performance of nuclear weapons tests by the United States unless the Soviet Union conducts a nuclear weapons test during that period.

SD-419

Judiciary

Immigration and Refugee Affairs Subcommittee

To hold hearings on proposed legislation authorizing funds for fiscal year 1993 for United States refugee programs.

SD-226

Veterans' Affairs

Business meeting, to resume markup of S. 2575, to revise certain pay authorities that apply to nurses and other health care professionals.

SR-418

2:00 p.m.

Armed Services

Closed business meeting to continue mark up of S. 2629, to authorize funds for fiscal year 1993 for military functions of the Department of Defense, and to prescribe military personnel levels for fiscal year 1993.

SR-222

Conferees on H.R. 707, to improve the regulation of futures trading and authorize funds for the Commodity Futures Trading Commission.

1300 Longworth Building

4:00 p.m.

Select on POW/MIA Affairs

Business meeting, to consider matters relating to the declassification of certain documents, files, and other materials pertaining to POW's and MIA's.

SR-385

JULY 24

9:00 a.m.

Armed Services

Closed business meeting to continue mark up of S. 2629, to authorize funds for fiscal year 1993 for military functions of the Department of Defense, and to prescribe military personnel levels for fiscal year 1993.

SR-222

9:30 a.m.

Governmental Affairs

To hold hearings to examine the role of contractors in the Department of Defense's star wars program.

SD-342

10:00 a.m.

Environment and Public Works

Environmental Protection Subcommittee

To hold hearings on S. 1491, to provide for the establishment of a fish and wildlife conservation partnership program between the United States Fish and Wildlife Service, the States, and private organizations and individuals.

SD-406

2:00 p.m.

Armed Services

Closed business meeting to continue mark up of S. 2629, to authorize funds for fiscal year 1993 for military functions of the Department of Defense, and to prescribe military personnel levels for fiscal year 1993.

SR-222

JULY 27

2:00 p.m.

Governmental Affairs

Oversight of Government Management Subcommittee

To hold hearings on proposed legislation authorizing funds for activities of the Independent Counsel Law of the Ethics in Government Act of 1978.

SD-342

3:00 p.m.

Foreign Relations

To hold hearings to examine U.S. plans and programs regarding weapons dismantlement in the former Soviet Union.

SD-419

JULY 28

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1993 for the Departments of Labor, Health and Human Services, and Education, and related agencies.

SD-192

Armed Services

To hold hearings on the military implications of the START Treaty and the June 17, 1992 United States/Russian Joint Understanding on Further Reductions in Strategic Offensive Arms.

SH-216

Commerce, Science, and Transportation

Consumer Subcommittee

To hold hearings on proposed legislation authorizing funds for the Federal Trade Commission.

SR-253

2:30 p.m.

Energy and Natural Resources

Public Lands, National Parks and Forests Subcommittee

To resume hearings on S. 1156, Federal Land and Families Protection Act of 1991, focusing on the health of the eastside forests in Oregon and Washington.

SD-366

JULY 29

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1993 for the Departments of Labor, Health and Human Services, and Education, and related agencies.

SD-192

Commerce, Science, and Transportation

Communications Subcommittee

To hold hearings to examine the uses of telecommunication technologies in education.

SR-253

Governmental Affairs

Permanent Subcommittee on Investigations

To resume hearings to examine efforts to combat fraud and abuse in the insurance industry.

SD-342

10:00 a.m.

Finance

To resume hearings to examine the state of U.S. trade policy, focusing on proposed legislation to open foreign markets to U.S. exporters and to modernize the operations of the U.S. Customs Service.

SD-215

JULY 30

9:30 a.m.

Agriculture, Nutrition, and Forestry

To hold hearings to examine cosmetic standards and pesticide use on fruits and vegetables.

SR-332

Appropriations

Labor, Health and Human Services, Education Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1993 for the Departments of Labor, Health and Human Services, and Education, and related agencies.

SD-192

Commerce, Science, and Transportation

Consumer Subcommittee

To hold hearings to examine issues relating to telemarketing fraud.

SR-253

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings to examine efforts to combat fraud and abuse in the insurance industry.
SD-342

2:30 p.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on rail highway grade crossing safety, and on S. 2644, to require the Secretary of Transportation to require passenger and freight trains to install and use certain lights for safety purposes.
SR-253

AUGUST 4

9:30 a.m.
Select on Indian Affairs
To hold hearings on S. 2617, to provide for the maintenance of dams located on Indian lands in New Mexico by the Bureau of Indian Affairs or through contracts with Indian tribes.
SR-485

AUGUST 5

10:00 a.m.
Finance
To resume hearings to examine the state of U.S. trade policy, focusing on proposed legislation to open foreign markets to U.S. exporters and to modernize the operations of the U.S. Customs Service.
SD-215

Governmental Affairs
Business meeting, to consider pending calendar business.
SD-342

Veterans' Affairs
Business meeting, to consider pending calendar business.
SR-418

AUGUST 7

9:30 a.m.
Governmental Affairs
To hold hearings to examine the health risks posed to police officers who use radar guns.
SD-342

AUGUST 12

9:30 a.m.
Select on Indian Affairs
To hold oversight hearings on Indian trust fund management.
SR-485

CANCELLATIONS

JULY 22

2:00 p.m.
Governmental Affairs
Government Information and Regulation Subcommittee
To hold hearings on S. 1258, to establish minimum standards for the hiring by the Federal Government of security officers, and to establish a grant program to assist States in establishing standards for the hiring of security officers by public and private employers.
SD-342

JULY 23

9:30 a.m.
Governmental Affairs
To hold oversight hearings on the implementation of the Chief Financial Officers Act (P.L. 101-576), and to review the Army audit.
SD-342

2:30 p.m.
Governmental Affairs
General Services, Federalism, and the District of Columbia Subcommittee
To hold hearings on S. 2080, to clarify the application of Federal preemption of State and local laws.
SD-342