SENATE—*Friday, April 2, 1993*

(Legislative day of Wednesday, March 3, 1993)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the Honorable PATTY MURRAY, a Senator from the State of Washington.

PRAYER

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

Let us pray:

Let us have a moment of silence for the loved ones of Congressman Fred Schwengel, who passed away last night at 10:15.

* * * *they that wait upon the Lord shall renew their strength; they shall mount up with wings as eagles; they shall run, and not be weary; and they shall walk, and not faint.*—Isaiah 40:31.

Gracious God, our Father, this has been a difficult time in the Senate, with long hours, hard work, clash of conflicting agendas and convictions, and the relentless ticking of the clock. As the Senators struggle to finish today, give them grace to get their work done so they may enjoy a much needed rest and the opportunity to carry out their plans for the recess.

Grant, dear Lord, that the promise of Isaiah will be found relevant and real. Help the Senators to discover that serving God renews one's strength. Grant that recess will be a time of refreshing, family renewal, and accomplishment. Encourage the Senators to take care of themselves. Give them safety in travel and prepare them for the hard weeks ahead.

We pray in the name of Him who promised rest for those who labor and are heavy laden. 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, April 2, 1993.

To the Senate:

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

ROBERT C. BYRD,
President pro tempore.

Mrs. MURRAY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the majority leader.

UNANIMOUS-CONSENT REQUEST

Mr. MITCHELL. Madam President, I ask unanimous consent that at 12:20 p.m. today the Senate proceed into executive session to consider the nomination of Strobe Talbott to be Ambassador at Large and Special Adviser to the Secretary of State, for 40 minutes of debate, under the provisions of the previous unanimous-consent agreement; that at the conclusion or yielding back of time the Senate——

Madam President, I suggest the absence of a quorum.

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

The assistant legislative clerk proceeded to call the roll.

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

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

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Madam President, I withdraw my previous request, and I now make the following unanimous-consent request.

That at 12:20 p.m. today, the Senate proceed into executive session to consider the nomination of Strobe Talbott, to be Ambassador at Large and Special Adviser to the Secretary of State, for 40 minutes of debate, under the provisions of the previous unanimous-consent agreement; that, at the conclusion or yielding back of time, the Senate return to legislative session for a period of morning business, with Senators permitted to speak therein, with the time prior to 4:45 p.m. in morning business to be equally divided between Senators BYRD and HATFIELD or their designees; that, at 4:45 p.m., the Senate return to executive session and vote on the confirmation of Mr. Talbott; that, upon the completion of that vote, the President be immediately notified of the Senate's action, the Senate return to legislative session, and vote on the cloture motion that was filed last night on the committee substitute for H.R. 1335, with a live quorum being waived; that the preceding occur without any intervening action or debate; and that, if a second cloture motion is needed and filed today, the vote on such motion occur tomorrow, Saturday, April 3, with the live quorum being waived, at a time to be determined by the majority leader, after consultation with the Republican leader.

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

Mr. MITCHELL. Madam President, unless the Republican leader has a comment, I yield to the distinguished Senator from Iowa, who wishes to address the Senate for 3 minutes on an unrelated matter, and then I will have a further statement regarding the schedule.

Mr. GRASSLEY addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Iowa.

TRIBUTE TO FREDERIC DELBERT SCHWENGEL

Mr. GRASSLEY. Madam President, as the Chaplain has already told us, former Congressman Fred Schwengel, of Iowa, passed away.

I would like to pay tribute to a person whom I consider a great humanitarian, a national treasure—and I will speak of that in just a minute—and a friend.

This is a person whom, as we have already heard, God has called home. That was last night at 10:15. He passed away at the age of 86.

Frederic Delbert Schwengel was born on May 28 in Franklin County, near Sheffield, IA. He was the son of German immigrants—Gerhardt and Margaret Schwengel.

Fred is survived by his spouse, Ethel, who most credit as a substantial factor in the many successes that were achieved by Fred. They were married for 61 years. He is also survived by two children, Frederic Dean Schwengel and Dorothy Jean Cosby.

Madam President, I first met Fred while he was a member of the State legislature, when I was doing research in Des Moines in 1954 on my master's thesis when I was a student at the University of Northern Iowa. He was very helpful to me at that time in my efforts to gain an understanding of representative government.

Shortly thereafter, in fact, I think it was that year, Fred's constituents then, in a larger district, sent him to Washington.

In 1954, he was first elected to the U.S. House of Representatives, from

Iowa's First District. He served a total of eight terms before retiring in 1973. I remember Fred telling me that he took great pride in his involvement, during the Eisenhower years, in the creation of the Interstate Highway System. As a progressive Republican, he respected the rights of workers, defended civil rights, and was an ardent advocate of the separation of church and state.

Fred's 16 years in Congress, and the 20 years thereafter, were dedicated to serving the people of this country. In 1962, Fred helped establish the U.S. Capitol Historical Society—that is the society that has as its main interest this building and grounds—serving as the society's president until 1992, and as chairman of the board of directors until his death.

In this capacity, Fred's deep appreciation for the Capitol's architecture, its history, and the function it played in representative government were conveyed to those who would visit. It has been said, around here in Congress, that Fred almost singlehandedly brought about the successful effort to complete the mural work in the House wing of the Capitol. For it was Fred Schwengel who enticed Allyn Cox to return to Washington and complete the murals. These murals now adorn the front north-south corridor of the House wing.

What Fred did for me in those early years in Des Moines, he did for tens of thousands of Americans who came to Washington to learn about their Capitol. He enriched our lives and our understanding of representative government.

Those of us who loved Fred will miss him greatly. President Gerald Ford once quoted Tip O'Neil—former Speaker of the House—as saying about Fred:

Fred is the gatekeeper of history, the caretaker of the U.S. Capitol.

Today, Fred Schwengel is standing at the Gate of Heaven, Mr. President. God will be kind to him and his family, just as he had been kind to so many here on Earth.

Mr. MITCHELL addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the majority leader.

SCHEDULE

Mr. MITCHELL. Madam President, I have consulted with the distinguished Republican leader and with a number of Senators on both sides of the aisle about the schedule in an effort to minimize the inconvenience that will occur as a result of the present situation.

I think all Senators recognize that the events which have occurred were not, and could not have been, predicted, and that, while most unfortunate, Senators' travel schedules will be disrupted.

The circumstances are such that it is necessary to proceed to remain in session.

Therefore, following discussions, as I said, which I have had with the distinguished Republican leader and others, my decision is the following:

We will have the cloture vote today. It will be shortly after 5 p.m. when that cloture vote occurs, immediately following a prior vote on a confirmation.

Then, we will be in session with a cloture vote tomorrow. We will not be in session on Sunday, in recognition of the observance of Palm Sunday. We will be in session with a cloture vote on Monday. We will not be in session on Tuesday in recognition of the observance of Passover. Then we will be in session with a cloture vote on Wednesday.

All of those assume that cloture is not obtained on an earlier vote or the matter is not otherwise resolved. Obviously, that always remains open and I hope that will be possible in one or the other fashion. But if that assumption holds, that is if cloture is not obtained and if the matter is not otherwise resolved independent of cloture, why, then the schedule will be as I have just announced through next Wednesday.

I am not able to make a decision beyond that because, of course, I cannot foresee precisely what will transpire. But there remains to be completed the debt limit extension, which I hope we can complete prior to next Wednesday evening. I have been advised that there will be a large number of amendments offered to the debt limit bill which may result in it taking several days or weeks, as we have seen on this bill. If that occurs and no other alternative is available, it may be necessary to cancel the remainder of the recess—that is next Thursday and Friday and the entire following week—and simply remain in session. I truly hope that will not be necessary but I think it important that Senators have the maximum notice possible with respect to what may occur on the schedule.

My hope is very much otherwise. My hope is that we are going to be able to complete action on the pending measure and on the debt limit extension in time for all of these, the events which I have outlined as possibilities, not to occur.

Mr. DOLE. Will the majority leader yield?

Mr. MITCHELL. Yes.

Mr. DOLE. Has there been a judgment made as to what time the cloture vote might occur tomorrow? Will that be in the morning?

Mr. MITCHELL. I have not made that decision, Mr. President, and I will as always consult with the Republican leader and with the staffs on both sides of the aisle regarding the schedules of Senators. We do have——

Mr. DOLE. What about——

Mr. MITCHELL. I know of at least one Senator who will be away in the morning and back in the afternoon. If the past is any guide, there will be other Senators who will be present in the morning and away in the afternoon. I will do my best, with the distinguished Republican leader, to do it in a way to accommodate other Senators.

Mr. DOLE. Has there been any determination made yet on the part of the majority leader whether we will be in late this evening, or all night, or late tomorrow night? Has that judgment been made yet?

Mr. MITCHELL. I have not made that judgment and I will, as always, be pleased to hear and consider the views of the Republican leader in that regard.

Mr. MCCAIN. Can I ask the leader if he has made a decision yet on amendments to the pending legislation? He was asked last night as to whether amendments would be allowed or not. I wonder if he has made a decision on that yet.

Mr. MITCHELL. As of this moment there will be no amendments today, although I am open on the question.

If I can receive a finite list of amendments and an agreement to vote on the bill at a date certain, I would obviously be willing to have amendments considered.

Mr. MCCAIN. Pending a date certain vote on the bill, would it be the inclination of the majority leader not to have further amendments?

Mr. MITCHELL. That would be my inclination because I would frankly see no point to it. If there is to be simply an unlimited list of amendments, and we have been advised that is at least a possibility, including many amendments that have previously been voted on, then I do not think there would be much point in doing so. But we certainly will consider proposals on an individual basis and I am prepared at any time to reconsider that matter. That is simply a judgment at this time for this time. I will be pleased to discuss it with the Senator from Arizona and certainly with the distinguished Republican leader.

EXECUTIVE SESSION

NOMINATION OF STROBE TALBOTT, OF OHIO, TO BE AMBASSADOR AT LARGE AND SPECIAL ADVISER TO THE SECRETARY OF STATE ON THE NEW INDEPENDENT STATES

The ACTING PRESIDENT pro tempore. Under the regular order, the clerk will report the nomination.

The assistant legislative clerk read the nomination of Strobe Talbott, of Ohio, to be Ambassador at Large and Special Adviser to the Secretary of State on the new Independent States.

Mr. MCCAIN. Madam President, parliamentary inquiry. I understand there are 40 minutes equally divided, is that correct?

The ACTING PRESIDENT pro tempore. The Senator from Arizona is correct, it is 40 minutes equally divided.

Mr. MCCAIN. I would be glad in the interests of courtesy to allow my friend, the distinguished chairman, to go first if that is his wish—or I will go. It depends. Whichever he wants.

Mr. PELL. I thank the Senator very much indeed.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Rhode Island.

Mr. PELL. Madam President, I appreciate the courtesy of the Senator from Arizona and I am pleased to support the nomination of Strobe Talbott to be Ambassador at Large and Special Adviser to the Secretary of State on the new Independent States. I welcome the President's decision to create this new position which will serve as the focal point for United States relations with the former Soviet Union, and I am confident in Mr. Talbott's ability to take on this rather daunting task.

Mr. Talbott would bring to this position a great deal of experience. As a journalist, he spent a significant amount of time visiting, studying, and writing about the former Soviet Union during a time when it was not always easy to decipher the cryptic signals coming out of Moscow. Despite the difficulties of reporting about Moscow, his writing and observations were generally on target. Although some may disagree with his conclusions and predictions, Mr. Talbott stands by his record, and believes, as do I, that it stands the test of time.

In addition to his fine qualifications, Mr. Talbott enjoys the full confidence and indeed, friendship of the President. I believe that will be an important factor in ensuring that our policy toward the new states is not only a top foreign policy priority, but that it is well coordinated among the many Departments and Agencies which have responsibility for elements of the relationship.

I yield the floor at this point.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Arizona.

Mr. MCCAIN. Madam President, the most obviously important question facing American foreign policymakers today is the future course of our relations with Russia, and the newly Independent States of the former Soviet Empire. With the collapse of communism and the dissolution of that Empire, our policies toward Russia must be informed by our understanding of new geopolitical realities which emerged in the last 2 years.

This is not to say, however, that the judgments and principles upon which we premised our cold-war relations with the Soviet Union are no longer relevant to current considerations of United States policy toward the region. They are quite relevant, especially at this moment of great uncertainty in Russia when on one can predict with certainty whether that nation will evolve peacefully and democratically, collapse into chaos, or return to totalitarianism, be it Communist or fascist.

Our understanding of the vast complexities, historical foundations and perceptions which motivate the people and leaders of the former Soviet Union are absolutely critical to our efforts to help the principles of democracy flourish there. If we are to devote considerable resources to this important endeavor, we will need to quickly and accurately calculate the effect of our actions, and anticipate the political reactions and intentions of the real power brokers in the former Soviet Union, elected or otherwise.

At a minimum, administration nominees who, if confirmed, will help formulate our policies toward the former Soviet Union, should have exercised fairly sound judgment in not only their recent pronouncements on the subject, but also in their past analyses of Soviet leaders and policies, and United States policies intended to contain their cold-war threat to us. Any nominee whose judgment is found to be seriously wanting in either case, should not expect to enjoy the confidence of the Senate.

It is for this reason that I oppose the confirmation of Mr. Strobe Talbott, to be Ambassador at Large, and Special Adviser to the Secretary of State for the newly Independent States.

My opposition to Mr. Talbott's confirmation is neither partisan nor personal. I take no pleasure in denying support to the President's choice for this critically important post. I am aware that Mr. Talbott is a close personal friend of the President's. And I am generally disposed to defer to the Commander in Chief's choice of personnel to implement his foreign policy. But if I find a nominee's judgment to be consistently in error on questions of such great importance to our national security—as I have found to be the case with Mr. Talbott—then I cannot in good conscience vote to confirm his appointment.

As virtually anyone with an interest in United States-Russian relations knows, Mr. Talbott is a prolific commentator on the subject. He has written extensively on his observations and experiences. He has offered numerous opinions on many aspects of our diplomatic and military strategies for Soviet containment. Over the years, I have become quite a consistent reader of Mr. Talbott's, and I have very often disagreed strongly with his analyses.

It is one thing to report mistaken observations and suggest flawed policy solutions. It is another thing altogether to make policy decisions based on similar faulty reasoning which could alter the power structures of a fragile government with far-reaching consequences for U.S. security. The policies of the United States toward the newly Independent States need to be devised with great foresight and executed with great resolve. Mr. Talbott showed little appreciation for either quality in his past observations of United States-Soviet relations.

In the early 1980's, Mr. Talbott wrote in great detail about balance of power contests between the United States and the Soviet Union, acknowledging the immense power of the Soviet Union, and noting its sustainable capability to inflict mass destruction on the United States and the world.

On those grounds, and others, Mr. Talbott was an outspoken critic of the Reagan and Bush administration's strategic defense initiative [SDI]. He strongly believed that the Soviet's would prove SDI to be a strategic blunder by building up their own strategic defenses, and by expanding their offensive arsenal to be sure of penetrating United States defenses. Such a course, Talbott argued, would prove ruinous to administration arms control initiatives. In the January 21, 1985, publication of Time magazine, he wrote:

> If Reagan holds firm on Star Wars, he might as well abandon the pursuit of drastic reductions in existing Soviet weaponry.

Talbott had first sounded this constant theme in his writings 2 years earlier, on April 4, 1983.

> If the U.S. tried to erect the sort of protective umbrella Reagan has in mind, the Soviet Union would suspect that the U.S. was seeking the capability of destroying the U.S.S.R. with impunity. To forestall that, the Soviets would no doubt accelerate their own already considerable research into defensive weapons, while simultaneously refining their offensive weapons in order to "beat" or "penetrate" whatever ABM system the U.S. devises. In that sense, the worst sin against strategic stability is a good defense—particularly the sort of "prevent defense" Reagan has in mind.

Mr. Talbott also dismissed theorists within the Reagan administration who argued that United States nuclear rearmament and a harder diplomatic line with the Soviet Union would ultimately compel the Kremlin toward moderation and reform. In the November 22, 1982 issue of Time magazine, he wrote:

> The Reagan administration's tough rhetoric, its attempt to consolidate anti-Soviet alliances and its program of across-the-board rearmament have all been intended to impress on the Soviets that they have a choice. They can moderate their conduct—which, by implication, means choosing more moderate rulers—and thereby earn a respite from conflict abroad that may be their last chance to tend to their home front.

By my reckoning, Mr. President, the effect of Reagan-Bush Soviet policies has been remarkably close to the theory observed by Mr. Talbott in 1982. But, in that same essay, Talbott showed the disregard with which he would consistently hold Reagan-Bush policies over the last 12 years. "Even if

their actually were such moderates lurking in the wings," he wrote:

It is conceivable that vigorous, sometimes bellicose anti-Soviet policies on the part of U.S. authorities could vindicate and strengthen their hard-line rivals. * * *

Insofar as the administration thinks that it will be doing the Soviet people a favor by increasing pressure on their new leadership to mend its ways "or else." the U.S. may be defying both history and the very nature of the system it is trying to influence.

Virtually any technological advances in the U.S. arsenal were viewed suspiciously by Mr. Talbott. Like ADI, cruise missiles, used so effectively in the gulf war, he considered to be a waste of precious resources, and a threat to the success of arms control efforts. Again, I quote Mr. Talbott:

One of the burdens under which the administration's arms-control negotiators are laboring is an injunction not to trade away, or even accept, significant limitations on weapons systems where the U.S. has a technological lead. For example, microelectronics and precision guidance put the U.S. cruise missile program well ahead of the U.S.S.R.'s. As a result, cruise missiles have been declared virtually out of bounds for restrictions under START.

This faith in technology as the solution to the country's military problems * * * may be both forgetful about the past and shortsighted about the future.

Mr. President, it is stating the obvious to note that President Reagan's vision was vastly more farsighted than Mr. Talbott's criticism.

Given Mr. Talbott's devotion to arms control initiatives, which he zealously sought to protect from the barbarians in the Reagan-Bush administration, one might have expected him to support negotiating positions which had for their object an ambitious outcome. An ambitious outcome was precisely the object of the zero-zero option of no intermediate nuclear weapons in Europe which the Reagan-Bush administration faithfully adhered to throughout the ultimately successful negotiations for an INF treaty.

But, true to form, Mr. Talbott contrived numerous reasons to challenge the efficacy of that position, and once it successfully bore fruit, Mr. Talbott questioned whether the successful outcome—the complete elimination of an entire class of nuclear weapons in Europe—was the one "we should have asked for? And do we want it now?"

After the zero option was finally accepted by the Soviets as the basis for the INF treaty, Talbott credited Soviet persistence and Soviet ingenuity for the success. As any objective observer will tell you, the success of those negotiations is primarily attributable to three things: first, the deployment of Pershing II's in Europe; second, President Reagan's constant advocacy of the zero-zero option; and third, President Reagan's consistent rejection of Gorbachev's attempts to link INF to an SDI ban and a START Treaty. While, Gorbachev deserves credit for finally acceding to the force of United States positions, it was hardly Soviet persistence that succeeded, it was American resolve. Had we waited for Soviet ingenuity to resolve the matter or had we taken counsel of Mr. Talbott's admonitions, we might very well still be arguing today about how to rid ourselves of an array of nuclear weapons in Europe.

Perhaps, my apprehensions about Mr. Talbott's appointment could have been somewhat mitigated if in recent times he had ever conceded his earlier mistakes in judgment, and given some signal that he understood the nature of those mistakes and taken steps to correct the faults in his reasoning. Unfortunately, to my knowkedge, Mr. Talbott has never conceded that his analyses were frequently in error. At the most, he has simply replaced arguments now proven to have been incorrect with new, but comparably specious arguments.

As the foundations of the Soviet empire were crumbling, Mr. Talbott abandoned his earlier reasoning that the Soviets could and would always respond adequately to United States challenges to the balance of power. But he continued to dismiss the increasingly compelling logic that Soviet efforts to keep pace with the West had, in effect, failed and ultimately destroyed the Soviet system. In January 1990, he argued that:

The Soviet system has gone into meltdown because of the inadequacies and defects at its core, not because of anything the outside world has done or not done or threatened to do.

In this same article, Talbott goes on to dismiss almost entirely the policy of containment, consistently applied over nearly half a century by nine Presidential administrations, Democrat and Republican alike.

For more than four decades, Western policy has been based on a grotesque exaggeration of what the U.S.S.R. could do if it wanted, therefore what it might do, therefore what the West must be prepared to do in response.

Talbott declined to admit that few observers of United States-Soviet relations more egregiously exaggerated "what the U.S.S.R. could do if it wanted" than Mr. Talbott. Nevertheless, after a professional lifetime of miscalculating Soviet means and intentions, Talbott now rejects the policy that has proven to have been a most successful exertion of free nations to resist the gravest threat to their security in history. "The doves in the Great Debate of the past 40 years were right all along," says Talbott.

Yet, ironically, it is the hawks who are most loudly claiming victory, including moderate Republicans who are uncomfortable with that label and would rather be seen as conservatives. * * *

It is a solipsistic delusion to think that the West could bring about the seismic events now seizing the U.S.S.R. and its "fraternal" neighbors. If the Soviet Union had ever been as strong as the threatmongers believed, it would not be undergoing its current upheavals.

In an eloquent emphasis of this point, Talbott attributes the Soviet Empire's collapse to the "nakedness of the red emperor before his enemies." Of course, a few short years before Talbott offered this poignant observation, he was just as adamantly arguing that the Soviet Emperor was clothed in a suit of armor, with weapons at the ready, and prepared to fend off any challenge from the West far into the foreseeable future.

While his reasoning might have changed, his prescriptions did not. In April 1991, Talbott still argued against SDI and for strengthening the ban on testing and deployment of space based systems.

Since that article's publication, Soviet military leaders have admitted that SDI was a realistic and practical proposal—a strategic outcome that significantly altered the military strategy and negotiating position of the Soviet Union. Again, Talbott miscalculated the political and diplomatic consequences of U.S. military strategy. The mere threat of SDI added to the growing list of Soviet weaknesses from which they could not recover through arms escalation, which hastened the bankruptcy of the Soviet system that sped the dissolution of their empire.

The illogic of Mr. Talbott's evolution in thinking, while certainly imaginative and astonishing, is, nevertheless, the most conspicuous attempt at rewriting history that I have ever witnessed. Its purpose, I assume, is not to defend a point of view, but to protect the reputation of its author.

Madam President, as I noted earlier in my remarks, Mr. Talbott is a prolific writer. My lack of confidence in this nominee is solely attributable to the many opinions Mr. Talbott has expressed throughout the body of his work. I have read most of them, and it would require many more hours for me to cite all the examples of mistakes and inconsistencies upon which Mr. Talbott bases his reputation as a Soviet expert. Those that I have mentioned today are sufficient justification for me, and for the Senate, to oppose Mr. Talbott's confirmation.

Foreign policy is more than an academic pursuit. Policymakers may not be immune to the imaginative, but flawed hypothesizing done just for the sake of arguing or demonstrating scholarly brilliance that occasionally occurs in academia. Neither is another common ailment in academia—the zealous defense of one's thesis beyond logic and truth—unheard of in halls of power. But such frailties are more dangerous attributes in government, than they are in our universities.

History is replete with lessons learned regarding the critical synergies of diplomacy, foreign policy and mili-

tary strategy. Mr. Talbott seems to have learned few of them, if any. It is certainly possible that had we listened to Mr. Talbott's advice during the last decade or so of the cold war, we would find ourselves still immersed in that epic struggle.

Thus, I fear we have no assurance that Mr. Talbott will provide the well-conceived advice and foresight on how we can best assist the newly independent States through their transition to democracy that the Secretary and the President will need to rely on as they take their turn at fashioning a new world order.

There is nothing in Mr. Talbott's work to allay my fear. On the contrary, further reading of his writings merely exacerbates my concern. Both the President and the Nation deserve far better counsel than that which Mr. Talbott is likely to provide. On that basis, I will vote to oppose Mr. Talbott's confirmation, and I urge my colleagues to do likewise.

Madam President, I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. CHAFEE addressed the Chair.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. PELL. I yield 5 minutes to my colleague, the Senator from Rhode Island.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Rhode Island.

Mr. CHAFEE. Madam President, obviously the distinguished Senator from Arizona has spent a lot of thoughtful time analyzing the background here. I am not going to contest the points that he has made. I just want to say for the RECORD that I have known Strobe Talbott for some 15 years, and I have worked in connection with matters not directly related to the Soviet Union with Mr. Talbott and have found him a person both of tremendous ability and of high character. He is a man who does speak Russian, which obviously is an added plus for the job for which he is being nominated.

I found Strobe Talbott a person who can analyze a problem and come to what, in my judgment, was the correct conclusion.

Madam President, I listened to the distinguished Senator from Arizona discuss the subject of SDI. All of us have views on that. I personally was opposed to the amount of money that we were spending in SDI, and apparently that is the position that Mr. Talbott had likewise, although I am not totally familiar with it.

It seems to me, Madam President, in all of these jobs we go with somebody who, from our knowledge or from our experience, is a thoughtful and a wise individual. And also in this particular job, which is a very, very difficult one, we want somebody who has drive and energy. It is not a military job. It is a job that will involve trying to provide direct aid—that is one of the facets of it—that is going not only to Russia but to the Republics that made up the former Soviet Union.

So, Madam President, I stand as one who admires Strobe Talbott, and I am a supporter of his and believe he will do a good job in this particular position. So I do hope that his nomination will be approved by this body.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. PELL addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island.

Mr. PELL. Madam President, I yield myself 3 minutes.

Mr. Talbott's nomination has been given a full airing by our committee, and I thank in this regard Senator HELMS for his cooperation in helping move it along and giving it a fair hearing.

Mr. Talbott called upon members of the committee prior to his nomination hearing to discuss the issues of concern to various individual Senators. On March 23, the Committee on Foreign Relations held a very thorough hearing, chaired by Senator BIDEN, on Mr. Talbott's nomination. In addition, a number of Senators submitted questions for the RECORD, which have been answered by Mr. Talbott. And on March 25, the committee reported favorably Mr. Talbott's nomination by voice vote.

This weekend, actually now, President Clinton will travel to Vancouver to meet with President Yeltsin for their first summit meeting. I believe it would be very beneficial for Mr. Talbott to be confirmed prior to the summit so that he can participate fully in the preparations for Vancouver, as well as the summit itself. That would be another reasons for voting on this nomination expeditiously.

As one who admires Strobe Talbott and has read some of his writings, I think that in general his writing is on target. There are some, I am sure, differences of view.

I believe that he has the trust of the President, which is very important for a man in his position, and that his nomination would be in the interest of the United States. I urge my colleagues to support that nomination.

Mr. MCCAIN addressed the Chair.

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

Mr. MCCAIN. Madam President, just very briefly, I did not put a hold on Mr. Talbott's nomination. I almost never do that. I did not try to impede the process of this nomination. I understand the requirement that the President have his adviser at his side at this summit meeting that is coming up very soon.

The fact is, unfortunately, my friend from Rhode Island either did not listen to or did not care about what I said. It was not about SDI. It was about the flawed views that Mr. Talbott has held consistently and his flawed prescriptions.

Whether the Senator from Rhode Island supported full funding for SDI or not, the facts are clear in testimony from the Soviet military and civilian leadership that the threat of SDI was a significant factor in bringing about the end of the cold war. The vast majority of opinion substantiates that because the facts are there because of the statements of leaders and former leaders in the then Soviet Union.

But if it had been based simply on SDI, clearly I would not have objected to Mr. Talbott's nomination. It was based on a consistent, thorough misanalysis of the Soviet Union, their policies, what actions the United States needed to take in order to make an adequate response, a rather significant switch in his views about the strength of the Soviet Union following the collapse of the Soviet Union, and again a bit of a total failure to admit that any of those ideas and thoughts—which are voluminous, which I can provide, if necessary, for the RECORD—were wrong. And they were consistently wrong. That is the reason for my opposition.

If my friend from Rhode Island believes that it had nothing to do specifically with the Soviet SDI, he either did not listen or he does not care about the context of my remarks.

I yield the remainder of my time.

Mr. BIDEN. Mr. President, today the Senate considers the nomination of Strobe Talbott to be Ambassador at Large and special adviser to the Secretary of State on the newly independent States of the former Soviet Union.

Mr. Talbott comes before the Senate as the survival of democracy in Russia hangs in the balance. President Boris Yeltsin, the only freely elected leader in Russia's history, is caught in a bitter power struggle with opponents of reform. Yeltsin has chosen a bold course: to defend democracy by going over the heads of the Congress of People's Deputies and seeking a vote of confidence directly from the Russian people.

It is a path fraught with risks, and the stakes—both for the Russian people and the West—could not be higher.

At this historic moment, the United States and the West must do everything possible to assist the cause of reform and democratic government in Russia. I applaud President Clinton's statement in support of President Yeltsin and the democratic process, and I encourage him to take additional steps in the days and weeks ahead.

The United States and the West cannot save Russian democracy. At the end of the day, the Russian people themselves must stand up and defend the principles of self-government now

taking root in that vast and troubled land.

But we can offer guidance, assistance, and moral support to President Yeltsin and his allies.

To show our support, we should have a successful summit. And to those who say we must not focus on Boris Yeltsin the man the way George Bush centered American policy on Mikhail Gorbachev, I say Boris Yeltsin is more than one individual: he is the only freely elected leader in Russia's 1,000-year history.

By supporting President Yeltsin, we are not endorsing Boris Yeltsin, we are supporting the Democratically elected President.

In terms of Western assistance, first we should get serious in restructuring Russia's $80 billion debt to the west.

Russia is already in default on payments to the United States for Agricultural credits. All of us must recognize that debt relief is critical to Yeltsin's economic reforms. The G–7 nations wrote down more than half of Poland's debt after their revolution—a crucial step in Poland's transition to a free market economy.

My question is: why should we do less for Russia?

Next, we should persuade Japan to put aside its concerns about the Northern Territories and begin to provide substantial assistance to Russia. Japan's national pride may suffer over the ownership of those four tiny islands; but those wounds will pale in comparison to the damage to Japan's national security should Russian democracy fail.

These are just two ideas. I am confident that the nominee has many others that he will recommend to the President once confirmed.

And because of the urgency of the situation, not to mention the self-evident skill and knowledge of the nominee, I am please we have moved as expeditiously as possible in confirming him.

For many years, as a journalist and a scholar, Strobe Talbott has been a dedicated student of Russia and of United States-Soviet relations. His expertise in the field is beyond dispute.

He brings another important quality as well. As a friend and colleague for more than two decades, Mr. Talbott has the highest confidence of the President.

For those of us who have long advocated designating a top official, with access to the President, to oversee American policy toward the former Soviet Union, his nomination is welcome indeed. I urge my colleagues to support this nomination.

The ACTING PRESIDENT pro tempore. Who yields time? The Senator from Rhode Island.

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

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

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. PELL. Madam President, I am prepared to yield the remainder of our time.

The ACTING PRESIDENT pro tempore. All time is yielded back.

LEGISLATIVE SESSION

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will return to legislative session.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. There will now be a period for morning business until the hour of 4:45 p.m. today. The time between now and 4:45 p.m. is equally divided and controlled by Senators BYRD and HATFIELD or their designees.

Mrs. FEINSTEIN. Madam President, I suggest the absence of a quorum and ask that the time be charged equally to both sides.

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAMM. I ask unanimous consent that the order for the quorum call be rescinded.

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

The Senator from Texas.

THE GRAMM AMENDMENTS

Mr. GRAMM. Madam President, I had hoped this morning to offer some amendments to the pending bill. In my opinion, those amendments are very important to the American public. I would like to simply state for the record that I am unhappy that we are being denied an opportunity to amend the so-called emergency stimulus package.

I have two amendments. So that people might know exactly what is in these amendments, I ask unanimous consent that both amendments be printed in the RECORD.

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

On page 29, line 24, strike "1993" and insert, "1993.

"SEC. . Each amount provided for discretionary items in this Act shall hereby be reduced by 74.2 per centum.

"SEC. . It is the sense of the Senate that the savings from this across-the-board reduction shall be used to offset the revenue loss resulting from a two year delay in the implementation of the 85% inclusion of Social Security benefits for purposes of the individual income tax."

Strike the matter proposed to be inserted by the Committee amendment and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Family Investment Act".

SEC. 2. FAMILY INVESTMENT ALLOWANCE.

(a) IN GENERAL.—Section 151(d)(1) of the Internal Revenue Code of 1986 (defining exemption amount) is amended to read as follows:

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'exemption amount' means an amount equal to the sum of—

"(A) $2,000, plus

"(B) an additional $1,200 for each dependent for whom an exemption is allowed under subsection (c) who is a child of the taxpayer and who—

"(i) has not attained the age of 16 before the close of the calendar year in which the taxable year of the taxpayer begins, or

"(ii) is permanently and totally disabled (as defined in section 22(e)(3)) at any time during the taxable year.".

(b) PHASEOUT.—

(1) IN GENERAL.—Section 151(d) of such Code (relating to phaseout) is amended by adding at the end the following new paragraph:

"(5) PHASEOUT OF ADDITIONAL EXEMPTION.—

"(A) IN GENERAL.—In the case of a taxpayer with an adjusted gross income in excess of the threshold amount for any taxable year, the amount of the additional exemption allowed under paragraph (1)(B) shall be reduced (but not below zero) by the amount determined under subparagraph (B).

"(B) AMOUNT OF REDUCTION.—

"(i) IN GENERAL.—The amount determined under this paragraph equals the amount which bears the same ratio to the dollar amount under paragraph (1)(B) as—

"(I) the excess of the taxpayer's adjusted gross income for such taxable year over the threshold amount, bears to

"(II) $12,500.

"(ii) ROUNDING.—Any amount determined under this paragraph which is not a multiple of $10 shall be rounded to the next lowest $10.

"(iii) THRESHOLD AMOUNT.—For purposes of this paragraph, the term 'threshold amount' means—

"(I) $47,500 in the case of a joint return or surviving spouse (as defined in section 2(a)),

"(II) $41,500 in the case of head of household (as defined in section 2(b)),

"(III) $28,500 in the case of an individual who is not married and who is not a surviving spouse, and

"(IV) $23,750 in the case of a married individual filing a separate return.

"(C) ADJUSTED GROSS INCOME.—Adjusted gross income of any taxpayer shall be determined—

"(i) after application of sections 86 and 469; and

"(ii) without regard to sections 135 and 911.".

(2) CONFORMING AMENDMENT.—Paragraph (3)(A) of section 151(d) of such Code is amended by inserting "under paragraph (1)(A)" after "exemption amount".

(c) INFLATION ADJUSTMENT.—Section 151(d)(4) of such Code (relating to inflation adjustments) is amended by adding at the end the following new subparagraph:

"(C) ADJUSTMENT TO ADDITIONAL EXEMPTION AMOUNT.—In the case of any taxable year beginning after 1993, the dollar amount con-

tained in paragraph (1)(B) shall be increased by an amount equal to—

"(i) such dollar amount, multiplied by

"(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting '1992' for '1989' in subparagraph (B) thereof.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992, and before January 1, 1996.

(e) BUDGET EMERGENCY.—

(1) IN GENERAL.—Pursuant to section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985, the Congress hereby designates all reductions in receipts provided by this Act for all fiscal years as emergency requirements within the meaning of part C of such Act.

(2) EFFECTIVENESS.—Notwithstanding any other provision of law or any other provision of this Act, none of the preceding sections of this Act shall take effect unless the President submits to the Congress a written designation of all receipts legislation provided by this Act for all fiscal years as emergency requirements within the meaning of part C of the Balanced Budget and Emergency Deficit Control Act of 1986.

Mr. GRAMM. Madam President, the first amendment printed in the RECORD was an amendment that I had hoped to offer this morning and that I intend to offer at some point during the consideration of this $16.5 billion spending bill. Let me explain briefly what the amendment does.

We have before us a $16.5 billion spending bill that is illegal. The law of the land adopted in 1990 said that we would set out a cap on discretionary spending and that it would be illegal to spend beyond that cap, that there would be a 60-vote point of order in the Senate, and that, if Congress spent beyond that cap, there would be an automatic across-the-board cut in spending to bring us back under the cap.

The bill that is before us has spending that violates the 1990 law, is therefore technically illegal. But it has in it a little provision that says it is an emergency, and, therefore, even though we are spending $16.5 billion and raising the deficit by $16.5 billion, by this trick we spend $16.5 billion but we do not count it as spending. So we raise the deficit by $16.5 billion and we do not count it as deficit. And as anyone who has followed the debate in the last week knows, the funding in this bill is for grants to cities and to States to spend on numerous projects that range from gyms and parks and graffiti abatement, bike paths, parking garages, parking lots, swimming pools, recreation centers, sports facilities, bathhouses, soccer fields, ice skating warming huts, playgrounds, jogging paths, and hiking trails.

In fact, as my colleagues will remember and those following the debate know, I offered an amendment to prohibit any of the funds contained in this bill from being spent for this purpose. That amendment was defeated basically along party lines.

The amendment that I would have offered would cut all the discretionary spending in this spending bill by some 75 percent across the board, and then those savings would be used to offset the revenues that would not be gained by raising taxes on Social Security. So that by cutting spending in these discretionary programs, building fewer jogging paths, painting fewer water towers, building fewer bathhouses and boat landings, we could then be able to take out the Social Security tax increase that would be imposed on the American people to pay for these programs over the next 2 years.

I remind my colleagues that despite the rhetoric of the campaign that only people making over $200,000 a year are going to be taxed by the President's program, the reality is the budget adopted yesterday calls for a Social Security tax on every senior citizen earning over $25,000 a year. And that is well below the $30,000 income level the President claimed would bear no new taxes. But now we know the President was counting the imputed value of rent that a homeowner would have to pay if they did not own their home, the cash buildup in a life insurance policy, and other things as income that never show up on a W–2 form.

My amendment would, if I had an opportunity to offer it today, cut the discretionary spending programs in this bill by 75 percent and then use that money so that we did not have to raise Social Security taxes over the next 2 years.

It seems to me, Madam President, that if the American people understood that we are going to spend more on this bill over the next 2 years on very dubious make-work projects, than we are going to collect by raising taxes on Social Security, people would rather that our Social Security recipients were not taxed and that their money was not spent.

Had I had an opportunity today, I was going to offer that amendment and, in fact, on our side of the aisle, that was the next amendment that was to be offered.

So for those who say, well, there is gridlock in the Congress, let me say that I am here prepared to offer this amendment. I would love to have an opportunity to debate whether or not we ought to tax Social Security to fund the building of parks and graffiti removal and art centers, but I am not afforded the opportunity to do that under the procedure that is being followed.

So for those who will say, well, this is gridlock and people are delaying, I would like to offer this amendment. I would like to have a chance to give people the opportunity to say which they value more—letting people keep their lifetime earnings, their nest egg, versus building all these projects in the name of creating some jobs somewhere for somebody.

The second amendment is a more fundamental amendment, and I still hope to offer it either today or tomorrow. The second amendment seeks to fulfill a campaign promise that the President made during the campaign and that the American people support, and that is a campaign promise of cutting taxes on middle-class Americans. It seeks to do it in such a way as to not raise the deficit.

I remind those following this debate, again, that we have before us a bill to raise brandnew spending by $16.5 billion. What my amendment seeks to do, the second amendment, is to cancel all this new spending and, instead, take that $16.5 billion and raise the exemption that working families have on their income tax for children under 16 years of age by $1,200. Every family in America making $60,000 or less would get a $1,200 tax deduction for each child under the age of 16, and we would let families spend this money, rather than letting Government spend the money.

We have heard argued here by our Democratic colleagues that we need to stimulate the economy by letting government go out and borrow the $16.5 billion, taking it away from people who would have build new homes, farms, and factories and then let Government spend it. That is how they would stimulate the economy.

Quite frankly, Madam President, I do not think there is any chance that that is going to be the case. But what I am doing with this second amendment is giving our colleagues an alternative way, if they are determined that they want to stimulate the economy with $16.5 billion.

The alternative that I am presenting is: Do not let the Government spend the money; let working families spend the money. Take the $16.5 billion and use it to finance a tax deduction for working families, $1,200 per child under 16 for every family in America making less than $60,000 a year. Give them the money back, let them keep more of what they earn, and let them invest it in housing, nutrition, education, and health care.

By letting families invest it, we know it will be invested in the future of America. Quite frankly, I know the Government, I know the American family, and I know the difference.

So if we are just absolutely committed to spending $16.5 billion that we do not have, if we are absolutely committed to raising the deficit by $16.5 billion, even though everything we hear from back home is cut spending first, if our first action is going to be to raise the deficit by $16.5 billion, why not take the $16.5 billion and use it to fund a middle-class tax cut for working families that have children under 16 rather than spending $16.5 billion on parks and bike paths and make-work projects.

So I have two amendments that I am ready and eager to offer. The first

amendment would cut the discretionary spending in this bill by 75 percent and use the money to defer this Social Security tax increase that was called for yesterday, in the firm belief that we ought not to be taxing Social Security to fund the pork barrel projects contained in this bill.

The second amendment I have is an amendment that would strike all of the spending in the bill, and if we are determined that we want to stimulate the economy, we would let working families keep that $16.5 billion and invest it in their future and, therefore, in the future of the country.

At the earliest moment that it is possible for me to offer these amendments, I am going to offer them. I am eager to debate these issues, and I hope the people who are running around saying this is gridlock will give me an opportunity to debate these issues. These are important issues. They deserve to be debated, and I think the reason they are not being debated is that people know that if the American people had a choice, they would not choose to spend this money on the programs that we are contemplating spending the money on.

I yield the floor.

Mr. GRASSLEY addressed the Chair.

Mr. BYRD addressed the Chair.

THE PRESIDING OFFICER (Mrs. BOXER). The Senator from West Virginia is recognized.

Mr. BYRD. May I ask the distinguished Senator a question?

Mr. GRASSLEY. Yes.

Mr. BYRD. There is time on his side, of course, that would be controlled by Mr. HATFIELD. Does the Senator wish to speak on the matter that is before the Senate, or does he wish to speak on another matter?

Mr. GRASSLEY. I would like to speak for about 10 minutes on the matter that is before us.

Mr. BYRD. Fine. He can use his time, of course, on any matter he wishes. I am going to discourage Senators on my side, if I can, from talking about various and sundry other matters, so we can continue to focus on the bill.

So, Madam President, the Senator from Iowa also sought recognition. I would like for him to be recognized, and then I would like to be recognized following his remarks.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

DISCIPLINE IN GOVERNMENT ACCOUNTING

Mr. GRASSLEY. Madam President, I yield myself 10 minutes. I think I will be done in 10 minutes. If I am not, I would like to ask for a few more minutes. But I will not take the floor for a very long period of time.

As I indicated to the Senator from West Virginia, the distinguished chairman of the committee, I will be speaking on the issue before us.

I had talked Wednesday, I believe it was, about some lack of accounting in the expenditure of funds and, particularly, as the General Accounting Office and the Comptroller General point out, that we do not have very good accounting and discipline.

I want to follow up on my comments about that, and I related that—as you will recall 2 days ago—to the whole subject of reinventing Government before we throw money at old Government programs, and also in reference to whether or not we have enough discipline and enough integrity in the financial management throughout the Federal Government.

Madam President, this is a very serious problem. This is a crisis; it is a real emergency. More money is not the answer; it is the problem. We have lost control over the people's money, and nobody seems to care.

I would like to briefly revisit the issue. I would like to tell my colleagues where I intend to go with this issue—not with an amendment on this bill, but at some time in the future on an appropriate vehicle. I want to offer a very specific constructive solution.

Wednesday, I explained how and why the Air Force took $649 million from the M accounts to make its books balanced. Both the inspector general at DOD and the General Accounting Office have concluded there is no documentary evidence to support the $649 million taken from the M accounts. And I can explain that this is a violation of the Federal law, section 1501 of title 31, United States Code. This was an illegal transaction—pure and simple.

The Government Accounting Office concludes and I quote:

> Since the difference in records is an accumulation of 30 years of errors, it is doubtful if the Air Force will ever be able to reconcile the $649.1 million difference between departmental and field level records.

That is a sad commentary, but what does it really mean? Without the required documentary evidence, we have no way of knowing what happened to the money. It could have been stolen. We do not know and probably never will know. That is what it means.

Madam President, is that acceptable? Should that be tolerated? I do not think there is a person here in this body that will say it is acceptable or it should be tolerated.

The lack of discipline and integrity in accounting for our tax dollars is inexcusable. It must not be tolerated.

The $649.1 million in unsupported Air Force obligations should be returned to the Treasury and used to reduce the deficit.

Madam President, at an appropriate time, as I indicated, I will have an amendment, not to this bill but to other vehicles, to recover the $649.1 million. My amendment would deobligate and cancel the money involved in this illegal transaction.

I simply want to bring this issue to the attention of my colleagues at this time and to ask for their support when I am ready to offer the amendment.

Toward this end, I would like to advise my colleagues and the managers of bills at a future time that the issue of the unsupported Air Force obligations is described in detail in a General Accounting Office report entitled "Financial Management: Agencies' Actions To Eliminate M Accounts and Merged Surplus Authority."

The unsupported obligations are discussed on pages 3–4 and 33–35 of the report. This report is to be made public today. I hope it has been. I do not know for sure. It is also addressed in the Department of Defense IG Audit Report No. 92–028 entitled "Merged Accounts of the Department of Defense."

Madam President, I invite the chairmen of the appropriate committees and perhaps anybody that is interested in bringing reason to the fact and estoppel to the fact that money can be spent illegally whether it is in the Defense Department, or any place else, to study the facts and decide what might be an appropriate approach if, for instance, you might think my amendment might not be.

I am open to all sorts of ideas and suggestions because we have to stop illegal and abusive expenditures and recover them before we start spending more money.

If we have Government agencies that cannot be audited because the records are so bad and if Congress cannot get an accounting for all the money we appropriate, then, of course, it is time to take very decisive action.

THE REPUBLICAN ROLE

Mr. GRASSLEY. Madam President, this on another point but still related to this issue before us.

We heard this morning from the President of the United States, and obviously he has a wonderful opportunity to use the Presidency as a bully pulpit. He was commenting on the role played by my side of the aisle of this body, the Republican side of the aisle. He says that we represent "43 votes for gridlock." He implies that less than a majority is holding up passage of this pork barrel.

Coincidently, though, Madam President, the number 43 happens to be the same percentage of vote that Mr. Clinton received in November. That, too, I say to you, Madam President, and the Members of this body, was less than a majority. Forty-three Republicans, each one of us on this side of the aisle, represents 1 percent of what Mr. Clinton received in November: 43 Republicans, 43 percent.

On this side of the aisle, what we are doing is holding, I believe, the President's feet to the fire. We are making him deliver on his promises to the American people.

The President keeps saying that we voted for change. This does not mean that they voted for him to change his mind. If he said that he would lower the deficit, then he should lower the deficit. Since this bill would increase the deficit, then we are holding his feet to the fire.

Had we on this side of the aisle been trying to frustrate what the President campaigned on, that would be gridlock. Rather, what we are doing on this side is preventing irresponsible government.

One other brief point, Madam President: We heard last night from the other side of the aisle that somehow we are trying to embarrass the President before a meeting in Vancouver. First, some weeks ago we were told that patriotism means that we have to swallow new taxes. Now we are told that patriotism means increasing the debt. To me this is somewhat too much doublespeak. And if we have to listen to too much of it, we will have an opportunity to write an Orwellian novel.

TOPIC: CLINTON ECONOMIC PACKAGE AND "GETTING IT"

President Clinton last night, and this morning, said that Republicans "just don't get it" because we oppose the Clinton deficit spending stimulus package before us now.

And you know, Madam President, I guess President Clinton is right.

If by getting it, he means that I understand the reasoning behind adding $16 billion to the deficit. I do not get it.

If by getting it, he means that I comprehend why he advocates a Government jobs bill when it has been proven that this type of approach doesn't create jobs. I do not get it.

If by getting it, he means that I grasp the reason why we are shoving billions of dollars into a spending pipeline that cannot handle it, thereby wasting billions of the taxpayers dollars. I do not get it.

If by getting it, he means that I understand why, just as we are recovering from the recent recession, we are advocating this so-called jobs bill. I do not get it.

And, if by getting it, he means that I understand the reasoning behind massive tax increases, massive Government spending, and adding over a trillion dollars to the debt. I do not get it.

Madam President, I admit it. I do not get it. And I hope I never do.

I yield the floor.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Madam President, how much time do I have under my control.

The PRESIDING OFFICER. The Senator has 115 minutes.

Mr. BYRD. I thank the Chair.

Madam President, it does not really make any difference what the percentage was of the vote that Mr. Clinton received, whether it was 53 or 43, or whatever.

The President of the United States, William Jefferson Clinton, took the oath of office on January 20, 1993. He is the President of the United States.

If we want to talk about slim percentages, we might go back to Mr. Reagan's election in 1980. He received, as I recall—I am speaking from memory—something like 50.7 percent of the 52.6 percent of the votes that were cast by the voting-age population in that election. So, he won by a very slim majority, and only a bare majority of the voting-age population even voted. So this would mean, if one wished to extrapolate the figures, that Mr. Reagan was only really elected by about 26.7 percent of the voting-age population in the election.

So let us forget about the percentages of past elections. The President of the United States is President Clinton and he has sent to the Congress a program.

I note before I begin my prepared remarks that the jobless rate remained unchanged in March. I hold in my hands a wire dated 9:35 eastern standard time today. It is an Associated Press wire.

The heading is as follows: "Jobless Rate Unchanged in March; No Job Growth."

Reading excerpts from the release:

The report figured to strengthen President Clinton's case for passage by Congress of a $16.3 billion jobs-creation bill that Republicans have stalled in the Senate. Republicans argue the measure is unnecessary because the economic recovery is strengthening and beginning to accelerate the pace of job growth.

The Labor Department said its survey of business payrolls showed that employment in March fell by 22,000 from the month before. Private economists had generally expected the report to show an increase in the range of 100,000 to 150,000 jobs. "I think we have just a whole host of factors that are continuing to slow this job recovery," said Norm Robertson, a Pittsburgh-based economist. "The job market is likely to remain slow and weak. Unhappily, this is going to continue to worry the American consumer."

Madam President, I ask unanimous consent that the entire news release be printed in the RECORD.

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

JOBLESS RATE UNCHANGED IN MARCH; NO JOB GROWTH

WASHINGTON.—The nation's jobless rate held at 7.0 percent in March as employment gains in the previous month disappeared and only a few service industries such as health care managed to add jobs, the government reported today.

The report figured to strengthen President Clinton's case for passage by Congress of a $16.3 billion jobs-creation bill that Republicans have stalled in the Senate. Republicans argue the measure is unnecessary because the economic recovery is strengthening and beginning to accelerate the pace of job growth.

The Labor Department said its survey of business payrolls showed that employment in March fell by 22,000 from the month before. Private economists had generally expected the report to show an increase in the range of 100,000 to 150,000 jobs. "I think we have just a whole host of factors that are continuing to slow this job recovery," said Norm Robertson, a Pittsburgh-based economist. "The job market is likely to remain slow and weak. Unhappily, this is going to continue to worry the American consumer."

In February, business payrolls had jumped by 367,000, generating hope among many that the economic recovery finally was beginning to spur job growth. A separate Labor Department survey of households estimated that employment in March rose by 114,000. Economists generally consider the business payroll survey to be a more reliable gauge of the labor market.

Robert Dederick, chief economist at The Northern Trust Co. in Chicago, said he viewed the March report as a "correction" of February's unexpectedly large gain in employment, and that taken together, they reflect modest improvement. "The basic message is that employment is rising, although it certainly is not recovering at anything like a conventional post-recession rate," he said.

William G. Barron, Jr., deputy commissioner of the Labor Department's Bureau of Labor Statistics, said in testimony prepared for delivery today to the Joint Economic Committee that the March report provided little evidence of strength in the job market.

"While we have seen slow but steady declines in unemployment between June and February, joblessness remains well above pre-recession levels," he said, noting that before the recession began in 1990 the jobless rate was in the 5 percent range.

Today's report said there were 8.9 million unemployed people in March, the same as in February, and the total labor force was 127.4 million, up by 102,000.

The number of discouraged workers defined by the government as people who say they want a job but have stopped looking was unchanged at 1.1 million for the first three months of the year, the Labor Department said. It has been steady at that level since the summer of 1991, shortly after the recession officially ended.

Among industry groups, only the services sector showed any gain in jobs in March. Health care services, such as hospitals, medical laboratories and doctor's offices, showed a modest gain of 9,000 jobs. Business services added 37,000 jobs. Also in the service sector, retail business lost 7,000 jobs and transportation and public utilities gained 7,000. Construction was one of the biggest losers. It shed 59,000 jobs in March. The Labor Department attributed the decline to poor weather conditions over much of the country in late February and early March, including a blizzard that hit much of the East Coast.

Factory overtime slipped in March from its all-time high in February, falling by 0.4 hour to 3.9 hours per week. And the average work week for production workers was down 0.1 hour to 34.3 hours. The Clinton administration insists that its proposed $16.3 billion stimulus program is vital to sustaining the economic recovery and creating jobs. It portrayed Thursday's report that claims for jobless benefits rose by 33,000 last week as evidence that the stimulus package must pass Congress quickly.

Clinton underscored the point in remarks to a gathering of the American Society of Newspaper Editors in Annapolis, Md., on Thursday. "In the 1980s, Europe had at least two significant economic recoveries and gen-

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erated no jobs, and that's the thing that's bothering me now," Clinton said.

"And this recovery allegedly started a long time ago, but the unemployment rate is higher than it was at the depth of the recession, and that's because we are now finding some of the same difficulties," he added.

EMERGENCY SUPPLEMENTAL APPROPRIATIONS

Mr. BYRD. Madam President, we have before us an emergency supplemental appropriation bill designed to create jobs and boost our lackluster economy. We are blocked, however, from acting upon this jobs bill by a filibuster by our friends on the other side of the aisle. They see no need for this legislation, they say. They suggest that it is unnecessary, and that our Nation would be better off without it.

Yet, Madam President, a review of the latest economic reports—and I have just read one release that was on the AP wire this morning with respect to the continued anemic recovery in respect to unemployment.

So a review of the latest economic reports makes it abundantly clear that this legislation is most necessary, and that without it our Nation runs the risk of falling into an economic recession.

That is what we have been saying here on the floor. That is what President Clinton has been saying. That is the reason President Clinton came forward with his jobs bill. He has three legs to this overall package—deficit reduction, long-term investment, and short-term investment in jobs; the third being represented in the bill that is before the Senate.

For 2 years, our economy has been in an economic recovery—a so-called recovery, for it has been the most anemic economic recovery in memory. In my memory; certainly since the Great Depression, I will say.

Certainly, it is the weakest economic recovery from any recession since the end of World War II. Admittedly, we did experience some quickening of our recovery in the latter half of last year. To the delight of all, economic activity picked up and our gross domestic product grew at a relatively healthy pace in the final two quarters of 1992.

Yet, it is now evident that the upturn at the end of last year was nothing more than an all-too-brief thrill in the rollercoaster ride our economy has been on for the last several years. And the latest round of economic news makes it clear that we need to act—and we need to act now—if we want to keep this train from coming off its tracks.

The Labor Department reported this morning, as I have already indicated, that the Nation's unemployment rate remained unchanged in March at 7 percent, while nonfarm payroll employment actually fell by 22,000 jobs. In February, payroll employment had surged, leading some to suggest that the worst was behind us. I hope that those who might have been swept up into a false euphoria by last month's employment figures will now return to Earth in light of today's report. The reality of our situation is that, after a brief gust of wind—just a slight breeze, perhaps—we find ourselves back in the economic doldrums. Unemployment remains yet still higher today than it was at the trough—at the bottom—of the recession from which we have supposedly recovered, but which has not yet come to my State, and to the Nation, as a matter of fact; not really.

And what is the jobs outlook for the months ahead? Yesterday, the Labor Department reported that initial claims for State unemployment insurance rose by 33,000 in the week ending March 27, pushing initial claims to their highest level since last November. Adding to the less-than-encouraging news from the Labor Department, today's Wall Street Journal reports that "a survey of members of the American Business conference, a group of midsize companies, found that only 17 percent report plans for hiring in the second quarter" of this year.

Further adding to the recent spate of weak economic news is the lastest survey of the nation's purchasing managers, which suggests that growth in the manufacturing sector is continuing to slow. The National Association of Purchasing Management's index, which serves as a leading indicator of manufacturing activity, and has also proven to be a reliable leading indicator of overall economic activity, fell in March for the second consecutive month after reaching a 4-year high in January. The purchasing managers' employment index fell to a level of only 49.6 percent in March, suggesting a downturn in manufacturing employment in the months ahead.

Earlier this week, the Commerce Department reported that personal income grew a miniscule two-tenths of 1 percent in February, while wage and salary income actually declined one-tenth of 1 percent. Although consumer spending remained strong during the month, it did so at the expense of the personal savings rate. With spending growth outpacing income growth, the savings rate fell in February to its lowest level in nearly 2½ years.

Adding to the spate of bad news, the Conference Board reported this week that its index of consumer confidence fell in March for the third—for the third—consecutive month. And what was behind the drop in consumer confidence? A concern about jobs, or, more accurately, the lack of jobs. According to the Wall Street Journal:

> Most of the drop in consumer sentiment during March was due to worry about job prospects. Roughly 41 percent of respondents described jobs as "hard to get," while only 6.7% said jobs were "plentiful."

Forty-one percent of the respondents described jobs as hard to get, while only 6.7 percent said jobs were plentiful.

The Journal further noted that "the deterioration in the Conference Board's index coincides with the drop in consumer sentiment as measured by the University of Michigan."

Mr. President, the American economy is weak—weak. We are trapped in an anemic and tenuous economic recovery. Yet, we are about to embark on a massive deficit reduction program that will impose on this already weak economy a tremendous fiscal drag—a tremendous fiscal drag. Long-term unemployment is higher today than it has ever been at this stage of an economic recovery. More than 20 percent of those Americans unemployed today have been out of work for more than 6 months. This is a critical time for our Nation. This is not the time for dragging of feet. This is not the time for filibuster, it is a time for action.

Now, those of our friends who are opposed to this bill—those who are opposed to the President's economic stimulus proposal, if not his entire economic proposal—claim this bill is unnecessary. They claim we cannot afford it. They claim there is no emergency.

Yet, we face a very real emergency. It is an economic emergency. The American people understand the tenuous nature—the very fragile nature—our current so-called recovery; that is one reason that consumer confidence is slipping. The President knows that we face an emergency; the President knows that we face an emergency; that is why he has asked the Congress for this legislation. And I am confident that a majority of the U.S. Senate knows that. A majority of the U.S. Senate knows that we face an emergency. We are blocked. We are blocked—that is self-evident—however, from acting on the emergency supplemental appropriation bill before us because of the delaying tactics of a stubborn minority.

I do not believe that everybody on the other side of the aisle at heart agrees with the tactics that have been demonstrated. I believe that there are Senators on the other side who want to vote and deal with this emergency now and who are uncomfortable with the situation in which they have been cast, the situation in which they have been cast as a minority that will not bend, that will not vote for cloture. And I say that the American people will be the judge in due time.

But my experience over the years leads me to believe that not everybody on the other side of the aisle is gung ho for this kind of tactic. But I do know that some of those who probably would like to proceed with reasonableness feel they cannot do so. They are probably shouted down by those louder voices and, therefore, feel compelled to go along.

Madam President, the time for delay, the time for filibuster, is over. The time to act is now.

Mrs. FEINSTEIN addressed the Chair.

Mr. BYRD. Madam President, how much time would the distinguished Senator from California wish me to yield?

Mrs. FEINSTEIN. Madam President, I say to the Senator, 10 minutes, if he will?

Mr. BYRD. Madam President, I yield to the distinguished Senator 10 minutes.

The ACTING PRESIDENT pro tempore. The Senator from California is recognized for 10 minutes.

THE PRESIDENT'S PLAN

Mrs. FEINSTEIN. Thank you very much, Madam President.

I rise because the Democratic women of the Senate would like to come forward with a presentation. Madam President, I know you are in the chair at the present time but will join us shortly on the floor to add to this colloquy.

We want to say, all of us together, that we strongly support this economic stimulus plan. I was listening and I heard the distinguished Senator earlier, from the opposition, say that they would oppose anything that added to the deficit, and that he just did not get what we were doing.

I am very pleased to say that the people of California are beginning to get the message. Today I received in the mail a simple button. It has gridlock in the middle. It has a line through the gridlock. It says "Support the Plan, Jobs Now, 1993."

So the people of California, I believe, very clearly see what is happening. It is gridlock; it is an effort to stop a President from the first major achievement of his 72-day-old term in office. I must admit, I am a little frustrated with this experience. Both you and I ran for this office to participate in a major change; to pull this Nation ahead and to move it forward.

The reason I am frustrated is I am beginning to understand why our Nation is in its present crisis. For 12 years, Madam President, we have seen this Congress really refuse to deal with the important things that are contained today in this economic stimulus package. It is not a huge stimulus package. It is a $16 billion package. Let me put that in perspective.

We have, according to the Congressional Budget Office—even the opposition up to this point has put $87 billion on the budget deficit to bail out savings and loans. Even the opposition up to this point is now willing to put together $40 billion into the deficit to continue to bail out failed savings and loans, most of whom have failed because of fraud and corruption within their own ranks. Yet they do this and they do not talk about the deficit. They voted to increase defense by $1 trillion in the 1980's. That went onto the deficit.

I was a mayor of a major city during the 1980's, and as a mayor I saw firsthand during the 1980's what happened to the cities of America. The cities are really the heartland of America because in the cities, most of the people of this great Nation reside today. I saw, during that time, community development block grant moneys, which we are arguing about now, slashed; economic development funds were cut; affordable housing was cut; the Urban Development Action Grant Program was ended; revenue sharing to the cities of America was ended. The only job training program, CETA, was ended. All operating and capital grants to railways were ended. I saw slash and slash and slash during the 1980's.

Did the budget deficit go down? No, Madam President, it did not. Why is this? Because suddenly the cities of America and the needs of people have become a kind of scapegoat, something that can be put out there. And that part of the budget pie that we are talking about is so small. It in no way compares with the part for defense. It in no way compares with the part on entitlements. It in no way compares with the part that is just simply interest on the debt.

Now, we have heard today that there is real concern. We are going into an additional session: Saturday, Sunday, Monday, Tuesday.

Madam President, you and I were supposed to address the Democratic Convention of the State of California tomorrow. We are not. We have canceled it. I was to go on a desert tour—you were as well—with Secretary Babbitt. We are not. We have canceled it. And we have canceled other things as well because I believe that you and I and the women of the Senate really believe in the importance of this program. It is small, but it is important because it says that, once again, America is going to begin to take care of her people again—her people—our children, their education, their health, putting our people back to work.

Madam President, when Ronald Reagan was President, the Democrats of this Congress gave him a chance. As skeptical as they might have been, the Democrats gave Reaganomics a chance. We paid a price, but he was entitled to his day and he was given an opportunity. When Ronald Reagan came into office in 1981, the deficit was just over $80 billion. By the time George Bush left office this year, the Federal deficit stood at almost $300 billion.

When Ronald Reagan came into office in 1980, the Federal debt stood at $700 billion. By 1993, as George Bush ended his term, the debt has gone to $3.3 trillion.

This is a plan that would reduce the debt by $496 billion over the next 4 years. It would call for investment in our future and it would call for some economic stimulus, an economic stimulus that is framed in a way that will benefit the people of America once again.

I say we have mortgaged the future of our children and our grandchildren during the last decade, and the resounding results of the November election make it crystal clear: The people of this country want change and they are willing to be a partner in that effort.

Answering these calls for change, a bold, young President has stepped forward with a plan providing a chance for the economic rebirth of America. In just 72 days in office, President Clinton has put forward a plan, one of deficit reduction and economic stimulus. It is not a big surprise. He has held town meetings, he campaigned on this plan, he indicated what he was going to do. The people of America knew what he was going to do before he was elected. So it should not be a surprise.

What is a surprise is the gridlock. What is a surprise is that the opposition will not give this plan the simple opportunity to bring it to a vote in the Senate of the United States. The fact is the plan has passed the House of± Representatives. The fact is the one thing that is holding up its implementation is the Senate of the United States, 100 people who were elected by the States to discuss the public policy of the future of this Nation; 100 people who should be able to read the tea leaves as well as anyone in this Nation to know that this Nation wants change.

Madam President, we have listened and we have heard people say that we do not need a stimulus, the economy is just fine. Well, Madam President, you and I come from a State where one out of eight Americans live, the largest State in the Union. Things are not well at home. We know that. California is in deep recession, double-dip recession. Unemployment is high. It is double digits in parts of our State. Since the mid-eighties, we have lost 900,000 jobs from a base of 14.4 million jobs; that is a 7-percent decline in the number of jobs in the State, and we are growing. We will gain 600,000 people; we have lost 900,000 jobs. So our employment picture is not a bright one. We have lost 807 manufacturing companies; 20,000 businesses went bankrupt last year. Today, nearly a million and a half Californians are out of work. That is more than the population of 13 other States in this country.

So I think, Madam President, when we talk about whether this Nation is in recession or is not, our voices should have some meaning in this for, after all, we represent 32 million people in this Nation. And what happens in California affects the rest of the Nation.

The PRESIDING OFFICER. May I say to the Senator her 10 minutes has expired. Would she care to get additional time?

Mrs. FEINSTEIN. Madam President, may I ask, please, for another 3 or 4 minutes?

Mr. BYRD. Madam President, I yield an additional 4 minutes to the Senator.

The PRESIDING OFFICER. The Senator is recognized for an additional 4 minutes.

Mrs. FEINSTEIN. Madam President, this program conservatively would produce 500,000 direct jobs nationally, 50,000 jobs in California. In addition, 657,000 youngsters between the age of 14 and 21 years of age will have jobs this summer as a result of this plan. The stimulus package contains $1 billion for employment and training in the summer youth program.

Madam President, I cannot begin to tell you what this will mean in California, in areas such as South Los Angeles and San Francisco and East Palo Alto and Oakland and Fresno and Modesto and Sacramento. What better way to jump-start a stagnant economy than to invest in our infrastructure, also in the transportation, in housing, and the schools we need?

According to the Bureau of Labor Statistics, every $1 billion we invest in new roads will produce 25,000 jobs. Every $1 billion we invest in schools yields 27,000 new jobs. Every $1 billion invested in housing yields 29,000 jobs, and every $1 billion invested in local transportation yields 44,000 jobs.

Earlier this week, I spoke in support of the vast opportunities of the Community Development Block Grant Program. I mentioned that as a former mayor I know it well. I put one together for 9 years running. It was hard to develop, but they were worthwhile programs and many have been tested. The Clinton stimulus program contains $2.5 billion in block grant funds. That is about 50 percent more than the $3 billion normal fiscal year 1993 allocation.

Mayor Tom Bradley of Los Angeles has sent us the list of community development block grant stimulus projects that he would engage in. I ask unanimous consent to print this list in the RECORD.

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

MAYOR'S PROPOSED ECONOMIC STIMULUS BLOCK GRANT BUDGET

Project title and description	Council district	Cost
Dunbar North South: Housing and Commercial project of 45 family units in area where the City has already invested more than $13 million. Social programs are funded in this project area by the Department of Aging and CDD. Project will leverage $5.2 million from other sources. Construction jobs estimated at 103 positions; and permanent employment of 46 in retail/commercial space	9	$3,140,000

MAYOR'S PROPOSED ECONOMIC STIMULUS BLOCK GRANT BUDGET—Continued

Project title and description	Council district	Cost
84th and Vermont: A 142 unit family housing over commercial development project. This will complement a proposed major grocery store across the street, and is near planned CDD economic development and the proposed Youth Opportunities Unlimited (Y.O.U.) Center. Project will leverage $14 million from other sources. Construction jobs estimated at 326, and permanent employment of 60 in retail/commercial space	8	5,500,000
Plaza Vermont: An 81 unit family housing project sited with commercial and retail development. Development includes community rooms, training and tutoring space, and outdoor/open space not available in the immediate area. Project will leverage $12 million from other sources. Construction jobs estimated at 200, and permanent employment of 60 in retail/commercial space	9	5,500,000
Hollywest: A 190 unit project for low-income elderly with retail, restaurant and office space including a 40,000 square foot grocery store. Provides direct access to planned metro-rail station. Project will leverage other planned funding by CRA and HPPD. Construction jobs estimated at 505, with permanent employment of 220 in retail space and 26 for housing management	13	6,000,000
Santa Ana Pines: Fifty-six units of modestly priced ownership housing, with 26 units reserved for low-income first-time homebuyers. This is Phase II of a project with $6 million City investment already through a mortgage revenue bond program. Over $10 million from other investment sources is also pledged. Construction jobs estimated at 130, with demonstrated emphasis on local hiring	15	1,000,000
Griffin Court: A 36 unit, new single family home development for low-income first-time homebuyers. Project will leverage $3.6 million in private investment. Construction jobs estimated at 82. Developer is a non-profit community based organization	14	2,000,000
Crittendon Center for Young Women and Children: Rehabilitation of a substandard child care center located within a licensed residential treatment facility for young women and infants. CRA has recently completed $700,000 in seismic improvements to the facility	1	100,000
Grand Plaza Market: Funding to complete the retail component of a mixed use elderly housing and commercial development in the Chinatown Redevelopment Project. Comprised of 301 rental units for low- and very-low-income households. Commercial space is 50% pre-leased for a supermarket. Housing is complete and occupied. Upon completion of the market an estimated 130 permanent jobs will be created	1	2,000,000
Estrada Courts: Within this housing complex, the project will add a community center with a child care facility and a gymnasium. Construction jobs estimated at 33, and permanent employment of 16	14	750,000
Crenshaw Baldwin Hills theatre: Located within the Crenshaw Redevelopment Project area, slated for expansion in a proposed recovery and revitalization effort. The theatre project will be part of the overall mall development, which represents an investment of $50 million in private funds, $40 million in redevelopment funds, and $17 million in previously provided block grant funds. The theatre project will cost $7 million, of which $6 million would be provided by the developers and the theatre operator. Construction jobs estimated at 200, and permanent employment of 25 positions. Brings substantial increase in pedestrian activity to mall, supporting other shops owned by local entrepreneurs. Brings mall to 95% occupancy	8	1,000,000
Central City east business retention package: A community security and sanitation program in the east side of downtown, which contains a significant job base for inner city residents and housing for 12,000 extremely low-income households. Emphasis will be on local hiring, with the objective being to retain businesses by keeping the area safe and clean. During the one-year start-up funded by block grant money, an assessment district will be established by property owners in the area to continue program funding. Project costs include $1 million for street lighting, $1 million toward a $2.5 million truck staging facility and $2.3 million for the security and sanitation component	9 & 14	4,300,000

MAYOR'S PROPOSED ECONOMIC STIMULUS BLOCK GRANT BUDGET—Continued

Project title and description	Council district	Cost
Wilmington Industrial Park: Project will provide improved paved streets to serve industrial sites which are currently accessed by unimproved dirt roads.—The industrial park has been designated as a redevelopment area, a State enterprise zone, recycling market development zone and revitalization zone. The improvements have been identified in a comprehensive plan for street work in the Industrial Park, adopted by Council, as necessary to attract industrial development	15	1,700,000
Youth Opportunities Unlimited (Y.O.U.) center: Facility will consist of an alternative high school, child care center, recreational center and employment/training center. Federal funding of nearly $3 million has been received for this demonstration program. Project will leverage $2.45 million from other sources	8	1,400,000
Hollenbeck Youth Center: Will add to an existing City-owned facility which serves as a multi-service center, gymnasium, boxing and weight lifting room. Work is 85% complete, with $1.2 million spent, and a need for additional $300,000	14	300,000
Emergency shelter: Expansion of the City's sheltering program to provide 60,000 shelter bed nights for homeless individuals. The City has been unable to meet the recent demand for sheltering	(1)	700,000
Vermont Square branch library: This 80 year old unreinforced masonry building will be seismically reinforced and renovated. The present structure is vacant, and the library operates out of rented quarters. The cost of this project is $2.9 million, of which $1.7 million was originally set aside in the bond fund program approved by the voters in 1989. The additional $1.2 million needed will help assure adequate funding for other library work planned in block grant areas	9	1,200,000
Alpine recreation center—gymnasium/outdoor redevelopment: Construction of an attached gymnasium as the final portion of a multipurpose recreation center. Project will include grounds enhancements such as a free-standing pergola, irrigation, turf and landscape work. Total cost of the project is $3 million, with $2 million from other funding sources	1	1,000,000
94th and Broadway housing site cleanup: Site in possession of CRA, planned for low- and moderate-income housing, has an old hospital building with significant toxic and asbestos problems. This site requires building demolition and toxic abatement prior to development. Private investment for development is estimated at $6 to $9 million	8	600,000
Northeast Los Angeles transit store: This one-year project will involve a storefront location for transit information and services, including bus passes and tokens, maps, schedules and information on ridesharing and bicycle use. Funding will provide the 20% match required for a grant request of $350,000 from another source	14	70,000
Community facilities restoration: Project will involve renovation of inner city parks and recreation facilities by youth who meet federal poverty guidelines. Salaries will be paid through the Summer Youth Employment Program. Block Grant funding will pay for related materials, supplies, equipment and supervision. The Federal government has approved this concept of funding	(1)	1,500,000
Infrastructure development—new housing projects: The purposed housing projects are located in neighborhoods with outmoded public improvements, including streets, sidewalks, rights of way, storm drains and gutters, and similar infrastructure needs. To generate neighborhood recovery and revitalization, the housing projects should bring with them these needed public improvements in the immediately surrounding neighborhoods. The costs are not eligible as housing project costs, but are eligible block grant items as they are in neighborhoods of greatest need. These infrastructure projects support and complement the substantial City investment in these targeted neighborhoods, and provide critical public improvements that the City's capital program cannot currently provide. Linking them to hosing development will ensure real community benefit from the expenditure of scarce resources, and will create jobs and provide visible improvement for the neighborhood	(1)	3,500,000
Non-profit neighborhood facilities: This project would provide funds to non-profit community-based organizations for acquisition, construction, and/or renovation of facilities to provide services to low- and moderate-income residents. A request for proposals (RFP) will be issued, and projects will be selected based on need and readiness for implementation	(1)	1,000,000

MAYOR'S PROPOSED ECONOMIC STIMULUS BLOCK GRANT BUDGET—Continued

Project title and description	Council district	Cost
Housing projects-street improvements and landscaping: Project would finance street and sidewalk repairs and some landscaping within Housing Authority Projects. Estimated need for street repair work is $5.6 million, including curb cuts for compliance with Americans with Disabilities Act (ADA). Block grant funds will be used for streets most in need of work	(1)	1,240,000
Planning and administration: Block grant provisions allow a maximum of 20% for administration. However, these projects are "ready to go," so most pre-project planning is complete. Grant accounting and reporting by CDD may range to 2% or $980,000. The remaining $2.5 million is for various administrative requirements of implementing departments. The full amount may not be required, but should be set aside now until refined estimates can be developed	(2)	3,500,000
Total		49,000,000

[1] Multiple.
[2] N/A.

Mrs. FEINSTEIN. Madam President, there are no swimming pools, there are no cemeteries, there are no golf courses. Let me tell you what there is. Madam President, to quote a few: There is a housing and commercial project of 45 family units in an area where the city has already invested more than $13 million, Dunbar North/South; there is a 142-unit family housing over a commercial development project, 84th and Vermont; there is an 82-unit family housing project sited with commercial and retail development, Plaza Vermont, construction jobs 200, permanent jobs 60; there is a 190-unit project for low-income elderly, 56 units of modestly priced ownership housing, and the list goes on and on.

It is a strong list. It is jobs. It has homeless programs. It has child care programs. It is the kind of thing that people want this Nation to do.

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

Mr. BYRD. Madam President, I yield 1 additional minute.

Mrs. FEINSTEIN. Madam President, I will conclude because last night I got a copy of the chairman's amendment which would, I hope, reassure the opposition that these moneys are going to be well used. This is from the pending substitute of the Emergency Supplemental Appropriations Act of 1993. Let me just read one small portion of it:

Notwithstanding any other provision of law, for this act, the Office of Management and Budget shall administer the obligation of all funds to see that no wasteful, unnecessary, or nonmeritorious programs, projects, or activities are approved. The Director of OMB shall, be notice published in the Federal Register, establish such requirements as may be necessary to carry out the intent of this section.

Madam President, I think that the chairman and the Democratic majority have taken the necessary steps to ensure that these moneys will be well spent. Therefore, Madam President, I can only conclude that the objection comes from those who want to create more gridlock.

I thank the Chair.

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

Mr. SARBANES. Will the Senator yield me 1 minute.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Madam President, I yield 1 minute to the Senator from Maryland.

Mr. SARBANES. I very much appreciate it because I want to follow up on the comments made by the distinguished Senator from California.

First of all, I commend the distinguished Senator for a very powerful statement in terms of the job import of this legislation, but I particularly want to thank her for the point at the end making it very clear that community development block grant money will be used for extremely important projects. What has happened is the other side has looked through a big, thick, book of projects and tried to pull out of it a few that they can make fun of, whereas the overwhelming number of those projects are clearly meritorious on their face.

Let me make one other point. Up until 1980, there was up-front review at HUD of the projects that the community development block grant money was used for at the local level. The Republicans, when they gained control of the Presidency and the Senate passed legislation, Gramm-Latta, which dropped the up-front review of CDBG projects at the Federal level.

Mr. BYRD. I yield 1 additional minute.

Mr. SARBANES. They said that the money ought to be put our directly to the local governments and let the mayors and the local people decide what projects to fund. So the Republicans were the ones who asserted as a matter of principle that CDBG funding should go directly to the local level without further review by the Department of Housing and Urban Development and the Congress went along with that proposal and it became law. This change came out of the Gramm-Latta 1981 Omnibus Reconciliation Act. It was that legislation, Gramm-Latta, that terminated HUD's up-front review of these community development block grant programs and gave the discretion out to the local level. We said let the mayors and the Governors make the best judgment as to what they need to do.

Mr. BYRD. I yield 1 additional minute.

Mr. SARBANES. They have done so. They came in with a lot of projects. The other side went through them and found a few that they thought they could make fun of, although I think even some of the ones they made fun of make a lot of sense.

The very distinguished Senator from Washington the other evening made the effective point with respect to community swimming pools. She took the floor and made the point that in some neighborhoods that is an important neighborhood community development; they do not have the country clubs to go to, and the local judgment was that this was important.

But I simply want to underscore the fact that the overwhelming number of those projects are meritorious, and I deeply appreciate the Senator putting some of them into the RECORD in illustration, and that the discretion that enables these projects to be lifted in that book was a principle that the Republicans fought for in the Gramm-Latta Omnibus Reconciliation Act which gave out that discretion to the local people.

I thank the chairman for yielding.

Mr. BYRD. Madam President, I also thank the distinguished Senator from California for the powerful speech that she made.

I hope that our friends on the other side will utilize some of their time. I do not want this side to be doing all the debating and then the other side have all the time at the end. I hope that the other side would bring forth some speakers.

I yield 10 minutes to the distinguished Senator from Washington [Mrs. MURRAY].

PASSAGE OF THE PRESIDENT'S ECONOMIC PACKAGE

Mrs. MURRAY. Madam President, I am delighted to join you and my other Democratic women colleagues out here on the floor today to strongly speak in favor of the President's economic package.

I, like many others across this Nation, have listened absolutely amazed to the debate and the talk on this floor for the last several weeks, particularly for the last week, as we have debated this economic package. Over and over, we here the language of "baselines" and "economic theory," and we debate whether having $200,000 a year makes you rich or not, and we talk about points of parliamentary procedure.

Madam President, I think we have lost the essence of why we are here. The essence of why we are here is that people are hurting across this Nation. They are out of work. They are worried about their children going to college. They are worried about their health care. They are worried about what their kids are going to be doing this summer. That is why we have an economic stimulus package in front of us.

Madam President, I would guess that the conversations around most breakfast tables this morning did not center on baselines or CDBG or budget deficits or emergency stimulus. My guess is that the conversations around most family breakfasts this morning were, "Boy, I heard my company was going to be laying off people. I hope it doesn't hit me." Or, "I am really worried; we are at the beginning of the month. The bills are coming in. We don't have

enough in the checking account to make it until the 15th of the month." Or, "We are getting to the end of the year. My son is going to college next year. How am I going to be able to afford that?"

Those are the kinds of conversations people in this country are having, Madam President. And I would guess that if their conversations turned to the Senate and the economy, what they would be saying is, "When are these people going to realize what is happening to us? When are they going to be doing something about it? When are they going to pass a bill that I can say makes sense to me and does something for me?"

Madam President, that is what this economic package does. It puts people back to work. It takes care of our children. It gives hope to people once again.

The language of this body is tremendously amazing to me. I called my sister this weekend; she happens to teach in a middle school in Bellingham, WA. I was telling her how amazing the language of the Senate is and how it does not talk to real people. And I said, "You know, I look out here and I wonder how many of my colleagues really understand what life is like for so many Americans today."

She said, "You know what I'll do, I'll go back and I'll ask some of the students in my class to write you letters to tell you what it is really like. She faxed me four of those letters, and I want to share one with you, because this is from a girl who is in the eighth grade in Bellingham, WA. She has not listened to the debate on this floor, but she wrote me a letter, and it is called "What My Life Is Like."

Well, my life isn't the best. I am 14 years old and in the eighth grade. My family has never been "well off." When I was about seven or eight my mother and father got a divorce. My mother got to keep us four kids and the house and the car, he took the truck and his belongings. My father moved in with one of his friends then moved in with my grandparents. My mother never did go to work but she stayed home with us. My dad paid about five hundred a month for child support but it was never enough. We saw our father every other weekend and he usually gave us five bucks to spend on something we wanted. Five years later my mother remarried to my step-dad who was working at Boeing. After that we had a lot of money, but what do yah know he got laid off. He looked for work but there wasn't any good paying jobs that were hiring. For a while he worked at Domino's now he's starting a boat building business. As soon as I was old enough I got a $5.00 an hour job so I could buy some clothes and other things. We have a big family now, two parents, eight kids including a newborn, renting a house in Bellingham. We need to have more work here, and the closing down of big business doesn't help the problem. Health care is also in great need. I know a lot of people who need medical help but can't afford it. Everyone should have adequate health care. Things I like to do for recreation are swimming in the summer at the lake, but it would be nice to have a community pool and bike riding. It's fun going to the movies but the prices are pretty high. I just hope that our economy improves and people won't have to live in poverty.

The words of an eighth grader, Mr. President, who says to all of us, "My father was working at Boeing at a good job but he got laid off and now he's at Domino's."

There is your economic theory, Mr. President—a child who is telling us that she cannot afford to go to a private club to swim and it would be nice if she had a community pool. Mr. President, that is what this bill is all about.

Mr. President, I have heard a great deal about minority rights in the Senate. Well, the power of the minority that I want you to hear today is the Democratic women of this Senate, who are the real minority in this group, who are saying we understand that our children and our families are hurting and it is time to get this country going again. And we urge our colleagues to hear that message and move on. Thank you.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Washington for an excellent speech and again a powerful speech.

It is my understanding that Senator BOXER wants 10 minutes. I call attention, Mr. President, to the fact that our Republican friends are nowhere to be seen. We have one fine Senator who raises his hand, is here on the floor. I would hope that the Republicans would have some speakers. I would hope that they will use some of the time so that as we draw near the close of the time that we can have somewhat equal time.

So I urge and plead with my Republican friends to get their Senators to the floor so they can speak.

I yield 10 minutes to the Senator from California.

The PRESIDING OFFICER (Mr. DORGAN). The Chair recognizes the Senator from California [Mrs. BOXER] for 10 minutes.

THE PRESIDENT'S JOBS PROGRAM

Mrs. BOXER. Thank you Mr. President. I thank the chairman for his leadership.

I am very proud today to add my voice to those of the Democratic women Senators urging this body to pass the President's jobs program.

I rise today with a great sense of frustration that the Republicans of this U.S. Senate would stop this jobs program in its tracks. That is what is happening here, Mr. President. This jobs program is being stopped in its tracks. Make no mistake about it. The Republicans have told us that that is what they want to do, and that is what they are doing.

I hope the American people understand exactly what is happening here because you hear all kinds of technical terms, Mr. President, "filibuster," "two-thirds majority," words to explain what is happening here today. It is pretty simple. We need 60 votes to move this program forward, and we are being stopped by the Republicans in this U.S. Senate.

I want to speak as someone who has been involved in politics for a long time. I am not naive about power and how it is used. I am not naive about being in the minority. After all, I served in the House of Representatives for 10 years as a loyal Democrat under Republican administrations.

So I respect very much how it feels to be in the minority. What it is to see programs you believe in, and policies you believe in, thwarted and taking a back seat to someone else's priorities.

When I had that experience, Mr. President, in the House of Representatives, it was not pleasant. I saw bills pass the House and the Senate that I believed in, that created jobs for people, and those bills were vetoed. I saw bills passed for freedom of choice that I believed in, and those bills were vetoed, Mr. President. I saw bills passed for unemployment compensation, and those bills were vetoed.

I saw bills passed that raised the minimum wage a few pennies, Mr. President. And those bills were vetoed.

I saw more than 20 bills vetoed by President Bush. I believed in those bills, and I was unhappy. We had the majority of Members in the House and Senate. Yet, we knew the rules. We understood political life. We understood that the people had voted for these Presidents, and that was the way it was.

We had an election in November. That election was a referendum on this economy. No question about it. Yes, there were many other issues. But they were really peripheral to the economy. This candidate, Bill Clinton, explained exactly what he was going to do.

My colleague, the senior Senator from California, expressed it very well. What is all this surprise about the short-term stimulus program? It was part of Bill Clinton's plan. He took it to the American people. He explained it on television, in townhalls, when he went in his bus and he went all over the country and he explained that he had a three-pronged approach that the Senator from West Virginia explained today.

It was the long-term deficit reduction, new investment in the physical infrastructure, in our human infrastructure, putting people first. This was the plan, and today this part of the plan is being filibustered. It is being stopped in its tracks.

When I was in the House, after we presented our position—Mr. President, you were there as well—we did not filibuster, we did not delay inordinately. We did not make frivolous amendments. We did not complain. We simply went to the American people and we

told them the truth about how we felt about issues. And we said if you want these changes elect a Democrat to the White House. We did not stand hour after hour with frivolous amendments. Do my colleagues know how many amendments we have had on this budget resolution and on this package? More than 50. Do my colleagues know how many hours we have debated this stimulus package already? Almost 50 hours. The budget resolution, about 50 hours. That is 100 hours of debate, and more than 50 amendments.

I hear the Senator from Texas [Mr. GRAMM] saying that he wants to add more amendments. That is just not a very sincere argument at this point, if I can put it in the nicest terms.

We have a President who has not only brought us hope but he has brought us a plan. It is a risky plan. I am not saying it is easy. The Republicans should hold his feet to the fire on his plan. But give him his plan. And the Republicans should hold the Democrats' feet to the fire if that plan does not work. But let us give the plan a chance.

We have a President who has a strategy. We should give him a chance to play out that strategy.

Let me say a few words about California, and the very important points that Senator FEINSTEIN made about our State. Our State is in deep trouble. If anyone here thinks that we can have a recovery that is worth anything without California participating, they simply do not know the truth about this Nation. The truth is that California is the largest State in the Union, representing 14 percent of the country's GDP, and any recovery cannot work without California coming back.

This jobs program will help California. There is no question about it.

So, Mr. President, when the Republicans in this body stand up hour after hour offering frivolous amendments and not allowing us to vote on this bill, they are keeping needed jobs from Californians, from Texas, New Yorkers, West Virginians, jobs from people all over this country.

Mr. President, I represent a State that needs this bill badly. And the country needs this bill badly. We do not want to go in a triple-digit recession. If we do that, there will be a larger deficit.

I say these delaying tactics are misdirected and wrong. I do not think they are going to help this Republican Party. I do not think they are going to help this U.S. Senate. I do not think they are going to help this country.

So we are not going to go home. We are going to stay here. I am very sorry about that fact, because I had wanted to go to my State. Senator FEINSTEIN and I had a lot of plans to be with the people of our State. We wanted to go home so much and tell our citizens that gridlock was over. We cannot do that.

Rather, we will stay here and stand up to the "filibuster fellows," until they finally realize that it is in their best interest to get this country moving again.

The PRESIDING OFFICER. Who seeks recognition?

If no Senator yields time, time must be deducted from both sides.

Is the Senator from Pennsylvania seeking recognition?

Mr. SPECTER. I thank the Chair.

Mr. President, I just arrived in the Chamber. I will soon seek recognition. Before I do that, I need to organize my papers because I do not have a prepared text. I will be prepared to address the Chair within 2 or 3 minutes.

The PRESIDING OFFICER. Who seeks time?

Mr. BYRD. Mr. President, I yield to the distinguished Senator from Maryland [Mr. SARBANES] for 3 minutes, until the Senator from Pennsylvania is ready for his remarks.

The PRESIDING OFFICER. The Senator from Maryland is recognized for 3 minutes.

THE UNEMPLOYMENT RATE

Mr. SARBANES. Mr. President, I will be very quick. I want to underscore something the distinguished chairman said earlier in the debate.

The unemployment figures were received this morning by the Joint Economic Committee. The unemployment rate remains at 7 percent. Jobs are down 22,000. Most of the private forecasters have been predicting that there would be at least a job increase of 100,000 to 150,000. This did not happen. So we remain mired in a jobless recovery which constitutes a lot of the rationale for the stimulus program.

We are not recovering jobs in this recovery, as we did in previous recoveries. This chart shows job recovery in this recession recovery period as compared with job recovery in previous recession recovery periods. In previous recession recovery periods, after 10 months we had recovered all the jobs lost during the recession. In this recession recovery period, after 24 months, we have only recovered half the jobs lost. Two years, 24 months, after the bottom of the recession, the unemployment rate is 7 percent, which is higher than it was at the very bottom of the recession, when it was 6.8 percent.

This chart shows what happens to the unemployment rate as you come out of a recession. This is the average in previous recessions and, of course, as you can see, the unemployment rate dropped as we came out of the recession. In this recession, the unemployment rate has gone up, and it is still above where it was at the bottom of the recession.

At the beginning of the recession. We had 5.3 percent unemployment. It was 6.8 percent at the trough and continued to go up to a high of 7.7 percent. It is now at 7 percent. That is where it was last month. We lost 22,000 jobs. The only sector in private industry in which unemployment is higher now than it was before the start of the recession is the service sector. The testimony this morning was that a large share of the job gains in services has been in the temporary help industry. In fact, that industry alone has accounted for one-fourth of the gain in payroll employment since January 1992.

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

Mr. SARBANES. Yes.

Mr. SASSER. The Senator has indicated, as I was standing, that the unemployment rate at the beginning of a recession was 5.1 percent; is that correct?

Mr. SARBANES. It vacillated between 5 and 5.3 percent. So it depends on which month you pick.

The PRESIDING OFFICER. The Chair advises the Senator that his time has expired.

Mr. BYRD. Mr. President, I yield 2 additional minutes to the Senator from Maryland.

Mr. SASSER. So here we are 24 months after the trough, and that is the bottom of the recession. We are 24 months now from the bottom of the recession, in a so-called recovery, and the unemployment rate today stands at 7 percent, does it not?

Mr. SARBANES. That is correct. At the trough, it stood at 6.8 percent. In no other recession in the postwar period was the unemployment rate, 2 years after you hit the bottom of the recession, higher than it was at the bottom of the recession. And this unemployment rate is higher than it was at the bottom of the recession. We have never experienced that in any previous recovery from a previous recession.

Mr. SASSER. This is the point I want to make here with the Senator and inquire of the Senator if this is correct. In other words, the unemployment rate today is roughly 2 percentage points higher than it was before the recession?

Mr. SARBANES. That is correct.

Mr. SASSER. That would translate for each 1 percent of unemployment into about 1,100,000 jobs lost. In other words, if the unemployment rate goes up 1 percent, that is roughly 1,100,000 jobs that are lost; is that correct, I ask my friend from Maryland?

Mr. SARBANES. The Senator is correct. The way we keep our unemployment statistics, if you work 1 hour a week or 5 hours a week, you are counted as being employed rather than unemployed. So the figure represents people that are completely unemployed. That figure, as the Senator points out, has gone up more than 2 million.

In addition, there has been a large increase in part-time unemployment—people who want to work full-time and

can only find a part-time job—whether it is 5 hours, 10 hours, 20 hours a week. That figure has jumped significantly. The number of people dropping out of the labor force has also gone up. You have those additional dimensions to the unemployment problem.

Mr. SASSER. As chairman of the Senate Budget Committee, I am very concerned about these large deficits we have been running for the past few years. I want to ask my friend, who has served as chairman of the Joint Economic Committee and is knowledgeable in these matters, how much does it raise the Federal deficit for every 1 percent that the unemployment ratings go up?

Mr. SARBANES. The general estimate given is that each increase in the unemployment rate of 1 percent amounts to about an additional $50 billion on the deficit, because are not working and paying taxes. Furthermore, when they are not working, they have to have support payments for their families, such as unemployment insurance, Medicaid, and so forth. So those two things combined give you a cost of $50 billion on your deficit from each 1 percent on the unemployment base.

Mr. SASSER. So if we went back to the time prior to the recession when we were experiencing unemployment rates of about 5, 5.3, and if we add the additional unemployment that has occurred since then, about a 2-percent rise in unemployment, then that would be directly responsible for at least 100 billion dollars worth of increased deficits; is that what the senator is saying?

Mr. SARBANES. Absolutely. The Senator is right on the mark.

I thank the chairman for yielding the time.

The PRESIDING OFFICER. Who seeks recognition?

Mr. HATFIELD. Mr. President, I yield 5 minutes to the distinguished republican leader, and I will yield as much time as he may require to the Senator from Pennsylvania [Mr. SPECTER].

RUSSIA

Mr. DOLE. Mr. President, I do not want to disappoint anybody. I am going to speak on another matter. I want to talk about the summit meeting which is going to take place tomorrow in Vancouver.

Mr. President, for more than 40 years American and Soviet leaders have stared across the negotiating table at each other as adversaries, each side armed with huge weapons systems specifically designed to destroy the other.

Tomorrow, in his first foreign summit, and less than 3 months in office President Clinton will look across the table at President Yeltsin as a friend and partner, the engine of change in one of the most dramatic national transformations in history.

During his campaign, President Clinton used the slogan "it's the economy, stupid" to concentrate attention on domestic issues. Attention to foreign policy, foreign assistance and foreign trade became a liability.

I believe President Clinton's excellent speech at Annapolis yesterday confirmed President Bush's claim that yes, it is the American economy but it is also the Russian economy, the Japanese economy, and the economies in many places where the United States has interests.

And whatever the arguments may be about a plan for economic assistance to Russia, no one can say our interests there are anything less than crucial.

The President has outlined the situation to Members of Congress in the past week in a series of meetings and in a briefing with Secretary Christopher. I met with the President yesterday, along with the distinguished majority leader and the House leadership, to hear the President's plans directly.

President Clinton has also met with former President Nixon, and he has had letters of support from other Senators. I think President Nixon is a true expert on Russia. Whatever each you think of President Nixon he understands Russia and understands our opportunities and our challenges there. I would like to commend the administration in its efforts in consultations.

Mr. President, there is no lack of good ideas on how to foster democracy and economic growth in Russia and there is no doubt that the United States Treasury is not big enough to finance all of these plans.

President Yeltsin is dealing with profound economic, political, and ethnic crises as the Russian people recover from 70 years of Communist oppression. I believe we must first of all be modest in our estimates of how much influence we can have on this situation. The turmoil in Russia may well continue for years, may well outlast President Yeltsin and succeeding leaders and could turn violent in the Russian Federation and in neighboring States as well.

We should also recognize that the roots of democracy and economic freedom are growing in Russia from hundreds of cooperatives and small businesses started in the past 2 years and from the tremendous desire of the Russian people for progress.

I believe we can nurture those roots in practical and economical ways that will rebound to the benefit of this country. Here are a few of my ideas how we might do that:

Russia was once an excellent cash customer for American products and its wealth of natural resources will make it a good trading partner again. Let us recognize that and get on quickly with a debt relief plan.

The administration should also construct a barter plan over the next few years, trading American grain and processed products for natural resources.

We should use the sale of food products in Russia to set up special ruble accounts which can be used to pay for local costs of agricultural education, grain storage, food processing, child nutrition, environmental improvement and other worthwhile projects.

We should push the private sector—both Russian and American. The last thing we need in Russia and the Republics are offices full of bureaucrats. We need business people, farmers, bankers, and others on the ground with solid records of achievement.

We should set deadlines in Washington for getting things done. Do not let a dozen or more Government agencies get stuck in endless debates.

Make sure Russia does its part. President Yeltsin needs to make foreign investment easier, do something about inflation and produce a plan to repay debt to the United States Government and private American companies.

We should make sure where we can that Europe and Japan are carrying their share of the burden. We need a lot more action from those countries and lot fewer meetings in Paris and other fine places.

Mr. President, Boris Yeltsin visited my home State of Kansas less than a year ago. The admiration I had for him then has grown along with my admiration for the Russian people and people who live in other Republics of the former Soviet Union.

A lot has been made about whether we help Yeltsin or help Russia but that should not be the argument. If Russia prospers, whoever is in charge will benefit. That is a political fact in Russia and anywhere else.

But it was Yeltsin who took the risk, who faced down the hardliners and who repudiated socialism and communism. We need to show the Russian people that the risk was worth taking.

I have told President Clinton that he has bipartisan support in Congress for assisting Russia and neighboring states because it is in our national interest. Senators NUNN and LUGAR have already demonstrated this on the Senate floor.

There is a great deal at stake in the Vancouver summit and I want President Clinton to know that he goes there with strong Republican backing, and we wish him every success in his first summit meeting.

The PRESIDING OFFICER. The Senator from Pennsylvania.

RELATIONSHIP WITH RUSSIA

Mr. SPECTER. Mr. President, before commenting on the pending legislation, I first commend our distinguished Republican leader, Senator DOLE, for his comments on our relationship with Russia. I would like to add a word or two to that, to this effect.

I believe the United States people, the American people, would be willing to support additional aid to Russia if the loans were made with some collateral such as the very vast mineral, gold, oil, and other resources which the Russians have.

Foreign aid is always difficult and those of us who travel through our States and the country know that the American people are reluctant to give foreign aid at a time when there is so much unemployment, so many needs on health care, the environment, education, crime control, and trade, but we are in a position to make loans providing we get the money back.

The facts are, as related to me, the Russians have not paid either interest or principal on $75 billion of debt. So there is a question why should we lend additional money to the Russians?

I concur with the policy of President Clinton and President Bush before him, and what Senator DOLE has had to say about President Boris Yeltsin of Russia, that it is in our national self-interest to be supportive.

Unfortunately, the American people do not understand when the United States gives foreign aid it is not a gift and it is not a gratuity. It is an expenditure made on a calculation by the United States that it is in our national self-interest to do that. When we advance foreign aid to Greece, it is because we have bases there under the NATO alliance. When we advance foreign aid to Israel of $3 billion, or $2.1 billion to Egypt, it is to stabilize the situation of the Mideast on the calculation that it is in our interest to do that.

But when we give money without a loan or collateral security, it understandably raises questions with the American people.

I introduced a resolution last year, an amendment to the pending bill when we gave aid to the Russians, to have such collateral security.

I urge that this format be followed now as the Congress considers additional aid to Russia in line with the President's comments and request.

SUPPLEMENTAL APPROPRIATIONS

Mr. SPECTER. Mr. President, I now turn to the discussion on the pending appropriations bill, and I am a little at a loss to understand why this discussion is taking form of morning business as opposed to being on the bill itself, because this Senator would like to offer an amendment that I was prepared to offer last night.

I had been on my feet for more than an hour, starting during the rollcall of the pending amendment offered by Senator DOMENICI. When that amendment was over, I sought recognition, but the majority leader was recognized to put the Senate into a quorum call. Then the distinguished Senator from West Virginia spoke. I again sought recognition, and there was again a quorum call. I twice tried to have the quorum call rescinded to offer my amendment, but was not permitted to do so.

I understand the position of the distinguished majority leader to be that he will not list the bill for amendments until there is a list of amendments and there is a time certain for a vote on final passage.

Mr. President, that leaves me somewhat at a loss as to why we are not permitted to proceed with the offering of amendments on this bill, and if the majority leader achieves cloture in the regular course of Senate business, then so be it. But the majority leader has chosen not to do that, and he sets the schedule and he sets the rules with respect to that.

There have been a great many assertions on the floor that there is a filibuster by amendment. I categorically reject that. I say that it is not true because the Republicans have been offering, one at a time, very legitimate and appropriate amendments for consideration on this appropriations bill.

Last night, after I had replied to the distinguished Senator from West Virginia, the distinguished Senator from Maryland [Mr. SARBANES], took the floor and cited the letter which 42 Republicans had sent to Senator DOLE, and read the line: "We will not invoke cloture on this measure."

But, as I had noted last night, he did not finish the sentence, which says, "Therefore, we will not vote to invoke cloture on this measure as presently constituted, notwithstanding the scheduled Easter recess."

And I said last night—and I think it is worth repeating for a moment here this afternoon—that this Senator thought long and hard before signing this letter.

I have grave reservations about not having this appropriations bill passed, because there are provisions which are very important for America, including my State, Pennsylvania. I voted for the authorization bill to extend unemployment compensation at a cost of more than $5 billion, and I did so having stated that I would prefer to pay for it instead of adding it to the deficit.

I think that the provisions on inoculations are important, the provisions on money for highway construction are important, the provisions on mass transit are important. But I think we have raised very valid concerns about the $16 billion, that it is all not legitimately in the category of an emergency appropriations bill.

While we seek to offer amendments—which I would like to do at this moment on health care reform, which I shall presently talk about—we are not conducting a filibuster. We are offering amendments, as we have a right to do under the rules of the Senate.

And when the 42 Republicans signed this letter to Senator DOLE—which I had made a part of the RECORD last night—it was to lay down a marker that, in its present form—with more than $16 billion cash on the barrel head, not paid for, added to the deficit—we were not going to go along with that, so that it would be known to the majority party, the Democrats, precisely where we stood down the road if they sought to invoke cloture after we had finished offering all our amendments.

I can tell you, Mr. President, and I can tell whoever may be listening to this speech on C–SPAN or on the radio, that the Republicans did not get together and concoct a plan to delay the passage of this bill. We have 43 separate minds and we have worked out amendments which we think are important for America.

Now, some may disagree with us. But the amendment which was defeated last night before I sought recognition was an amendment to pay service personnel the cost-of-living increase and it was defeated on a vote of 51 to 49. A number of Senators who voted for that amendment on the Democratic side of the aisle were members of the Armed Services Committee: Senators NUNN, ROBB, and SHELBY; and also Senators MIKULSKI, CAMPBELL, and KRUEGER voted for that amendment.

You cannot come any closer than 51 to 49, unless you sent for the Vice President and are willing to have him break a tie.

The sequence of that vote, as I saw it here on the Senate floor and as anyone can see by looking at the C–SPAN tape—that is the great thing about the television and the tapes, the record cannot be corrected, you cannot expunge it, you cannot alter it—shows, at the very end, a series of Democrats voted no on the tabling motion; they supported Senator DOMENICI.

Now, who can call that measure a filibuster by amendment? You can call it that. You can say it is nighttime outside at 2:34, although it is daytime; you can say that black is white; you can say that it is filibuster by amendment, but it is not so.

These are legitimate amendments which Senators are offering. These amendments have been offered following a sequence last week where the distinguished Senator from West Virginia tied up the tree and, as he said last night on the Senate floor, the 3 B's—Senators BOREN, BREAUX, BRYAN—could not offer the amendment which they wanted; and what we really had was the Senate controlled not by 57 Democrats, but by one manager of the bill.

That led this side of the aisle to take a very hard look at this bill. There is only one line where there is any power by the minority party in the Federal Government today in the legislative or

executive branch, the lawmaking branch, and that is in the Senate in our ability to stop a measure from coming up for a vote. There is an overwhelming Democratic majority in the House. There is a 57 to 43 majority in the Senate. The President is a Democrat. The only point where Republicans can stand up and have a vote and a voice and an impact on legislation is not to end debate.

Now, we have not gotten there, Mr. President. We are not debating this bill. We are offering amendments to change the bill, which is different from debating the bill. When we have offered all of our amendments, then we may choose to debate the bill. Like we said in this letter, we are not going to invoke cloture on this measure as presently constituted. But we have not gotten there.

This Senator wants to offer an amendment on health care. I suggest to you that is a very important item for the American people.

After I was finished last night, one of the staff handed me the time on the supplemental appropriations bill—and I represent it as such, without having timed it myself—that up through 7 p.m. on March 31, the Democrats had spoken for 20 hours and 14 minutes and the Republicans for 7 hours and 29 minutes. Last night, up until about 8:15, or thereabouts, when I finally got recognition, the Republicans had spoken on April 1 for 3 hours and 32 minutes and the Democrats for 3 hours and 29 minutes, which gives you a total of about 23 to 10, with the Democrats having used the preponderance of the time.

So, if someone wants to make a point about who is speaking longer, if that carries an implication of delay, it is not the Republican side of the aisle.

But I am not making that point. Any Democrat who wishes to speak has a full right to do so under the rules of the Senate.

I repeat—and I try not to do that very much—that I think it is unfortunate that, as I make my presentation here, it is not in the context of offering an amendment which I have filed, amendment No. 274, which is legislation on health care reform.

I filed that amendment, Mr. President, not in the context of someone who is raising an issue at this date on this bill, but as a Senator who has been on the Health and Human Services Subcommittee of Appropriations for the past 12 years, 3 months, and 2 days, and having worked in this field assiduously for a long time, and having produced legislation on these measures going back for a decade, or almost a decade, at least to 1984, when I offered legislation on low-birth-weight babies.

I offered a series of bills and sought the floor last July 29 offering health care amendments on the energy bill. The distinguished majority leader came to the floor and said that my amendments on health care did not belong on an energy bill. I replied, as set forth in the CONGRESSIONAL RECORD for July 29, 1992, on 20099, that I agreed with the distinguished majority leader that it would be preferable not to add health care legislation on an energy bill and I offered to take down the amendment if the distinguished majority leader would give a date certain for taking up health care legislation.

The distinguished majority leader said he could not do that, because the schedule was too complex. I reminded him that he had given a date certain to product liability legislation. And I do not deny the importance of product liability legislation, but it is no more important, really not as important as health care legislation. Health care legislation is right at the top, alongside an economic recovery.

At one point, the distinguished majority leader said this, at page 20099:

> Mr. MITCHELL. As I have stated many times publicly, from the very place I am standing now, as well as others, comprehensive health care reform is one of my highest legislative priorities, and it is my hope and intention to bring to the Senate this year, if at all possible, such legislation.

Well, unfortunately, it did not happen.

The distinguished Senator from Montana [Mr. BAUCUS] later on in the debate, said at page 20101:

> We also know—at least I have been told—that we will be considering health care legislation this fall.

It did not happen.

That is why, Mr. President, during the months of November and December and January, my staff and I were hard at work in preparing health care legislation, which we did.

On the first legislative day I introduced Senate bill 18. I will hold it sideways so the viewers can see how thick it is. It is a major piece of legislation that I worked on for a long time.

Rather than put this voluminous bill in the RECORD, I ask unanimous consent that a summary of S. 18 be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. SPECTER. On January 22, I wrote to the distinguished majority leader as follows: Dear GEORGE: "On the first date of the session"—this letter is dated January 22. It reads as follows: "On the first date of the session, January 21st"—the day before—"I introduced S. 18. As you may recall, in the last session"—and I am leaving some of the less important parts out for brevity—

> As you may recall in the last session I pressed to have health care issues brought to the floor at the earliest possible date.
>
> Whether it is my bill or some other legislative proposal, I urge you to bring this important issue to the floor at the earliest possible time—hopefully no later than this spring.

On the same day I wrote to the chairman of the Senate Committee on Labor and Human Resources, Senator KENNEDY, to ask for hearings on S. 18. On the same day I wrote to Senator MOYNIHAN, chairman of the Senate Finance Committee, to ask for hearings on S. 18 and S. 19, because they were issues within the purview of that committee. And I never had a hearing from any of the committees.

I did receive a reply from the distinguished Senator from Massachusetts [Mr. KENNEDY]. I ask unanimous consent that copies of these letters be printed in the CONGRESSIONAL RECORD at the conclusion of my presentation.

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

(See exhibit 2.)

Mr. SPECTER. Thereafter, Mr. President, I worked with the Republican task force chaired by the distinguished Senator from Rhode Island [Mr. CHAFEE] because it was my hope that there would be a task force bill prepared which could be offered on legislation at the earliest possible date.

Regrettably that has not been done. But I then took a number of bills from Republican Senators and amalgamated them into one, S. 631, which I introduced on March 23 of this year—the legislative work of Senator COHEN, Senator KASSEBAUM, Senator MCCAIN, and Senator BOND, together with provisions from my own Senate bill, S. 18.

Then, earlier this week, I sent a "Dear Colleague" letter around stating my intention to offer Senate bill 631 on the debt ceiling bill because that was the first bill that would contain tax provisions which would lay the groundwork procedurally for consideration of that bill.

Then I found that the debt ceiling bill was going to be handled in reconciliation and there would be no opportunities for an amendment. So I returned to this bill, the appropriations bill, even though I understand there are certain procedural problems and I understand the difficulty of getting effective action on the bill. I said so in direct terms in the "Dear Colleague" letter.

A concern which this Senator has expressed is the absence of congressional action to move ahead on this plan and not to defer simply for the President, and not to defer simply to the task force which the President has appointed.

Last night, on the Senate floor, I quoted statements from Congressman ROSTENTKOWSKI and Congressman GEPHARDT about the problem that there might not be legislation this year. I quoted the statement made by the distinguished Senator from West Virginia [Mr. ROCKEFELLER] when he made a characterization on August 4, 1992: "This town, which is a one-person town, a one-person town," referring to the fact that they needed Presidential

help. The Congress could act on health care legislation.

I noted last night, and it is worth repeating, the plethora—large number—of bills on health care which were introduced in the 102d Congress, in 1991 and 1992—524 in the Senate and 940 in the House, for a total of 1,464; health care legislation introduced up to March 31, during the current 103d Congress, 70 in the Senate and 119 in the House; a total of 189.

So there is an ample base to proceed with legislation on health care.

I believe that what ought to be done is to bring the issue to the floor with a bill, critical mass, like my proposed amendment 274, and start to work on it like we did on the Clean Air Act of 1990. They said that legislation could not be done. The Senate broke up into task forces, went to work, and passed a good bill—not a perfect bill, but a good bill.

I might say in Senate bill 631 there are provisions that are not my preference. When we have worked in the Chafee task force the group came to an understanding early on we could not get a bill which would be to everybody's liking. If we were to have a bill that everyone like we would have 24 bills, the number on our task force, and not one. But that in the interests of getting a critical mass to move the matter ahead, we ought to agree upon a bill, state there were some provisions some of us did not like, and say we were going to offer amendments.

Senate D'AMATO is prepared to be a cosponsor along with other Senators on my amendment. He did not like some of the provisions on taxation, and I agreed to take them out of S. 631, until I found out more people wanted them in than wanted them out. I decided to leave them in after talking to Senator D'AMATO, who said that would be acceptable to him on the express understanding he did not agree with those provisions in the bill.

Frankly, Mr. President, I do not, either—as I do not agree with other provisions in the bill. But there has to be a starting place so the Senate can work its will. I very much am concerned that what has happened on the health care issue is that the matter has fallen prey to politics.

In the news conference which was held with a number of Democrats back on August 4, 1992—I made a point of this last year—the distinguished Senator from West Virginia [Mr. ROCKEFELLER] said that the Republicans would not cooperate in pushing for health care legislation.

He said, and I quote from the transcript:

> We have 57 Senators, and no Republican Senator that I know of would be allowed to vote for that.

As I said last year, Mr. President, I categorically disagree with that. This Senator is prepared to vote for health care legislation, even if it is sponsored by Democrats. I do not care who it is sponsored by.

On a number of occasions in this transcript, Senator ROCKEFELLER repeats the statement, and on one occasion says that the Republicans will not support health care legislation because they have been ordered not to by Governor Sununu. That is categorically wrong. Governor Sununu never made any such statement and if he had, I am sure that the Republican Senators would not have followed it. I can assure you this Senator would not have followed it.

Senator ROCKFELLER also said:

> There are a lot of Republicans who would agree to one of those approaches, too, but they're not allowed to.

Can you imagine that? We are not allowed to. We are elected to the U.S. Senate, Mr. President, as independent Senators, and when Members on the other side of the aisle, the Democrats, have said that we should not stymie what President Clinton wants to do, I have said both publicly and privately that I want to support President Clinton where I can, but I am not prepared to give him a blank check.

I think it is unfortunate that the budget resolution was adopted almost along party lines, 55 to 45. Two Democrats did cross party lines, the distinguished Senator from Alabama [Mr. SHELBY] and the distinguished Senator from Texas [Mr. KRUEGER]. I think it is interesting that the one Senator who eminently faces an election, Senator KRUEGER in Texas, in a special election, voted against the President, which gives you some idea at least as to his evaluation of his consitituency. Or maybe he does not think it is his constituency, but that is a fair inference.

But in saying that I would like to support President Clinton, that does not mean a blank check. It is true that the American people want to end gridlock. So does this Senator. But that does not mean agreeing with a budget plan which puts a tax increase on middle Americans, to increase Social Security taxes on those who earn $25,000 a year, or married couples who earn $32,000 a year. That is a regressive, inapproprite, wrong tax, Mr. President, and I make no apology for opposing a budget resolution which has that provision. And I oppose the energy tax, which is an inappropriate, wrong tax. Again, I make no apology for opposing that budget resolution.

Last November, Mr. President, President Clinton carried Pennsylvania. So did this Senator. As the President said to me when he spoke to the Republicans at lunch one day, referring to President Clinton and ARLEN SPECTER, we got a lot of the same votes. The people did not send me back to the Senate to be a rubber stamp, but instead to exercise my independent judgment. I have pushed hard to get health care legislation adopted. I intend to continue to push hard to have health care legislation adopted.

On January 26, 1993, I wrote to First Lady Hillary Clinton, enclosing for her a copy of Senate bill 18 and a brief summary of its contents. The concluding sentence said:

> Last year, I pressed Senator MITCHELL, the majority leader, to bring health care to the Senate floor, and again last week I wrote to him on the same subject with the view of having such legislation considered at the earliest possible time this session.

The concluding sentence to the First Lady was:

> I would be pleased to work with you on this important subject.

I sent it on January 26 and I repeat it today.

But I have been concerned, Mr. President, as I said last night, that health care legislation would not be taken up this year.

This morning I was awakened to 99.1 music with a news item that the Clinton administration was not going to be able to meet the May 3 deadline. The President had made a commitment, a promise, to have health care legislation before the Congress within 100 days, which was calculated to be April 30, and they had set the day, May 3. As I said, Mr. President, this is not a one-man, one-person, one-woman town. We have a House of Representatives, we have a Senate, we have officials who are supposed to be acting on these matters.

I secured a copy of the New York Times—in fact, when I walked in, my press secretary handed me the excerpt which is headlined "Clinton May Not Meet Deadline on Health Plan."

I ask unanimous consent that the full text be printed in the RECORD at the conclusion of my statement.

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

(See exhibit 3.)

Mr. SPECTER. Mr. President, I want to read a couple relevant parts. To read it all would take too long. One paragraph says:

> Drafting of a detail proposal has also been delayed by the overwhelming complexity of the task and the unwieldy nature of the decisionmaking process organized by Ira C. Magaziner, the coordinator of the task force, the official said.

It is a difficult matter. Senator MITCHELL said on "Face the Nation" earlier this year that the Congress was equipped to vote because we had been working on it for 6 to 8 years. When you set up these special task forces with an unwieldy organization on decisionmaking, that is what happens. But the Congress of the United States has more than 200 years of experience in dealing with these issues. That is why this Senator introduced health care legislation, S. 18 and S. 631, to have it submitted to committees, have it come

out of committees after markup, and have it considered on the floor.

Another important section of the article, and really the whole article is important, but for a limited purpose reading it:

"Some official said today," datelined April 1, "that they were hoping to complete work on the proposal by late May or early June. Others said July or August was a more realistic goal."

There it is, Mr. President, confirmation of what Congressman ROSTENKOWSKI said that we would not have health care legislation this year, confirmation of what Congressman GEPHARDT intimated that we would not have health care legislation this year.

Then the article goes on to say as follows: "But since then," referring to February 17, "the legislative strategy"—it is referring to President Clinton—"the administration gleaned from cocktail party chatter and candid comments by White House officials speaking on condition of anonymity has become more clear, and that strategy no longer assumes passage of a big health care bill this year."

Mr. President, there you are. I had said about as much yesterday on the Senate floor. The accuracy of the newspaper article might be subject to some question but is consistent with what we have heard about this matter: That there is not going to be this rapid fire chain of events where the White House is going to produce a bill within 100 days that is going to be acted on this year. That is why I think it is important, Mr. President, for the Senate to take up my amendment which details a critical mass on health care legislation and takes up the subject of managed competition, establishes a Federal health board to develop a uniform set of effective benefits with emphasis on primary and preventive care which provides that all persons will be required to carry a uniform set of effective benefits even through a group or individually.

Let the Senate of the United States debate the question of mandates. In our Republican task force, we concluded that a mandate on business was unwise, that it would be unduly restrictive of small businesses, and would cost the American people many, many jobs. We ought to go with mandates on individuals. Maybe that is the wrong approach. Frankly, I am not sure, but I am prepared to go along with legislation which calls for mandates on individuals.

But let us debate it on the Senate floor. We do not need to hear any more experts on that subject, Mr. President.

My amendment calls for States to establish one or more health plan purchasing cooperatives to serve as collective purchasing agents for small businesses and individuals.

My legislation calls for emphasis on preventive care, to expand primary and preventive health services, by authorizing increased availability of comprehensive prenatal services to women at risk for low-birthweight births and assistance to local education agencies and preschool programs in providing comprehensive health education; to increase authorization of several existing preventive health programs such as breast and cervical cancer prevention, childhood immunizations and community health centers.

We have had a lot of analysis of that, Mr. President. We do not need any more hearings that young, pregnant women, especially teenagers, ought to have prenatal and postnatal care.

In my floor statement on S. 18 cites Dr. Koop's proposal modeled after the French to give incentives for young women to have that prenatal and postnatal examinations.

On the issue of access to health care, Mr. President, some of the highlights are on children's health care and self-employed persons to have 100-percent deductibility, just like an individual who is an employee does not have to pay a tax on the benefits and the employer has 100-percent deductibility; and a proposal to establish a refundable tax credit for the purchase of health insurance for children; and proposals which would create a uniform application process for supplemental food program; and a special section on consumer decisionmaking which would require the providers participating in Medicare and Medicaid to make information available to patients of the cost, quality, and options of available health care; and provisions relating to cooperative agreements between hospitals; and the patient's right to decline medical treatment, and on and on, Mr. President, on an elaborate legislative proposal.

Rather than take additional time to present more of this on the floor, Mr. President, I ask unanimous consent that a summary of S. 631 be printed in the CONGRESSIONAL RECORD immediately following my remarks.

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

(See exhibit 4.)

Mr. SPECTER. Mr. President, I repeat, because I think it is a matter of substantial importance, that I am at a loss to understand why this discussion should be to a virtually empty Senate Chamber in morning business instead of as an amendment to the bill with debate and a vote.

This bill contains very substantial reductions in costs. Managed health care is likely to reduce health care costs by a least 20 percent. We have billions of dollars expended today on low-birth-weight babies. A baby born weighing about a pound, about as big as my hand—a human tragedy—a child born weighing 16, 18, 20, 24 ounces, carries those scars for a lifetime, regrettably a short lifetime, and at an enormous cost, as much as $150,000 a child. There are billions to be served there, Mr. President.

My legislation calls for more active participation by nurses, who have made such an enormous contribution to medical care in America, to be a more integral part of the system.

This legislation provides for dealing with terminal health care costs so that people have an effective way to express themselves on this important subject.

It is my projection, Mr. President—and I go into this in some detail in my statement on S. 18 which is in the RECORD—that there would be a net saving, when you talk about health care in America at about $840 billion a year, that there would be savings of in excess of 20 percent, and that by changing the laws on insurance coverage to allow small businesses to join together, of the 35 million, 37 million Americans now not covered by health insurance, as many as 20 million, 22 million would be covered.

It is not possible to say with precision exactly what will happen at every stage of the proceeding. It is not possible to say because we have to put some bills into effect providing for insurance market reforms and see how many people are covered.

But at the end of the process, Mr. President, I do believe there will be Americans who are not covered, and I believe that as to those Americans we will have to extend Medicare and Medicaid coverage from the general treasury. But I believe we will have sufficient savings to more than pay for that additional cost.

In 1990, Mr. President, I visited U.S. Health Care, a health care system in the eastern part of Pennsylvania. I was very impressed with what I saw. That company made an offer to undertake to cover 100,000 Medicare patients through their health care system and compare them with 100,000 on Medicare and said there would be a minimum saving of 20 percent. For a considerable period of time, as I have said on this floor before, I tried to get the Department of Health and Human Services to take up that very generous free offer, but it was not done.

But U.S. Health Care laid it on the line with a projection of 20 percent or more in savings. So that is why I submit, Mr. President, that if this legislation were enacted, there would be no additional cost.

It would be my hope that our colleagues on the other side of the aisle would stop talking about a filibuster by amendments when the RECORD shows a series of amendments offered by Republican Senators which have received substantial support among Democrats, Members of the other side of the aisle, and when we talk about an amendment on health care reform which is urgently necessary for America, especially in the face of all the evi-

dence from Congressman ROSTENKOWSKI and intimation from Congressman GEPHARDT and today's report that the Clinton task force is not going to meet the date. But this body ought to get together and go to work on this subject.

A week ago today, just about this time, the distinguished Senator from West Virginia urged the majority leader to cancel the weekend time off, to work on Saturday and Sunday and work through the bill. I came to the floor, and I spoke and said that I agreed with what the distinguished Senator from West Virginia had said, and that in fact I had made a similar proposal in November 1991, as the CONGRESSIONAL RECORD will show; that I urged Congress to stay in session in December and January and tackle the issue of an economic recovery because if we did not, there would be 537 people who worked in Washington out of work—100 in the Senate, 435 in the House, and 2 in the executive branch. That was somewhat of an overstatement because everybody was not up for reelection in the Senate, but that prediction came significantly true with a lot of people losing their jobs because we had not acted and we were consumed by gridlock.

The distinguished Republican leader has articulated it best when he has countered the term gridlock with porklock.

That is what we have here today. We have porklock in a bill in excess of $16 billion. We are not filibustering by amendment, Mr. President. But we are offering legitimate amendments, the legitimacy of which has been verified by the support from the other side of the aisle on the Domenici amendment, with six Democrats, including three members of the Senate Armed Services Committee—Senators NUNN, SHELBY, and ROBB—having supported that amendment, demonstrating that was not a filibuster by amendment.

I, too, hope we will get on with the business at hand, Mr. President, to consider this bill, to take up these amendments, to take the pork out of the bill, and let the Senate work its will.

EXHIBIT 1

COMPREHENSIVE HEALTH CARE ACT OF 1993 (S. 18) SENATOR SPECTER

KEY POINTS OF THE BILL

(1) Provides incentives for young pregnant women, especially teenagers, to secure prenatal and postnatal care to avoid the human tragedies of low birthweight babies with the attendant billion dollar cost;

(2) Establishes federal guidelines for terminally ill patients who exercise their option not to have unwanted medical care;

(3) Encourages the utilization of nurses and other non-physician providers to deliver primary care services, including home care, improve access, increase efficiency, and provide cost savings;

(4) Authorizes funds for a comprehensive health education and prevention initiative for toddlers, elementary, and secondary students to teach children, at every stage of their development, a range of health related subjects;

(5) Institutes incentives to increase the supply of generalist physicians to enhance access to primary and preventive health services;

(6) Expands funding for outcomes research for the development of medical practice guidelines and increasing consumers' access to information in order to reduce the delivery of unnecessary care.

BILL SUMMARY

Title I: Implements a series of small business insurance market reforms and extend 100 percent deductibility for health the cost of health insurance to self-employed individuals and their families ($1.7 billion in FY'94, $8.6 billion over 5 years). The market reforms are consistent with those included in the Republican Health Care Task Force bill of the last Congress and include:

(1) Establishing a basic health benefits plan for small employers and setting minimum standards for insurers offering insurance to small businesses;

(2) Authorizing federal grants for the support of small business health insurance purchasing groups (such sums); and

(3) Fostering the development of efficient managed care plans by exempting plans which meet federal standards from state mandates.

Titles II–VII focus on expanding primary and preventive health services and providers and enhancing the management of health care costs. These titles would implement the following reforms:

Title II: Expand primary and preventive health services by authorizing two new grant programs. The first would increase the availability of comprehensive prenatal care services to women at risk for low birthweight births (FY'94, $100 million). The second would assist local education agencies and pre-school programs in providing comprehensive health education (FY'94, $90 million). Title II also increases the authorization of several existing preventive health programs, such as Breast and Cervical Cancer Prevention, Childhood Immunizations, and Community Health Centers ($1.4 billion over existing authorizations);

Title III: Enhance consumer decision-making by requiring that health care institutions and providers make certain information available to patients;

Title IV: Reduce the delivery of unwanted and unnecessary care in the last months of life by strengthening the federal law regarding patient self-determination and establishing uniform federal forms with regard to self-determination;

Title V: Improves efficiency in health care delivery by permitting access to the most appropriate providers by increasing primary care providers, including generalist physicians, nurse practitioners and physician assistants;

Title VI: Expand access to Medicare beneficiaries to managed care programs through the formation of innovative managed care plans; and

Title VII: Foster the development of medical practice guidelines by implementing a surcharge of one tenth of one cent on health insurance contracts to expand research on effective medical treatments.

Title VIII: Increases access to long-term care by: (1) creating tax credits for the purchase of long term care insurance and tax deductions for amounts paid towards long-term care services of family members; (2) excluding life insurance and IRA savings used to pay for long-term care from income tax; (3) implementing an "extraordinary cost protection provision" by expanding Medicaid to include coverage of any individual, excluding the wealthiest Americans, who has been confined to a nursing home for at least 30 months; and (4) setting standards that require long-term care to eliminate the current bias that favors institutional care over community and home-based alternatives.

EXHIBIT 2

U.S. SENATE,
Washington, DC, January 22, 1993.

Hon. GEORGE MITCHELL,
Majority Leader, U.S. Senate, Washington, DC.

DEAR GEORGE: On the first date of the session, January 21, I introduced S. 18, the Comprehensive Health Care Act of 1993.

As you may recall, in the last session I pressed to have the health care issue brought to the Floor at the earliest possible date. I invite you and/or your staff to review my bill which is the product of many years' work.

Whether it is my bill or some other legislative proposal, I urge you to bring this important issue to the Floor at the earliest possible time—hopefully no later than this spring.

Sincerely,

ARLEN SPECTER.

U.S. SENATE,
Washington, DC, January 22, 1993.

Hon. TED KENNEDY,
Chairman, Senate Committee on Labor and Human Resources, U.S. Senate, Washington, DC.

DEAR TED: I believe it is important that the Senate take up the issue of health care reform at the earliest possible time. Last year I pressed Senator Mitchell to take up the issue, but without success.

On January 21, the first day of our legislative session, I introduced S. 18, the Comprehensive Health Care Act of 1993, which is a work product of many years of activity on my part.

I request a hearing by the Labor and Human Resources Committee at the earliest possible date.

Whether it is my bill or someone else's legislative proposal, I ask for your help in bringing this issue to the Floor at the earliest possible time—hopefully no later than the spring of 1993.

Sincerely,

ARLEN SPECTER.

U.S. SENATE,
Washington, DC, March 11, 1993.

Hon. ARLEN SPECTER,
U.S. Senate, Washington, DC.

DEAR ARLEN: I apologize for the delay in responding to you about S. 18, the Comprehensive Health Care Act of 1993, and your request for hearings on it. I have been working closely with the White House on preparation of the Administration bill, and I have not yet made a decision on whether hearings will be held prior to the introduction of the Administration plan.

My current expectation is, however, that any hearings before the introduction of the Administration bill will be directed at broad health issues, rather than specific legislative proposals for reform.

I commend you for the thought and ability you have put into your legislation, and I look forward to working with you to make comprehensive health reform a reality this year.

With my respect and warm regards,

Sincerely,

EDWARD M. KENNEDY.

U.S. SENATE,
Washington, DC, January 22, 1993.
Hon. DANIEL PATRICK MOYNIHAN,
Chairman, Senate Finance Committee, U.S. Senate, Washington, DC.

DEAR PAT: With this letter I am enclosing my Floor statements on S. 18 on health care and S. 19 on an economic recovery program.

I believe it is important that the Senate take up these two subjects at the earliest possible time—hopefully no later than the spring of 1993.

I urge you to schedule hearings on S. 19 in the Finance Committee as promptly as possible.

As you will note, there are aspects of S. 18 which come within the jurisdiction of the Finance Committee. I ask that you hold hearings on those issues as promptly as possible.

Sincerely,

ARLEN SPECTER.

EXHIBIT 3

[From the New York Times, Apr. 2, 1993]

CLINTON MAY NOT MEET DEADLINE ON HEALTH PLAN

(By Robert Pear)

WASHINGTON, April 1.—President Clinton probably cannot meet the deadline of May 3 that he set for sending Congress a detailed plan for reshaping the nation's health-care system, Administration officials said today. The delay reduces the chances that the proposal will become law this year.

Health care remains a top priority of Mr. Clinton, and he fully intends to send Congress a detailed legislative proposal to control health costs and guarantee insurance coverage for all Americans, the officials said.

But several factors have delayed the proposal, they said.

Hillary Rodham Clinton, head of the President's Task Force on National Health Care Reform, has been in Little Rock, Ark., tending to her father, Hugh Rodham, since he suffered a stroke on March 19.

Drafting of a detailed proposal has also been delayed by the overwhelming complexity of the task and the unwieldy nature of a decision-making process organized by Ira C. Magaziner, the coordinator of the task force, the officials said.

NO CRISP DECISIONS

The task force has a staff of more than 500 people, organized into more than 30 groups, which meet periodically to analyze options. Administration officials said the policy-making process had brought together articulate, opinionated people to debate alternatives, but had not produced the crisp decisions needed to translate a broad vision of health policy into concrete, detailed legislation.

In writing health-care law, Congress and the Administration want to be precise because thousands of lives, millions of jobs and billions of dollars will depend on their decisions.

In appointing the 12-member task force, Mr. Clinton said its assignment was to "prepare health-care reform legislation to be submitted to Congress within 100 days of our taking office." The 100-day period ends on April 30. Mr. Magaziner and other White House officials have been saying for weeks that the legislation would be ready by Monday, May 3.

Some officials said today that they were hoping to complete work on the proposal by late May or early June. Others said July or August was a more realistic goal. The timetable depends, in part, on the course of Mr. Rodham's illness, which is uncertain, they said.

AIMING FOR EARLY MAY

George Stephanopoulos, the White House communications director, said, "We still hope to finish the bulk of the work by May 3," but he refused to say when drafting of the legislation would be completed. Robert O. Boorstin, a spokesman for the task force, said, "We're still aiming for early May, but Mrs. Clinton's father's illness hasn't made it easy."

Experienced civil servants and lobbyists for the health-care industry say Mr. Clinton and Mr. Magaziner were naive to set such a tight deadline for such an ambitious task. But a top Administration official defended the deadline, saying that Federal employees would not be working so hard without it.

In an address to Congress on Feb. 17, Mr. Clinton said he wanted comprehensive health-care legislation passed "this year—not next year, not five years from now, but this year."

In early March, Representative Dan Rostenkowski, the Illinois Democrat who is chairman of the Ways and Means Committee, said Congress was likely to pass such legislation next year, not this year.

On Sunday, the House majority leader, Representative Richard A. Gephardt of Missouri, voiced uncertainty about whether Congress could meet Mr. Clinton's goal of passing such legislation this year. The health-care bill "will be the toughest bill since the Social Security Act" was passed in 1935, and "it will be just as important," Mr. Gephardt said on the NBC News program "Meet the Press."

GOING TO TAKE OUR TIME

"We're going to take our time to do it," Mr. Gephardt said. "We're going to listen to the American people."

It is impossible for outsiders to know whether Mr. Clinton, on Feb. 17, truly believed that Congress would pass a comprehensive health-care bill this year, or whether he was simply trying to put pressure on Congress. But since then the legislative strategy of his Administration, gleaned from cocktail party chatter and candid comments by White House officials speaking on condition of anonymity, has become more clear, and that strategy no longer assumes passage of a big health-care bill this year.

If Congress fails to act this year, health care will surely be an election issue in 1994. That may help Mr. Clinton because lawmakers will want to show voters that they have responded to public concern about soaring health costs.

Some Administration officials say that a lawsuit filed against the task force, seeking access to its meetings and documents, has also slowed its work, because lawyers must scrutinize its sessions for compliance with a Federal court order.

Mr. Magaziner said he originally recommended a May 31 deadline for sending legislation to Congress. But he said Mr. Clinton insisted on the earlier deadline.

By his own account, Mr. Magaziner is a novice in dealing with the numerous Federal agencies and Congressional committees responsible for health policy. Before coming to Washington, he was an international business consultant whose clients included Volvo, General Electric and Corning.

A staff member of the task force said, "You'll soon see a midcourse correction in the policy-making process, with more reliance on old hands."

EXHIBIT 4

COMPREHENSIVE ACCESS AND AFFORDABILITY HEALTH CARE ACT OF 1993 (S. 631) AMENDMENT

This summary is organized by topic and does not necessarily coincide with the Title number in the bill text.

I. MANAGED COMPETITION/UNIVERSAL COVERAGE

Establish a Federal Health Board to develop a uniform set of effective benefits, with an emphasis on primary and preventive care.

To contain costs, the Board would determine annual limits on the allowable percentage rate of increase in premiums for Accountable Health Plans [AHPs] and develop uniform deductible and cost-sharing requirements. The Board would also develop standardized claims forms and billing procedures, as well as a plan to accelerate electronic billing and computerization of medical records.

The Board will register and develop reporting standards for Accountable Health Plans on data such as cost, utilization, health outcomes, and patient satisfaction. This information would be collected and published annually by the board and made available to participating health plans and consumers.

All persons will be required to carry a uniform set of effective benefits either through a group or individually. Low-income persons will receive direct public assistance for the cost of such coverage (see Section III below).

All insurers in the health insurance market will be required to offer a uniform set of effective benefits and to accept its conditions as identified by the Federal Health Board.

States would establish one or more Health Plan Purchasing Cooperatives [HPPCs] to serve as collective purchasing agents for small businesses and individuals. These HPPCs would contract with a range of competing health plans and would present the full range of plans to their customers. The HPPC would provide consumers with information about the plans prior to enrollment periods, including a "report card" measuring performance based on cost, quality and patient satisfaction information collected by the Board. The HPPCs would also manage the enrollment process. Individual consumers would choose a plan for one year and could subsequently change plans during an annual "open season." States could opt to purchase coverage for Medicaid beneficiaries through the purchasing cooperatives. Federal grant funding would be provided to cover States' costs in establishing and administering the HPPCs.

Insurers would enter into arrangements with providers to form Accountable Health Plans [AHPs] which would each offer the uniform set of effective benefits established by the Board and would compete on the basis of price and quality of care. Plans could offer "supplemental" coverage for additional services. Plans would have to take all applicants and could not exclude participants on the basis of preexisting conditions. All plans would be guaranteed renewable. Premiums could vary according to the plan, but would be the same for all members of the purchasing cooperative, regardless of age, sex or health experience. State mandated benefit and anti-managed care laws would be preempted.

II. PREVENTIVE CARE

Expand primary and preventive health services by authorizing increased availability of comprehensive prenatal care services to women at risk for low birthweight births and assistance to local education agencies

and pre-school programs in providing comprehensive health education. Increase authorization of several existing preventive health programs, such as Breast and Cervical Cancer Prevention, Childhood Immunizations, and Community Health Centers ($1.4 billion over existing authorizations).

Improve efficiency in health care delivery by permitting access to the most appropriate providers by increasing primary care providers, including generalist physicians, nurse practitioners and physician assistants.

Clarify that expenditures for health promotion and prevention programs are considered amounts paid for medical care for tax purposes.

Establish a new grant program for states to provide assistance to small businesses to establish and operate worksite wellness programs for their employees.

III. ACCESS TO HEALTH CARE

Refundable tax credit to low and middle-income individuals without employer-provided insurance. The amount of the refundable tax credit would be linked to the amount of the lowest-cost Accountable Health Plan in the region.

Self-employed persons and individuals without employer provided insurance who are ineligible for the tax credit could deduct the full 100 percent of the costs of the lowest-priced Accountable Health Plan available.

Children's Health Care. To make health insurance available to children under 18 through their elementary and secondary schools. Directs the Secretary of Education to establish this new program for children not eligible for Medicaid and would be basic coverage through their school system. The Secretary of HHS would design a minimum package that each plan would have to cover.

Establishes a refundable tax credit for the purchase of health insurance for children to be worth up to $1,000 per qualifying child for families with incomes below 100 percent of poverty, and phased out for families with incomes between 100 to 200 percent of poverty.

Requires the creation of a uniform application form and process for the Special Supplemental Food Program, the Maternal and Child Health Program and Medicaid.

Improved Access to Health Care for Rural and Underserved Areas. This title would increase scholarship and loan repayment opportunities to help relieve the critical shortage of health care practitioners in rural areas. It would also provide a special tax credit and other incentives for physicians and other primary care providers serving in rural areas.

IV. CONSUMER DECISION-MAKING

Enhance consumer decision-making by requiring that providers participating in the Medicare and Medicaid programs make information available to patients of the cost, quality, and options of available health care.

V. COOPERATIVE AGREEMENTS BETWEEN HOSPITALS

Provides a waiver from anti-trust laws for hospitals wishing to enter into voluntary cooperative agreements for the sharing of medical technology and services to contain costs by eliminating the unnecessary duplication of services and equipment.

VI. PATIENT'S RIGHT TO DECLINE MEDICAL TREATMENT

Reduce the delivery of unwanted and unnecessary care in the last months of life by strengthening the federal law regarding patient self-determination and establishing uniform federal forms with regard to self-determination.

VII. INSURANCE SIMPLIFICATION AND PORTABILITY

Establish a Health Insurance Standards Commission to develop a long-term plan for the implementation of uniform standards for electronic data interchange for qualified health insurance. The Commission would determine the effectiveness and efficiency of the current health insurance claims billing system and would develop a uniform computerized billing process.

VIII. MALPRACTICE REFORM

Encourage states to establish alternative dispute resolution mechanisms like prelitigation screening panels, which have had great success in a number of states in reducing medical malpractice costs.

IX. MEDICARE PREFERRED PROVIDER DEMONSTRATION PROJECTS

Expand access to Medicare beneficiaries to managed care programs through the formation of innovative managed care plans.

X. TREATMENT AND OUTCOMES RESEARCH

Foster the development of medical practice guidelines by implementing a surcharge of one-tenth of one cent of health insurance contracts to expand research one effective medical treatments and treats such guidelines as a legal standard.

XI. LONG-TERM CARE

Increase access to and affordability of appropriate long-term care by: (1) creating tax credits for the purchase of long-term care insurance and tax deductions for amount paid towards long-term care services of family members; (2) excluding life insurance and IRA savings used to pay for long-term care from income tax; (3) implementing an "extraordinary cost protection provisions" by expanding Medicaid to include coverage of any individual, excluding the wealthiest Americans, who has been confined to a nursing home for at least 30 months; and (4) setting standard that require long-term care to eliminate the current bias that favors institutional care over community and home-based alternatives.

Mr. SPECTER. I see two of my colleagues have since joined me on the Republican side of the aisle.

Mr. DANFORTH. Mr. President, if the Senator will yield for a question——

Mr. SPECTER. I am delighted to yield for a question.

Mr. DANFORTH. Mr. President, this Senator has been prepared to go forward with an amendment since yesterday. I just arrived on the floor. I know this is morning business and amendments are not in order. But I was concerned about the thrust of what I thought I heard the Senator from Pennsylvania saying.

Is there some effort to prevent amendments from being offered?

Mr. SPECTER. Is there some effort to allow amendments to be offered?

Mr. DANFORTH. To prevent them? It seems to me, Mr. President, as I understand it, the majority leader said something this morning to the effect that he was considering somehow not allowing amendments to be offered. I do not know if that was said or not. I was not here to hear it. It was reported to me. Then we went into morning business for something like 4 hours.

For those of us who do have amendments to offer, is it the Senator's understanding that we are somehow precluded from offering amendments, or will be?

Mr. SPECTER. Mr. President, I am delighted to respond to the inquiry from my distinguished colleague from Missouri.

For those who are watching on C–SPAN 2 and listening to the radio, they may not know what morning business is. But that is a category of business in the Senate where we usually have a half hour to introduce bills or make comments on a variety of subjects. It is very unusual to have morning business for 4 hours. I do not think one would necessarily deny that business on the bill is a lot more important than morning business.

And to answer the question directly, I inquired of the majority leader this morning whether I could offer my amendment because my amendment was next in line on this side. He said that the bill would not be on the floor for amendments. And it would not be on the floor for amendments until the majority leader had a list of Republican amendments and a date certain and a time certain for final passage.

So that in going into morning business and having debate on the floor bill—the distinguished Senator from West Virginia is on the floor now and can hear these comments, and has been on the floor for a considerable period of time, since this Senator arrived about an hour ago. We could be on the bill. We are not on the bill because that has been done by the majority leader.

I could have offered my amendment. There could have been argument on it. We could have voted on it, and the Senator from Missouri could have offered his amendment. There could have been debate on it. We could have voted on it. There probably could have been debate on several other amendments where we are lined up.

The question has been raised, is it a filibuster by amendment? I said earlier—perhaps the distinguished Senator from Missouri or the distinguished Senator from North Carolina may wish to confirm this—43 Republican Senators did not get together, or any part thereof, and concoct a plan, a conspiracy, to organize amendments to slow this bill down. We all have minds of our own. We even have staffs of our own. Staff produces more amendments than Senators do. We all know that. We all have amendments we wish to offer. We are not trying to kill this bill by a filibuster.

I put this letter in the RECORD, which all 42 Republican Senators signed, sending it to Senator DOLE, that we will not vote to invoke cloture on this measure as presently constituted. That is a statement of intent, after we offer our amendments, in terms of whether we want to end debate, which we do not

have to do. That is the one point where Republicans today in Washington, DC, have the power to affect the legislative process, and the only point.

So the answer is "No." We cannot offer amendments.

Mr. DANFORTH. Mr. President, further inquiry. This Senator has offered one amendment to this bill. That amendment was under a time agreement, a 1-hour time agreement. It was a significant amendment. It had to do with Amtrak. It is a very controversial amendment. In fact, the majority leader came to the floor and used leader time to speak on the amendment, apparently because the 1-hour time agreement was too short for such a significant amendment.

To me, offering amendments to legislation, particularly to appropriations bills, is the very heart of the legislative process. To offer an amendment with a 1-hour time agreement is hardly a filibuster by amendment.

I have another amendment, and I would describe to the Senator from Pennsylvania just in short what it is. This is supposed to be a jobs bill. I have an amendment to delete certain spending from the bill that, according to the OMB, or in one case according to Amtrak, would cost per job in excess of $100,000 a job. It is the position of the Senator from Missouri that, if this is supposed to be a jobs bill, it is excessive to spend more than $100,000 per job.

I do not think that is the efficient expenditure of public money, to say: Well, we are going to tax people, and then if people lose jobs because they are being taxed too much, we will buy them some more jobs at more than $100,000.

So I have a very simple amendment which says—let us go to some of the parts, not even all of them. I have left some of them out. But let us go to some of the parts of the bill, where the price per job is $100,000, and at least delete that.

I would be willing to enter into a time agreement on this amendment. My guess is that on something like $100,000 per job, probably a number of Senators will want to speak on it; at least will want to inquire how it could be that we are spending $100,000-plus to provide Government-financed jobs and call it a jobs bill.

But I would be willing to enter into a time agreement if anybody is suggesting that this kind of an amendment, which would save us $168.929 million, is somehow filibustering by amendment. Let us enter into a time agreement and vote on it.

But my concern is that, before Tuesday, we were in effect shut out from offering amendments. And now we are put into morning business for an afternoon. The majority leader suggests, as I understand it, well, maybe we are not going to have any amendments somehow from now on. I do not know how he would orchestrate that, but I am not the parliamentary expert.

But I am curious as to whether it is the understanding, or at least the concern, of the Senator from Pennsylvania that even on an obviously relevant amendment, cutting money out of an appropriations bill for $100,000-plus jobs, even on that kind of an amendment, somehow we are going to be shut out.

Mr. SPECTER. If I may respond, and then I will be glad to yield to my colleague from North Carolina.

Mr. HELMS. Mr. President, let me ask the Senator to allow me to make a parliamentary inquiry.

Mr. SPECTER. Of course. Proceed.

Mr. HELMS. I ask the Chair if the time for morning business is not equally divided on the Democrat and Republican side. Is that correct?

The PRESIDING OFFICER (Mr. REID). The Senator is correct.

Mr. HELMS. How much time remains for each side?

The PRESIDING OFFICER. The time controlled by Senator HATFIELD is 31 minutes, 54 minutes for Senator BYRD.

Mr. HELMS. I am hoping that I will be able to make a statement. I see that Senator BYRD probably has Senators on his side who want to speak, and I will defer to that.

I thank the Senator for yielding.

Mr. SPECTER. Having heard that statement, I will conclude briefly by responding to the question of the distinguished Senator from Missouri. I start by saying that even though you had only one amendment, that is one more amendment than this Senator was able to offer.

I intended to offer this amendment on the debt ceiling bill, but when I heard we would be foreclosed there, I decided to offer it here instead. And when the distinguished Senator from Missouri inquires about how it can be accomplished in a parliamentary way why you will not be allowed to offer your amendment, I can tell you it will be done—by having the majority leader not to put the bill on the floor, except when he wants to have a vote on cloture, or it will be done by having the bill on the floor as it was last night, and it was determined by this Senator, as established by our ranking Republican Senator HATFIELD, that when I sought recognition, the majority leader sought recognition and put in a quorum call.

I stood on the floor waiting for an opportunity to offer my amendment. Then the distinguished Senator from West Virginia secured recognition, had the quorum call rescinded, and made a presentation for about 20 or 25 minutes. Then there was a quorum call put in, and I asked twice that it be rescinded so that I could offer my amendment, and each time the majority leader objected. Then the majority leader put the Senate into morning business, so that I had to make a reply not on the bill, not with an opportunity to offer my amendment, but in morning business.

So with my knowledge of the parliamentary rules—and I have had a chance to debate them occasionally with Senator BYRD—I can tell you how this bill will be organized to prevent the Senator from Missouri from offering an amendment.

Mr. DANFORTH. Well, Mr. President, would the Senator from Pennsylvania not agree that that is a filibuster?

Mr. SPECTER. By the majority.

Mr. DANFORTH. Yes, by the majority, in preventing Senators from offering amendments to the bill and providing the orderly progress of the bill.

Mr. SPECTER. Absolutely. The distinguished Senator from West Virginia talked at length last night about the Republican leader's abuse—do not let me quote him casually; let me get the notes. "The Republican leader abused the right of recognition" at some prior time, I believe in 1985.

Last night, this Senator was on his feet for more than an hour seeking recognition under an agreed-upon schedule, and I could not get recognition, because that is the rule of the Senate. I understand that. The majority leader takes precedence and the manager of the bill takes precedence. I understand that. Then they put in a quorum call, and I understand that, too. Then I asked that the quorum call be rescinded and could not get that because somebody objected.

When the majority leader asked that the quorum call be rescinded, I could have objected, but I did not do that. When the majority leader got around to it, in morning business I was recognized to reply, about 40 minutes after the distinguished Senator from West Virginia had finished.

I suggest to the Senator from Missouri and to those in the Chamber, including the Senator from West Virginia, and to the people watching, that is not an appropriate process. When the distinguished Senator from West Virginia makes the speech he made last night, castigating the Republican leader and talking about having a "belly full of this abuse by the minority," I say that the minority was entitled to a prompt rebuttal.

So if you want to call that a filibuster by the majority, I think that is more applicable than saying that there is a "filibuster by amendment."

Mr. DANFORTH. I thank the Senator.

Mr. SPECTER. I yield the floor, Mr. President.

The PRESIDING OFFICER. Senator HATFIELD has 26 minutes remaining. Senator BYRD 54 minutes.

Who yields time?

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. SIMPSON. Mr. President, I yield 5 minutes of time from Senator HATFIELD to myself.

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

ABUSING THE MINORITY

Mr. SIMPSON. Mr. President, I, too, would like just to briefly speak about the issue of this filibuster by amendment, which I can assure you is not taking place on behalf of my party.

I think you have already seen the numbers as to how many minutes have been dedicated to the majority and how many minutes have been dedicated to the minority. It is a total and significant difference favoring the majority.

What you have here is a thing that should become apparent to the American public. We have a situation where we have simply been precluded from making amendments. When all of this started, there were 12 amendments, I suppose, on our side of the aisle, which were germane; some may not have been quite palatable in the way of being a little red hot, perhaps, to deal with; nevertheless, they were germane.

We had amendments, and they were not frivolous in any way. They were certainly not a filibuster. It is very odd to hear that particular description applied. Then, of course, we have heard another suggestion to the effect that this is a ploy and, yet, we were simply using the documents from the various communities in America as to what they want in the form of community development block grants.

This is not the House of Representatives. The minority in the House of Representatives is an abused minority. If they were able to receive the staff that the majority gets or in proportion to the number of Republicans in that body, they would not be in that condition over there. When you have a 60–40 split and the majority gets 10 staff members, and the minority gets 1, and when a freshman of the minority comes in and puts an amendment down and some senior staffer takes it and puts a stamp on it and passes it for the majority, you get about what you deserve in a surrounding like that.

That, fortunately, cannot occur in the Senate. It never has here. When I was a committee chairman, I saw to it that my colleague, Senator CRANSTON, received a very adequate budget so that he could perform his duties in an appropriate way.

That is called fairness. Unbridled power may work in the House. It does not work here.

I was here, as was the distinguished President pro tempore, when we had eight separate votes on cloture on campaign finance reform. That is what I call swinging for the canvas, and cloture failed every time. Finally, the Sergeant at Arms went about his duties and hauled a couple of reluctant fellows in here feet first, and it was quite a display.

We have no desire to press for that. But I can assure you that we all must remember how it is when you are a Member of the minority or the majority, and not forget how that is. I have been on both sides. You get that old wheel with the kicker on it and it will come around and get you when you use it. That is the way that works. I have been long enough in legislating to see that. Senator DOLE will relate how these things have taken place in the past, how majority leaders of both parties have broken knuckles.

Mr. President, what is the situation with regard to time?

The PRESIDING OFFICER. The Senator's time has expired. He has used the 5 minutes that he yielded himself.

Mr. SIMPSON. How much time remains?

The PRESIDING OFFICER. Twenty-one minutes.

Mr. SIMPSON. If I may just yield myself 2 minutes and then yield to the Senator from North Carolina for such time as he may require.

Mr. President, President Clinton has called on the American public to let the Congress know what they think of the proposed supplemental appropriations legislation.

Well, they are doing that. The calls are coming into my office, and we have had to assign extra people to handle the phones this morning.

Let me tell my colleagues what they are saying:

For the most part, they are saying to me, "Hang tough." "Don't back down." That is the message that is coming through loud and clear.

President Clinton said that Republicans "just don't get it."

Well, get this: People are tired of pork. They are tired of deficit spending. They do not want us to spend their kids' inheritance on recapturing methane emissions from cows. They do not want us to dole out money to local politicians across the country so that they can proceed with their "ready to go" list of golf courses, tennis courts, and "art arks."

If these programs are truly so important, let us pay for them. If not, let us not pass them.

I have heard Senators from the other side of the aisle talk about the dire need for the spending in this bill. Far more important than what is in the bill is the issue of who is paying for it. If we want to build these items listed in the "ready to go" list, fine—but why send the bill to our kids?

That is the issue. All we tried to do with the Nickles amendment, and with the Kohl amendment, was take some responsibility for the contents of this legislation and pay for it.

I have actually heard it argued here that paying for this legislation defeats its purpose. That is absurd. So now are we to understand that it is not the content of these programs, but the deficit spending that is so crucial? We cannot pay for this, we are told, because we have to deficit spend to be effective? Seems to me that is how we got into this mess—spending money we do not have.

Mr. President, nothing could be more out of touch than this line of argument. If you try to tell the American people that what we desperately need is another $19 billion in deficit spending, they will think you have gone crazy. If stimulus is deficit spending we have all we need—more than $300 billion annually.

Mr. President, this bill is a turkey, and it will not fly. It is time to take this turkey out and shoot it. If the majority will not let us improve it, if they will not even let us offer amendments to eliminate the pork and to pay our bills, then they and not we will have succeeded in killing it.

The game with this bill was all or nothing. The amendments by Republicans and by Senator KOHL were voted down. We have not been allowed to repair this bill. Sometimes when you play all or nothing, you get all, and sometimes you get nothing.

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

The Senator from North Carolina has been yielded such time as he may use up to 19 minutes.

Mr. HELMS. Mr. President, I inquire of the distinguished Senator from West Virginia, would he like someone on his side to have some time now. I do not want to intrude.

Mr. BYRD. I say to my good friend from North Carolina, and he is my friend, I appreciate his offer, but I have no immediate needs, I say to the Senator.

Mr. HELMS. Very well. I thank the Senator.

The PRESIDING OFFICER. The Senator from North Carolina has previously been recognized.

Mr. HELMS. I thank the Chair.

NOT ANOTHER CENT FOR NICARAGUA

Mr. HELMS. Mr. President, yesterday was April Fools' Day, and I was halfway prepared for a call from my grandchildren—who always enjoy playing pranks on Grandpa. Therefore, I assumed that an early morning call to my home fell into that category, but I knew better when the voice on the other end of the line warned me that the State Department, later yesterday, would throw away another $50 million of the American taxpayers' money.

The caller had in mind the additional $50 million foreign aid gift to the corrupt and inept Government in Nicaragua—a government controlled and operated by the Communist Sandinistas.

This $50 million makes a total of $100 million that this Government, Democrat and Republican, with its bipartisan folly, have sent to that corrupt government in Central America in the last 3 months.

So, Mr. President, it turned out, last night, that the early morning call I received was not a prank. It was an accurate assessment of what was about to happen in Foggy Bottom later in the day.

Sure enough, Mr. President, there came a call to me in the Senate Cloakroom last evening from the new No. 2 man at the State Department, Dr. Cliff Wharton, a very personable gentleman, who began his conversation by saying that "Secretary Christopher wanted me to tell you that $50 million is being released to the Nicaraguan Government" and that the funds were being released on the condition that the Sandinista Army Chief, General Ortega, will leave his powerful post within 3 years.

And who made this promise? It was made by that brazen, wheeler-dealer, sell-out artist, Antonio Lacayo, probably one of the most fraudulent characters ever to occupy a position of power and authority in the history of Central America.

Antonio Lacayo holds the title of "Minister of the Presidency" because he happens to be the son-in-law of Madam Chamorro who was elected President of Nicaragua 3 years ago because she promised over and over to the people of Nicaragua that, if elected, she would throw out the Communist Sandinistas.

She does not run the Government of Nicaragua—on the contrary, she has stood by meekly while her son-in-law has helped ruin any hopes for freedom the people of Nicaragua may have had.

This is the same crowd, Mr. President, who yesterday became the announced beneficiaries of another $50 million of the American taxpayers' money, courtesy of the Clinton administration this time and the State Department which once again, overdosed on dumb pills in making this decision.

I confess having harbored the foolish hope, as it turns out, that the Clinton administration, on this issue, might just prove to be more honorable than the Bush administration in supporting freedom in Nicaragua. Holding that hope, I have dealt with the Clinton administration in good faith because I have been praying maybe, just maybe, some real democratic, with a little "d", reforms could be achieved for the oppressed people of Nicaragua.

Mr. President, this second $50 million foreign aid giveaway to Nicaragua is an outrageous waste of the American taxpayers' money and an insult to them as well.

So the Chamorro government has made fools of the Foggy Bottom crowd again. This decision shows the Administration is not serious about political reform in Nicaragua and not even serious about reducing the Federal deficit if they can hand over $50 million two or three times to the corrupt government of thugs in Nicaragua.

Mr. President, 3 years ago the world applauded the election of Violeta Chamorro as President of Nicaragua. That election was not so much a triumph for Mrs. Chamorro as it was a triumph for the Nicaraguan freedom fighters who sacrificed so much in an effort to oust the Sandinista regime. It was a triumph for all Nicaraguans who stalwartly opposed the Communist dictatorship of the Sandinista Party. While my reservations about Mrs. Chamorro's unwillingness to confront the Sandinistas were a matter of record, it was unquestionably a great time of hope.

In order to help Mrs. Chamorro secure true freedom and democracy in Nicaragua, this Congress approved—with overwhelming bipartisan support—a massive foreign aid package. Since Mrs. Chamorro was sworn into office, the American taxpayers have provided more than $1 billion in foreign aid to her and that government. In fact, during the past 3 years, Nicaragua has been the third largest recipient in the world of United States foreign aid. Nicaragua has also received hundreds of millions of dollars in loans from multilateral sources that the American taxpayers also help support.

But the American taxpayers deserve to know how their money has been spent. Has this foreign aid brought any freedom to Nicaragua? Has it brought any increase in respect for human rights? Has it helped to resolve private property claims of American citizens? Has it put an end to Government-sponsored corruption, intimidation, and even murder? Has it fostered growth in the economy—with increased foreign investment? Tragically, the answer to each of these critical questions is a resounding "no."

The Government there, in a word, is a hoax. It is a fraud. It is not free. It is not the Government that Nicaraguan freedom fighters fought and died for. It is not the Government that people of Nicaragua voted for.

Three years after the inauguration of Mrs. Chamorro, General Humberto Ortega remains as Chief of the Army; perhaps the most powerful man in Nicaragua.

Three years after the inauguration of Mrs. Chamorro, the Nicaraguan police, the Intelligence, the Army and the courts all remain in the hands of the Sandinistas.

Three years later, the fraudulent Sandinista Constitution remains the law of the land in Nicaragua.

Three years later, the stolen homes and businesses of hundreds of American and Nicaragua citizens remain in the hands of thieves—with the blessing of the Chamorro government.

Three years later, more than 200 former freedom fighters—who laid down their arms after the war—have been the victims of a systematic campaign of murder.

Three years later, the coalition that elected Mrs. Chamorro—with the financial backing of the American taxpayers—has been cast into the opposition, and in some cases illegally driven from positions of power.

And, 3 years later, the Nicaraguan Government is linked to the terrorist network responsible for the cowardly attack on the World Trade Center.

When Daniel Ortega lost the election to Violeta Chamorro, he pledged that the Sandinistas would "rule from below." But he has exceeded his own expectations. Today, the Sandinistas rule from above—from key positions of authority throughout the Government. As Ambassador Jeane Kirkpatrick noted, they also rule from behind—behind the smiling facade of Violeta Chamorro and her top adviser, and son-in-law, Antonio Lacayo.

For those reasons—and many more—all United States foreign assistance to Nicaragua was suspended last May. In December, the administration released $54 million to the Government of Nicaragua in exchange for a number of commitments on police reform, human rights, and the recovery of confiscated properties. Once again, the Government of Nicaragua has not fulfilled a single pledge. In fact, since the aid was released, the situation in Nicaragua has deteriorated. Here are just some of the most shocking developments that have occurred since some aid was restored:

Just last month, the FBI discovered Nicaraguan passports in the residence of one of the individuals charged with a role in the bombing of the World Trade Center. There is evidence that senior officials in the Nicaraguan Government were involved in selling passports to terrorists.

Despite countless promises from the Nicaraguan Government, only 1 United States citizen out of approximately 580 has had all his or her property returned. Indeed, senior Government officials—such as the police chief of Managua—continue to live in homes and other properties stolen from American citizens.

On January 6, 1993, the Vice Minister of the Presidency resigned in protest, announcing that General Humberto Ortego is the maximum head in the country.

In January, Nicaraguan authorities identified three men allegedly responsible for the November 1992, murder of Dr. Arges Sequeira, one of the most prominent private-sector leaders. All three men were associated with either the army or the secret police. All three men have been allowed to escape from Nicaragua.

In January, President Chamorro fired the Nicaraguan comptroller general,

who played a key role in uncovering the misuse of foreign assistance and massive political corruption within the office of the Presidency. The comptroller general had also fingered Mrs. Chamorro's son-in-law, Antonio Lacayo, as a central figure in the corruption scandal.

On December 29, 1992, President Chamorro ordered the Sandinista-controlled police to surround the National Assembly and bar the leadership from entering. Once this was accomplished, a Sandinista-controlled leadership was installed.

On March 9, 1993, the former right-hand man to President Chamorro's Chief of Staff signed a 134-page sworn affidavit in which he implicates the Chief of Staff in murder, bribery, and extensive political corruption. The affidavit also details significant evidence of drug trafficking by senior members of the Chamorro government.

Since the aid was released, no further efforts have been made to prosecute the case against Humberto Ortego for his role in covering-up the murder of a 16-year-old boy.

There has also been no effort by the Chamorro government to comply with the numerous agreements they signed with the former freedom fighters—in which they pledged to provide for the security and welfare of the freedom fighters and their families.

In January, Cardinal Obando y Bravo announced that the constitutional order of Nicaragua had been broken and refused to attend President Chamorro's annual State of the Union address in protest.

Mr. President, it is clear that the entire United States foreign aid effort for Nicaragua—while well-intentioned—has been a complete and utter failure. Rather than foster true democratic change, it has bolstered the forces of corruption, nepotism, and thievery. Our foreign assistance has helped criminal elements stay in power in Nicaragua.

Since a percentage of the assistance was released in December, the Government of Nicaragua has shown utter contempt for the American taxpayers. Yet just 2 weeks ago the shameless Nicaraguan Minister of the Presidency—Antonio Lacayo—had the audacity to come to Congress begging for more handouts. This is the same Lacayo who had been the architect of the disastrous policies of the past 3 years.

Enough is enough. Too many dollars have been wasted. Too much corruption has been uncovered. The property claims of too many Americans have been ignored. And too many human rights violations have been covered up to justify sending one more cent to Nicaragua.

So, Mr. President, I do hope that the Clinton administration, and especially the crowd in Foggy Bottom at the State Department, will lay off the dumb pills from now on.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

THE TIMBER CRISIS IN THE PACIFIC NORTHWEST

Mr. GORTON. Mr. President, today President Clinton is convening his timber conference in Portland, OR. I applaud the President's commitment to resolving the continuing timber crisis in the Pacific Northwest. Timber-dependent communities are being economically starved by bureaucratic infighting and legal maneuvering. President Clinton's willingness to put his personal prestige and credibility on the line to solve this issue speaks well for his administration.

I ask unanimous consent to have printed in the RECORD a copy of an article from the April 1 Wall Street Journal written by the former Governor of Washington, Dixy Lee Ray.

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

A FOREST RISES FROM THE ASHES, PRIVATELY

(By Dixy Lee Ray)

When President Clinton flies into Portland, Ore., for Friday's Timber Summit, he may, weather permitting, get a spectacular view of Mount St. Helens. The still-simmering volcano that erupted with explosive force on May 18, 1980, leveled trees as far as 15 miles to the north and over a 156-square-mile area. Ten percent of the mountain's mass dissolved into ash, and more than one billion board feet of lumber were downed in a single moment. Most animal life was wiped out. But 13 years later; the area is a testimony to the success of a pursuit that this weekend's summit is likely to ignore: private-sector forest management.

For weeks after the big eruption, and amid all that gray and lifeless landscape, the question persisted: Will this area ever support a forest again? Most people, including many biologists, believed that years would pass, decades, or maybe even centuries, before the land could recover. How wrong they were.

On the government land, Congress in 1982 established a 110,000-acre National Volcanic Monument, where nature has been allowed to take its course, unperturbed and unaffected by human actions. But on neighboring private land, Weyerhaeuser Co. and others set to work immediately, salvaging the downed trees and planting new seedlings. They saved 850 million board feet of timber, enough to build 85,000 three-bedroom homes.

The stage was set for a grand demonstration: On similar but separate parcels of land, side by side, one could observe and compare natural recovery with managed and assisted recovery.

Within a year or two, the return of life, both plant and animal, was remarkable. Today, the differences between the "natural" and the managed areas are dramatic. Both are recovering, but the undisturbed public lands lag far behind.

Nature proved to be far more resilient than most people expected. On the private land, within weeks of the eruption, experimental plantings of tree seedlings were made to determine the ability of young trees to survive on the ash-covered ground. It was found that, as long as the seedlings' roots could reach the soil under the ash, the trees would survive. Using this information and scraping away ash where necessary, 18.4 million trees were planted on 45,500 acres by 1987. Today, the number of new plantings has reached nearly 16 billion.

The result of this effort is a lush forest. Most of the pre-1987 plantings are between 25 and 30 feet tall. Undergrowth carpets the ground and wildlife is abundant. Meanwhile on the public land, natural recovery has taken place at a considerably slower pace. The same species of plants, flowers and grasses have occurred, as have a number of trees, but the growth has been far slower and the trees more sparse than on the managed land.

Moreover, the reforested growth on private land is not significantly different from the original (pre-1980) forest below the slopes of the volcano. Before the eruption, there was an almost unbroken expanse of evergreens, including Douglas Fir (some of these were giants of 400 years in age), Noble Fir, Pacific Silver Fir, and Western Red Cedar. The undergrowth was also extensive and diverse. A four-square-mile remnant of this old growth was shielded by a ridge from the volcanic blast and remains as a striking example of virgin Northwest forest. It can be compared to the public and private reforested recovery areas closer to the mountain.

"Who can say, except on a subjective, emotional basis, which forest is "better"—the old untouched one that evolved slowly over many decades or the newly replanted one? Both have approximately the same complex of tree species and varied undergrowth, and the same wildlife, birds and insects inhabit both. Deciding that one forest surpasses the other is a value judgment heavily influenced by what one believes a forest is "for."

It is true that the history of American private forest management has been mixed; but on the whole it has been extremely successful. Of the 3.6 million square miles that constitute the U.S. today, 1.13 million square miles, or 32 percent, are wooded.

From colonial days to the mid-19th century, there was considerable deforestation; most of the once expansive Eastern hardwood forest was cut before 1900 as the settlers cleared land for agriculture. Up to about 1920, the classic robber-baron "cut and run" philosophy dominated. But beginning early in this century, forestry started to change. In 1909 Henry E. Hardtner, owner of Louisiana's Urania Lumber Co., admonished his contemporaries to "protect your remaining forests and commence at once the reforestation of your denuded areas." Indeed, it was the forest industry itself that provided the leadership and capital to establish the reforestation movement—a movement whose outlook now prevails throughout the industry.

Today the evergreen-dominated forests of New England and the Old South have regrown. In the Southeast, many managed forests and tree plantations have extensively reforested the land. Reforestation in Maine makes that state our most heavily wooded: 90 percent of its surface area is covered with forests.

It's time to get rid of long-outdated stereotypes about rapacious timber companies that slash away at pristine forests without concern for their preservation.

President Clinton and Vice President (and Environmental Czar) Al Gore are in a posi-

tion to do just that. The White House says the purpose of the Forest Summit is to learn how the federal government can "provide leadership and encourage new, innovative and creative approaches" to addressing the forest-management controversy. But the Mount St. Helens case proves that private companies, employing state-of-the-art reforesting techniques, are leading the way in forest management innovation—as they always have. And they are doing it without the government's help.

Mr. GORTON. Mr. President, her article reminds us, and President Clinton, that people can be a positive force in nature. Contrary to much of the environmental extremist rhetoric, people working with nature, more often than not, improve on nature, left unimpeded.

The article details work done by private companies to repair the damages from the eruption of Mount St. Helens in Washington State in 1980. Without a doubt, the intensive management practices of timber companies like Weyerhaeuser have restored the beauty and productivity of private land at a rate significantly faster than is the case with public land where nature was left alone.

Like Governor Ray, I hope that the Clinton administration realizes that private companies have a long history of actively and carefully managing natural resources. I pray that his adminstration views these companies as a resource to be utilized in solving questions of management of public and private sector timber supplies.

PREVENTING AMENDMENTS TO THE STIMULUS PACKAGE

Mr. GORTON. Mr. President, we are now formally in morning business, basically, I understand to prevent the introduction of further amendments to the so-called stimulus package. This Senator finds that regrettable.

This Senator would hope that there would be a full and complete opportunity to offer such amendments, simply because this Senator believes the entire package to be extremely damaging to the American people and totally inconsistent with the fundamental promises proposed by the President of the United States and by the budget resolution itself.

This Senator regards it as ironic that it is barely 24 hours since the Senate of the United States gave its final approval to a budget resolution, advertised by its proponents as being a method by which we would reduce our budget deficit.

As modest as those reductions were, however, Mr. President, immediately after passing that budget resolution, we took up a bill which falls outside of the resolution itself and adds $16 billion to $19 billion to the deficit above and beyond everything called for by a year budget resolution.

It is, I greatly fear, a prediction of what will happen in the future. Each time anyone comes up with a supposed emergency, we will be outside of the budget and the budget deficits will continue to increase.

We have golf courses, we have swimming pools, we have parking lots, we have Amtrak trains, all listed as emergency spending, even though it is barely 6 months since we made a determination as to how much spending should be earmarked for each of such purposes during this fiscal year.

Mr. President, this is an irresponsible proposal. It will hurt American productivity. It will deprive Americans of private sector jobs with a future. It—and I now am fairly confident in saying—will be defeated or will be substantially modified in a responsible direction.

The PRESIDING OFFICER. Who yields time?

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, may I ask how much time remains?

The PRESIDING OFFICER. Six and a half minutes.

THE SUPPLEMENTAL APPROPRIATIONS PACKAGE

Mr. CRAIG. Mr. President, I yield myself such time as I may consume.

Mr. President, for the last several days, the Nation has watched as this body debated a supplemental appropriations package, known as a stimulus or jobs package, or at least so phrased by the Clinton administration.

As my colleague from Washington has just said, we have heard of money going out to create jobs that would repave tennis courts, paint water towers, build swimming pools, erase graffiti from the sides of roadways, build bike paths, and do other such types of employment, all in the name of job creation.

Clearly, on this side, we have reacted very loudly and very vocally because we do not believe those are the kinds of jobs that the American people who are currently unemployed are asking for.

More importantly, we just finished a budget resolution that said that, over the course of the next several years, we would cut some $7 billion-plus from the budget and raise over $360 billion in taxes—new taxes—and fees, and this was going to create a new and vibrant economy, while at the same time reducing the deficit.

And yet, today, we talk about adding $19.5 billion to the deficit, when we struggled with a budget for the next 4 years for this administration that could only find $7 billion to reduce.

People in Idaho are very, very frustrated at this moment. Where a month ago they supported this President's effort to reduce the deficit, they now are getting a very mixed signal from the Congress and from the Clinton administration.

What in fact is deficit reduction? Is it being done on the backs of taxpayers, or are we actually controlling the size of Government and reducing overall expenditures?

I have with me today, Mr. President, just a small sampling of cards and letters that are now pouring into our offices from citizens in my State, as I know they are in other Senator's offices.

They are all very clear in this message. They say, "I know you will work hard. Please cut spending first."

That is the underlying message. Some say it in just three words. "Cut spending first." Others say it in a good many words.

But, clearly, Mr. President, the message that our President is trying to send at this moment is confused because, where he once said he would control Government, I believe the American people are now convinced he is going to try to control them with ever-increasing taxes and with less ability, certainly on their part, to provide for their families.

Let me read this card that I thought was so important because I think it says it so clear. It is from Barbara Butler, in Naples, ID. It says very clearly:

DEAR SENATOR CRAIG: Bill Clinton could not have been elected President had he told the truth about raising taxes. The American middle class has lost hope for the future. We no longer have control of our lives. The more we work and try to get ahead, the more we are taxed and the further we fall behind. You, the Government, now live off the sweat of our bodies for 6 months out of every year. We cannot afford more Government. No more taxes. Reduce spending.

I have received now several thousand of those cards.

It appears we are going to be here deadlocked in a debate over whether we are going to increase Government spending with a credit card or whether we are, in fact, going to control Government spending with fiscal responsibility. That is the crux of the debate at hand, Mr. President.

Let me suggest to Senators, while they are waiting over the next several days as we decide whether we are going to spend with that credit card or put it in our hip pockets, that they go back to their offices and begin to read their mail.

Because I am convinced their mail is much like mine. You see, Idahoans are no different than any other American. They understand the responsibilities of government. But they also understand that this Congress and this Senate, for way too long, has lived off the credit card. Once again we are asking the American people to underwrite our credit card spending.

Mr. President, $19.5 billion of make-work jobs does not create an economy. Idahoans understand that, and America is understanding that. It is time we stopped that kind of spending, we assist where we can those who are truly

unemployed, but we do not suggest to the American people that this is economic stimulus that will return the economy, build jobs, and create some kind of economic vitality.

Idahoans understand it. Thousands of cards and letters are pouring in with one very simple message: Get off the credit card mentality, Congress, and cut spending first.

I yield the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BYRD. Mr. President, how much time remains?

The PRESIDING OFFICER. The time controlled by Senator HATFIELD is 45 seconds, time controlled by the Senator from West Virginia is 54 minutes 40 seconds. If there is no agreement on time——

Mr. D'AMATO. I am wondering, Mr. President, if I might request 3 minutes from somebody's time?

Mr. BYRD. Mr. President, what time are the votes to begin?

The PRESIDING OFFICER. At 4:45.

Mr. BYRD. At 4:45. The Senator has 3 minutes, make it 4:48, and 3 more minutes on this side, make it 4:51.

I ask unanimous consent that there be 3 additional minutes for Mr. D'AMATO, and 3 additional minutes for this side.

The PRESIDING OFFICER. Is there objection?

Hearing none, the Senator from New York has 3 minutes and 45 seconds.

A LITTLE PLAIN COMMON SENSE

Mr. D'AMATO. I thank my distinguished colleague from West Virginia.

Mr. President, I would like to address one aspect of this economic recovery plan. I would like to see a real economic recovery plan that can do something to help reduce the deficit and create confidence and move America ahead and create jobs. I truly want to do that.

It is in that spirit that I come forward today and put forth some recommendations that a lot of people on my side might not be happy with. They are what I think is far more prudent than raising taxes, for example, on energy.

Let me tell you what the energy tax does to my State. It costs my State $1 billion a year more. Let me be more precise in telling you what impact it will have in the area that I live, Long Island. Working middle-class families—it will cost the average family $600 a year more and it will cost the area $300 million annually. Long Islanders already suffer the highest energy taxes in the Continental United States and they should not be forced to endure even higher utility rates, especially when these new taxes will be used for new spending programs.

That is why I am going to suggest doing away with this energy tax that is going to hurt middle-class working families and is a transfer of income, basically from working middle-class families to lower income families. The fact is half of the money, $35 billion out of the $71 billion that will be raised, will be income transfer in the way of $25 billion for tax credits for poor people, another $7.2 billion in additional funding for food stamps, and $3 billion for additional heating allowances because these poeple have been pushed into poverty.

If you do not put that tax on them, there will be no need for that. My residents will not have to, then, be hit and faced with this tax. It is not reducing the deficit. It is going for additional spending.

Let me suggest we freeze spending for 2 years and save $50 billion. Let me suggest that you have a space station that costs $32 billion—what do you need a space station now for when you are budgeted for $32 billion and you are going to tax senior citizens on Social Security, you are going to tax every working middle-class family in certain regions $500 to $700 a year more just for energy, and you are using those dollars for these kinds of programs?

You have a superconducting super collider, $8 billion. Let me suggest if science and technology are going to be advanced, let the private sector pick it up. That is $32 billion on the space station, $8 billion on the superconducting super collider, that is $40 billion; $50 billion from a freeze. Do you know what? We have just identified enough money to do away with increasing the taxes on people for Social Security and the energy tax. And we have not hurt the economy.

What about a little plain common sense? I am not down here objecting to be obstructionist, but what I am suggesting is let us get a hold of the spending. Let us curtail that spending. If we are going to take resources and new taxes, let us make sure they do not go for new spending programs. Certainly, the bike paths and trails and the swimming pools and the huts that are heated for ice skating rinks, and the whole plethora that we have heard is out of line.

The PRESIDING OFFICER. All time has expired controlled by Senator HATFIELD.

Mr. BYRD. I yield to the distinguished Senator from Rhode Island [Mr. PELL] 3 minutes.

THE STIMULUS PACKAGE

Mr. PELL. Mr. President, as we continue to debate the supplemental appropriations bill with its provisions for economic stimulus and investment, I am struck by the fact that we may be losing sight of the fact that this bill is an intrinsic part of a larger design—namely a plan to redefine the very core of our national economic policy.

This is an historic time of change in national priorities. Only twice before in my lifetime has the Nation faced such a watershed—once in 1932, with the election of Franklin D. Roosevelt and again in 1960 with the election of John F. Kennedy.

Today we are faced with unique circumstances resulting from epochal changes in the world around us. The cold war is behind us and with it the need for a vast military establishment sufficient to overcome an opponent of equal strength. But with the reduction of that military establishment has come inevitable economic disruption for many parts of the country.

My own small State is no exception. Its principal private sector employer has been for many years one of the Nation's prime builders of nuclear submarines. Hundred of workers have already been laid off and more are sure to follow. In spite of my persistent efforts over the years to persuade the submarine builder to look to the future and diversify its operations, only faltering steps have occurred in that direction.

We also have lost the Navy ships that were homeported at Newport and several small shore installations as well, although I am glad to say the impact so far is nowhere near as severe as it was when the Navy withdrew its fleet operations after the Vietnam war.

But the overall effect of the end of the cold war on my State and on every other State of the Union is undeniably disruptive of patterns of economic activity which have been built up over the past 50 years.

If this were the only factor that our economy has to absorb, the problem would be more manageable. But the military build-down unfortunately coincides with a number of other historic forces and developments which have combined to produce the economic plight we now find ourselves in.

Not the least of these is the emergence of a new competitive world market place in which we share dominance with new centers of power in Europe and Asia. Concurrently, technological change has resulted in great shifts in economic activity; new technology and new processes have posed new and difficult challenges for our work force; jobs have moved overseas, in some cases leaving whole communities bereft of their principal source of jobs.

As a result of all these problems, the so-called recovery of the economy has not been a recovery at all for many parts of the country. The national unemployment rate still hovers around 7 percent, still higher than where it was when the recession began. Most new jobs created in recent months have been part-time jobs taken by people searching for full-time work. And a recent survey of the National Association of Manufacturers indicated that while their members hope to boost pro-

ductivity in the coming year, they foresee little growth in employment.

So it seems to me that it is far too early to declare that we can be sure the economy is automatically set on a course that will assure sufficient growth to sustain itself and assure support of our national objectives including deficit reduction.

The stimulus package before us addresses our situation in a number of ways, both direct and indirect, designed to provide productive jobs across the country. I have already called attention to the fact that my State only receives one-half of 1 percent of the total outlays in this bill, but even that $50 million will have a powerfully beneficial effect in Rhode Island.

On the national level, I want to call special attention at this time to the provision in the bill which erases the $2 billion shortfall in the Pell Grant Program. This provision will erase all accumulated deficits and give assurance that program funding will be used for student aid.

Those who might question what this provision has to do with economic stimulus fail to perceive that education is the engine of enhanced economic activity. One of the clear implications of the technological and electronic revolutions is that our work force must be more sophisticated, both in terms of those who are just about to join it and those who are experienced but who need to acquire new skills in order to survive.

In recent years, the ranks of individuals eligible for Pell grants—that is whose low income qualifies them for such assistance—have increased dramatically. This is a direct result of the recession in which both unemployed and underemployed workers see additional education as an avenue to a job, as a way to upgrade skills, and as a chance to improve their economic standing.

Restoring health to the Pell Grant Program will mean that individuals and families can count on getting this assistance when they need it. And when they do, it will be a step toward their contribution to national recovery.

I should also note that there is another important education program that would benefit from the stimulus package. That is the so-called Chapter 1 Program which provides basic skills assistance to children from low-income families. The bill would provide an additional $500 million for summer Chapter 1 Programs which can do much to help disadvantaged children sustain the gains made during the school year.

Another $234 million would support Chapter 1 Programs in school districts which did not benefit from census reallocations but which continue to feel the full burden of recession along with a continuation of the full burden of responsibility to meet the needs of poor children.

To return now to the significance of this legislation as a major component of a dynamic program for change, I recognize that there are those in this Chamber who may feel that this stimulus package is too big or that it is behind the curve of economic recovery. They of course do a service in making sure that we take these reservations into account.

But I urge that we look beyond the immediate impact of the stimulus package and not dismiss it as a simple pump priming exercise for short-term gains. We need to understand that it has a long-range economic purpose as a critical component of President Clinton's strategy for economic rehabilitation.

The fact is that we need to fortify the economy for the shock it is going to receive as the deficit reduction program we have just approved goes into effect next year. Deficit reduction will inevitably drain purchasing power from the economy; every dollar of government spending that is cut will result in a cut in someone's income.

Considering the marginal state of the recovery so far, we need to take prudent steps now to give the economy momentum which will carry it through the adjustment which lies ahead. The stimulus package does just that.

In this regard, I was particularly interested in a report called to our attention by the distinguished Senator from Michigan [Mr. RIEGLE], which was prepared by economists at the University of Michigan.

The Michigan report surveys the shaky recovery and the unlikely prospects for economic expansion at the very time a real deficit reduction plan is going into effect. It concludes for these reasons that President Clinton is right to front-load his multiyear deficit reduction package with at least a moderate dose of fiscal stimulus.

In my view, this is the overarching reason for passing the stimulus package promptly without change. To do less would be a great disservice to the economy and to our constituents.

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time?

Mr. BYRD. I thank the distinguished Senator from Rhode Island [Mr. PELL], for his fine statement.

I yield 10 minutes to the Senator from South Dakota [Mr. DASCHLE].

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 10 minutes.

GRIDLOCK

Mr. DASCHLE. I thank the chairman for yielding me this time. I appreciate all of his work in the last several days since we debated this most important issue.

It is very hard to fathom this gridlock on jobs, because it is gridlock of the most damaging kind. It is damaging because people's lives are at stake, because millions of people are out of work. They are desperate, and they hope for national leadership. And what are they witnessing? They are witnessing politics as usual; partisan bickering as to whether we ought to create more jobs, over whether this jobs bill is necessary, over the need for an investment strategy that virtually everyone acknowledges could mean new jobs within weeks.

As the distinguished Senator from California said recently, we spent over 100 hours of debate on this economic plan. The other side offered more than 50 amendments so far, keeping us in gridlock, delaying the inevitable, and delaying passage of legislation that could mean help to those who need it so badly.

That should be a debate about jobs, about the necessity of creating them, and about a national investment strategy. Anyone who would be watching what is happening on the floor should come to that conclusion. Certainly, it is a well-intended debate about the issues.

Mr. President, I hope the American people are not fooled by all of what they may see. I hope they will see this effort by Senators on the other side for what it really is. It is an effort to defeat and embarrass the President, pure and simple. They criticize him not necessarily because they disagree, but because some want to play politics. And they are not only harshly critical of President Clinton, but even of old allies who may believe this administration may be on the right track.

I was interested in a story this morning in the Washington Post on the front page, above the fold; the headline reads: "GOP Right, Chamber in Bitter Feud. Clinton Victories Part Old Allies."

It says, in part:

> That the world's most bitter wars break out inside families, and that could explain the savagery of the dispute between two groups that have been allied so long they seem to share bloodlines: the U.S. Chamber of Commerce and the Republican Party.
>
> Republican conservatives embittered by President Clinton's recent legislative victories and suspicious of those who compromise with him, have angrily turned on traditional business allies in the Chamber for applauding parts of Clinton's economic and health care programs.
>
> The conservatives have issued vague threats against the Chamber unless it aggressively opposes Clinton. They have said that if the Chamber doesn't change course, they'll denounce it, demand resignations of top officials and lead a dues strike of the 215,000-member group.

That is the issue, Mr. President. That is what we are talking about. Not what we see in this debate on the Senate floor about amendments that all sound so well intended. This is a partisan

feud, a debate about whether we are going to allow this President to lead, a debate about whether we are going to break the gridlock to govern for the first time in many years.

So no one should be misled. It is about business as usual, and the vote this afternoon is a vote on gridlock. We have a choice: We can vote to end gridlock or we can vote for politics as usual. If we fail cloture this afternoon, it should be very clear: Some Republicans just do not get it. They do not understand that the time has long passed since the American people have tolerated political positioning and an unwillingness to confront our Nation's problems.

They know, as we know, that the problem of unemployment is very real. They know that this recovery should have produced 3 million new jobs by now. Mr. President, that is equal to the entire population of South Dakota, North Dakota, Wyoming, Alaska, and Vermont. That is how many people ought to be working if this recovery were working right.

It is not only about jobs. It is the very real drag on the economy that is at stake, too. The Congressional Budget Office estimates that this drag costs our national economy $80 billion a year. They tell us that this slack economy will increase the Federal debt by $175 billion over 4 years. They tell us that each percentage point increases the Federal deficit by $33 billion the first year and $50 billion each and every subsequent year.

So that is really what is at stake here. We are talking about jobs, we are talking about the economy, and we are talking about the Federal deficit. If we truly care about addressing these problems, it is absolutely critical that we get on with passing legislation which creates the tools which we need to create the jobs. We cannot allow those who would sit idly by to prevail while millions of Americans wait for work and scores of companies cut thousands and thousands of jobs.

Since January, Sears, Roebuck has already announced plans to cut 50,000 jobs; the Boeing Co., 20,000; United Technologies another 10,000; and McDonnell Douglas, over 8,000. We are told that there are 481,000 fewer construction jobs today than there were in 1990, just 3 years ago. We are told that there are 389,000 fewer manufacturing jobs than there were at the bottom of the recession, and 1,062,000 fewer jobs than there were at the beginning of the recession. One out of every five unemployed worker has been jobless for 6 months or more. Total unemployment in the Fortune 500 companies has declined 26 percent in the last decade. We have gone from 16 million workers in 1979 to a mere 11.9 million workers in 1991 in Fortune 500 companies.

We now know that during this period, jobs were created that were very low paying in the industrial sector. I think this chart so ably points it out. I hope the camera can pick it up. We have seen a reduction in mining jobs of 50 percent in over the last 10 years, from 1979 to 1991. The average mining jobs over that period of time averaged $630 per week. We have seen a reduction of 15 percent in manufacturing, with an average weekly wage of $455 per week.

But look down at the bottom of the chart. We have seen an increase in service jobs of 40 percent in that period of time, at salaries not at $630 per week, but at about half that, $332 a week. While full-time employment is in the decline, part-time jobs are on the rise. Average weekly hours have gone down each and every year since 1984, Mr. President. So in order to maintain living standards, families have been forced to offset declines in real hourly pay by doing two things: First, by working longer hours; and, second, by putting additional family members into the work force. All families, but especially families with children, have seen substantial increases in the hours of paid work during the eighties.

What we see in this chart points it out very clearly. In the last 10 years, we have seen an increase of more than 8 percent of all families in the number of hours worked per week. We have seen a increase in the number of hours worked by couples with children, those families who need more time with children, those families who want to protect the livelihood and the lives and the health of their children. What are they doing? They are spending more time in the workplace by more than 11 percent over the last 10 years.

While they work longer, American workers' pay is going down, down by 14 percent in the 1980's. In 1979, the average worker brought home $292 a week. In 1991, it was about $40 less. That is why this bill is so important, to change those trends and put people to work, not with false promises but with real expectations.

The PRESIDING OFFICER (Mr. AKAKA). The Senator's time has expired.

Mr. DASCHLE. I ask for 5 additional minutes.

Mr. STEVENS. Reserving the right to object. I am requested to object to any extension of time.

Mr. BYRD. Mr. President, I have control of the time over here.

Mr. STEVENS. I thought he was saying extension of the overall time.

Mr. BYRD. I yield the Senator 3 minutes.

The PRESIDING OFFICER. The Senator from South Dakota has 3 minutes.

Mr. DASCHLE. I thank the chairman for yielding me the additional time.

Mr. President, this bill creates 500,000 new full-time equivalent jobs by 1994, building highways and bridges and airports, building mass transit, improving health outreach and educational opportunities, providing new housing, urban improvement, and rural development projects that are long overdue.

South Dakota is typical of what is at stake. This bill is critical to my State for many reasons: Water and sewer dollars for many of our small towns who desperately need the help; for our 3 veterans hospitals that have real need of maintenance; and for 16 specific highway projects in locations in every region of our State.

I have a letter from the Department of Transportation which delineates each and every one of those, Mr. President. I ask unanimous consent to have those printed in the RECORD.

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

DEPARTMENT OF TRANSPORTATION,
OFFICE OF THE SECRETARY,
Pierre, SD, April 1, 1993.

To: Erin McGrath, Senator Tom Daschle's Office.

From: Richard L. Howard, Secretary, Department of Transportation.

Subject: Projects to be let to contract utilizing ISTEA funds from the Economic Stimulus Program.

In follow-up to our telephone conversation of yesterday, attached are lists of projects which are ready to be let to contract to utilize expected ISTEA funds under the Economic Stimulus Program. As we discussed, South Dakota has fully obligated its existing FY 1993 ISTEA obligation authority on projects which will be let to contract during April and May, 1993.

Therefore, we propose to have a "special" letting on June 2, 1993 using expected funds from the Economic Stimulus Program. The attached list of projects on page 1 and 2 of the attachment are ready to be let on June 2, 1993. The additional projects listed on page 3 of the attachment could potentially be ready to let on June 2nd; however, there are remaining project development activities such as right-of-way acquisition which may delay these projects until the June 22, 1993 letting.

In addition, we have a significant number of projects which will be ready to let to contract in July, August and September which could be funded if re-distributed Economic Stimulus Funds become available from other states.

Your assistance and support in fully funding ISTEA as part of the Economic Stimulus Program is greatly appreciated. We look forward to utilizing the highway funding which may become available to South Dakota to construct badly needed highway improvement projects while at the same time putting people to work and stimulating the economy of our state.

SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION, DIVISION OF ENGINEERING/PROJECT DEVELOPMENT, 1993 HIGHWAY CONSTRUCTION PROGRAM

[Planned June 2, 1993 letting: Projects which are ready to let to contract to utilize the funds expected from the Economic Stimulus Program]

Project number	PCN	County	Length	Route number	Location of project	Type of improvement	Funding		Fiscal year	Planning estimate (millions)
							Federal	Other		
P 0018(108)349; (A8), P 0281(49)35 [1]	3748	Charles Mix, Douglas	12.1	US18, US281	Fm SD50S to US281N; Fm E Jct. US18 to N of 1st Street in Armour.	Asphalt concrete resurfacing, milling, slope flattening and shoulder widening.	$1.117	$0.246	1993, 6/2/93	$1.363
P 0046(27)334 [2]	3719	Yankton	12.1	SD46	From US81 East to Clay County	Asphalt concrete resurfacing, milling and slope flattening.	1.116	.246	1993, 6/2/93	1.362
NH 0085(39)29	2658	Lawrence	5.7	US85	Fm US14A N of Deadwood N	Surfacing	4.088	.900	1993, 6/2/93	4.988
NH 0212(73)154 [3]	2677	Dewey	11.4	US212	From Eagle Butte East	Surfacing	2.778		1993, 6/2/93	2.778
P 3065(04)178 [4]	K017	Dewey Ziebach	11.4	SD65	From Jct. SD20 West of Isabel, South.	Grading and interim surfacing	2.871		1993, 6/2/93	2.871
P 3065(03)164	2382	Ziebach	11.0	SD65	Fm Jct US212 East of Dupree North.	Grading, structure and interim surfacing.	3.194		1993, 6/2/93	2.595

[1] Combined with PCN 3749 and tied to PCN 559H.
[2] Moved from 4/6/93.
[3] Advanced from 1994.
[4] Deferred from 1993 to 1995 then advanced to 1994.

SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION, DIVISION OF ENGINEERING/PROJECT DEVELOPMENT, 1993 HIGHWAY CONSTRUCTION PROGRAM

Project number	PCN	County	Length	Route number	Location of project	Type of improvement	Funding		Fiscal year	Planning estimate (millions)
							Federal	Other		
P 1014(21)36 [1]	2130	Lawrence	0.6	US14A	Fm 0.25 Mi W of US85 N to 3 Lane in Lead.	Grading, storm sewer, curb, gutter and surfacing.	$1.802	$0.397	1993, 6/2/93	$1.377
P 1014(37)8 [2]	3532	Lawrence	3.0	US14A	Fm Jct 190 and US14A at Exit 14 to Spearfish Country Club and S 1.3 Mi on Spearfish Canyon Rd.	Grading and surfacing, intersection improvement and resurfacing and slope flattening.	1.802	.397	1993, 6/2/93	2.183
P 0050(65)323 [3]	559H	Charles Mix	.0	SD50	From Jct. US18 and SD50 S	Asph. conc. resurf. and slope flattening.	.082	.018	1993, 6/2/93	.100

[1] ROW (Bankruptcy and possession hearing).
[2] Depends on Timing of Deadwood N. Detour—Moved from 3/16/93.
[3] Tied to PCN's 3748 and 3749—Rev. #93–24.

Note.—Totals for 6/2/93: Planning estimate, 19.617; Federal funds, 18.850; other funds, 2.204; project agreement, 21.054.

SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION, DIVISION OF ENGINEERING/PROJECT DEVELOPMENT, 1993 HIGHWAY CONSTRUCTION PROGRAM

[Additional projects which could potentially be ready by the June 2 letting—but will definitely be ready for a June 22, 1993, letting to utilize any remaining Economic Stimulus Funds]

Project number	PCN	County	Length	Route number	Location of project	Type of improvement	Funding		Fiscal year	Planning estimate (millions)
							Federal	Other		
NH 0012(80)292 [1]	3746	Brown	1.0	US12	From Roosevelt Rd to Melgaard Rd in Aberdeen.	Widen to 5 lane, replace surface with PCC, curb and gutter.	1.836		1993, 6/12/93	2.241
NH 0016(33)0 [2]	L004	Custer	11.0	US16	Fm Wyoming State Line E	Surfacing	4.767		1993, 6/12/93	5.817
NH 0012(55)367 [3]	2672	Grant Roberts	9.2	US12	From Summit SE to Jct. SD123	Grading, structures and interim surfacing.	3.149		1993, 6/12/93	3.842
P 1771(05) [4]	2961	Pennington	1.0		Sheridan Lake Rd. from Heidiway Land S to Summerset in Rapid City.	Grading, C&G, storm sewer, sidewalk pcc surfacing.	.711		1993, 6/12/93	1.400
IM 29–3(71)77 [5]	2381	Minnehaha	0	129	Exit 77 at 41st Street in Sioux Falls.	Replace NB asph. conc. ramps with PCC pavement, widen and resurf. SB ramps and add auxillary lanes fm Skunk Cr. to 41st St.	2.110		1994, 6/12/93	2.319

[1] Moved from 3/16/93, ROW.
[2] Advanced from 1994, hold in reserve in case of "project".
[3] Advanced from 1994—Need Plans—hold in reserve in case of "project slippage".
[4] Rev. #93–62—ROW.
[5] Advanced from 1994—ROW.

Note.—Totals for 6/12/93: Planning estimates, 15.619; Federal funds, 12.573; other funds, 0.000; project agreement: 12.573.

Mr. DASCHLE. Funding would be provided for at least five Community Development Block Grant Program awards to rural communities in South Dakota. I ask unanimous consent to have those printed in the RECORD.

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

Aurora County (Plankinton)—total project cost: $192,000.

Population: (604)—CDBG award: 90,000.

The county received a grant to construct a 3,200 sq. ft. building to provide medical and dental services to a rural area. This allowed for the consolidation of health care services for this area under one roof and replaced a dilapidated old building. The area is served by a physician's assistant and medical assistants on a full-time basis and a doctor and dentist on a part-time basis.

Beresford—total project cost: $1,015,000.

Population: 1,849—CDBG award: 195,000.

The city of Beresford received CDBG funds to construct water and sewer lines to serve a new industry (Quality Park Products). Quality Park created 35 full-time jobs of which 20 benefited LMI persons. The company invested $820,000 for building and equipment as the remaining portion of this project.

Douglas County—total project cost: $1,665,000.

CDBG award: 400,000.

Douglas County assisted B–Y Water District to expand its rural water system to serve 130 rural customers. The local ground water contained high concentrations of several elements including sulfate, chloride, fluoride, iron and manganese. The project also serves approximately 50,000 livestock which has improved their productivity.

Garretson—total project cost: $410,000.

Population: 924—CDBG award: 210,000.

Garretson is in violation of primary drinking water standards. The project design will be determined by the final standards which hopefully will be adopted by EPA in the fall of 1993. The city is proposing to construct a new well and degassification facility for radon gas removal. If the standards are not approved as proposed, the city of Garretson will be faced with a project exceeding a million dollars to also remove radium 226 and 228.

Martin—total project cost: $320,000.

Population: 1,151—CDBG award: 160,000.

The city of Martin received a grant to construct a 9,600 sq. ft. building to house the six fire trucks and one ambulance. It also provides a meeting room for training volunteers and storage space for emergency equipment. The facility serves all of Bennett County and portions of the Pine Ridge Reservation. The facility replaced a dilapidated building which had only two exits for all of the emergency vehicles. The building was also expensive to maintain and operate.

Mr. DASCHLE. Finally, funding would be provided for projects on our reservations with roads and facilities and schools and forests and education.

So, Mr. President, our choice is clear. It is between jobs and gridlock, between change and business as usual. No one should be misled. We need this bill. We need the jobs it creates. We need a

plan of attack and a strong economy and, above all, we need to demonstrate that at long last we can govern.

I yield back the remainder of my time.

Mr. BYRD. Mr. President, I yield 7 minutes to the Senator from Illinois, Ms. CAROL MOSELEY-BRAUN.

Ms. MOSELEY-BRAUN. I thank the Senator.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Ms. MOSELEY-BRAUN. I thank the Chair.

PRESIDENT CLINTON'S STIMULUS PACKAGE

Ms. MOSELEY-BRAUN. Mr. President, I wanted to talk about the President's stimulus package and to pick up on the note about which the Senator from South Dakota was speaking.

After all, Mr. President, we have just been though a recession that has caused more permanent job losses than any previous post-World-War-II-cold-war recession. We have 3 million Americans who would be working right now if this recovery was like other previous economic recoveries. Instead, Mr. President, they are joining millions of other Americans who are either unemployed or underemployed because this economy is not creating anywhere near enough jobs.

Job creation is what the emergency supplemental appropriation is all about, adding some modest stimulus to jump-start job creation in this economy by the private sector. As of the end of last year, we were only creating 23,000 new jobs per month. In any kind of normal recovery, the job creation rate would have been 10 times that high or even higher.

Mr. President, while I wanted to talk about the stimulus program and the need for job creation and about how this supplemental appropriations bill fits into the President's overall economic plan, it is becoming increasingly apparent that there is not much point to that kind of rational discussion.

Unfortunately, Mr. President, the debate we are now having is not about the economic stimulus-supplemental appropriations bill at all. Rather, it is about trying to tear down a new President who is trying to help ordinary Americans and help our country in its future. It is about trying to preserve gridlock and inaction. It is about trying to overturn, Mr. President—overturn—the results of last year's election, and it is about trying, at all costs, to preserve budget myths that have no basis in reality rather than admit that the Reagan revolution was a failure that severely hurt average Americans and undermined our place in the world.

I have heard almost endless argument by Senators from the other side of the aisle about the Democratic tax-and-spend policies, but even when this bill becomes law, Mr. President, spending for this fiscal year will be below the total that President Bush agreed to as part of the 1990 agreement. And every single Senator in this Chamber knows that. To listen to the debate, the average American would think this bill represents the entire economic plan.

I know that we have just spent now over 7 days and cast 46 rollcall votes on the budget resolution, including having to go through the disgrace of voting on 18 different hostile amendments of which no one had seen or heard.

I thought those who opposed the President had had an opportunity to make their case and tried to persuade the Senate and the American public that the President's plan was not the right approach. After all of that, we had a vote on the President's plan, and we won on the budget resolution. Yet here we are today as if none of that had happened. Here we are endlessly debating projects and listening to rhetoric about projects that are nowhere to be found either in the bill before us now or in the committee report on the bill.

Mr. President, here we are today with posturing and long speeches and political diatribes and amendment after hostile amendment all to tear down—not to build, to tear down—part of President Clinton's plan.

I listened earlier to the debate, and one of my colleagues from the other side of the aisle said, well, this is not a filibuster; this is our right to speak out on the issue.

Well, it almost does not matter what you call it, Mr. President. You can call it a filibuster or a talkathon or death by amendment, by the fact is that it is a filibuster, pure and simple. We have been debating the jobs plan now for over 8 days, for over 57 hours. This is filibuster, plain and simple, and its intention is to recreate gridlock.

If last year's election meant anything, Mr. President, it meant the American people were fed up with gridlock and that they wanted to get this country on the move again. That message was crystal clear everywhere in America. It certainly was in my State of Illinois. It was clear to every working person. However, some of the opponents of this bill just do not seem to want to believe that or understand that.

This election, Mr. President, was about change. Folks who are opposed to President Clinton were taken out of power. The voters in this country tripled the number of women in this body, in large part because they were tired of the gridlock; they were tired of the combat; tired of the gamesmanship while our country just drifted into decline.

Senator BYRD has requested the women of this Chamber to speak to this issue, and we have all spoken now with one voice, saying that we are tired of the gridlock. We came here to make a difference. We came here for change. We came here to help get our country's house in order. We are not prepared to stand by and watch business as usual continue. We are here with a singular message, and that is that this activity, this filibuster, is not acceptable. The people and the women of this Chamber want to give President Clinton a chance.

Now, Mr. President, I am the first to recognize there is room for legitimate disagreement, and certainly debate is what this body is about. But the plan before us, this economic stimulus plan, the jobs plan, is what the people have approved. This is the change that they voted for.

Eight days and fifty-seven minutes, Mr. President, to debate a bill that comes down to essentially, if you average it out, 2 hours per page, 2 hours per page on a plan that everybody knows is part of the President's program to get this country going.

What we have, Mr. President, is a fight about whether to move forward or not, whether to end a decade of inaction and inattention to the needs of the American people or not. What we have is an attempt by 43 Senators to dictate to the President, to the House of Representatives, and to the majority of this body what this country's economic policy should be.

What we have is an attempt to preserve the advantage for the wealthiest Americans that two successive administrations conferred on the privileged few. It is not news to anybody that the rich got richer, the poor got poorer, and the middle class got squeezed over the last 12 years in this country, and this President, President Clinton, was elected to turn that around and to change that.

It should be very clear, Mr. President. Those opposing this bill have had an opportunity to have their policies in place for the last 12 years, and those policies have failed. It is time to change. The experiment of the 1990's hurt many to the benefit of the few. It mortgaged our future for short-term political advantage. It promised economic growth and opportunity but produced lost jobs, lost competitiveness, and lost income for most Americans.

As a result of the failures of the 1980's, every man, woman, and child in this Nation has a $16,000 Federal debt hanging over their heads. That is every person's share of the $4 trillion national debt that we have been left with because of the policies of the last 12 years.

Now, the $4 trillion-plus and $300 billion-plus budget deficits, those are numbers that are so large that they seem almost impossible to understand. But let me put it in more human terms.

The PRESIDING OFFICER. The Senator from Illinois has spoken for 7 minutes.

Mr. BYRD. How much time does the distinguished Senator wish?

Ms. MOSELEY-BRAUN. An additional 5 minutes.

Mr. BYRD. I yield an additional 5 minutes to the Senator.

The PRESIDING OFFICER. The Senator from Illinois has an additional 5 minutes.

Ms. MOSELEY-BRAUN. I thank the Chair.

What those huge numbers translate into is incomes that have not kept pace for the ordinary American. What they mean is people losing their jobs or having to accept new jobs at much lower pay than their old ones. What they mean is more Americans having trouble financing college for their children and that their children are having a harder time finding a good job even if they are able to get a college degree.

What those numbers mean, Mr. President, is more and more two-income families, because having two incomes is the only way that many people can make ends meet. And what they mean is more and more Americans cannot afford to purchase their own home. That is the legacy of the bankrupt policies the opponents of the President's plan want us to return to. That is the legacy of 12 years of policy that did not work and indeed we could argue could not work.

Clinton is trying to change that. He is trying to put ordinary working families first. He is trying to make their lives better and to give us a better future for our children. I believe that this President deserves the same chance that Ronald Reagan got when he took office and that previous Presidents got when they took office. But he is not getting that chance from the opponents of this bill. They will not give his plan an opportunity to succeed. And they are willing to go to any lengths to wreck the plan, to ensure that it does not succeed.

We have been in this filibuster or talkathon, whatever you want to call it now, for 57 hours, 8 days, over jobs, over unemployment benefits, over local government projects, immunizations, education programs—less spending, Mr. President, than President Bush's budget had.

I urge those who are opposing this bill to consider their position carefully. If they are going to be the guardians of gridlock, I think the American people will hold them accountable. And I can assure you, Mr. President, that we have no intentions of backing down. We are going to fight gridlock. We are going to fight it, and we are going to talk about it, and we are going to tell the truth about it, and we are going to do what we can do to bring about the change to end the gridlock and to get this country on the right road again.

The American people know that change is needed. They know that we cannot afford to continue discredited policies of the past. It is not just working Americans who know that change is needed, America's hardheaded conservative fiscal managers have also voted overwhelmingly for change. And they voted with their money, driving down long-term interest rates by over 1 percent since President Clinton's election in November.

The President's economic plan is a good one, Mr. President. The economic stimulus component of that plan is prudent and responsible. This President's priorities are America's priorities—lower deficits, more opportunity, and a better life for working people and their children, and a brighter future for us all.

I believe that this economic stimulus debate deserves our support on its merits. But it also deserves enactment because this is a battle to change the status quo that has so hurt working Americans. The opponents of this bill may see merit in the status quo, in the way that things are, Mr. President. I do not. I do not think the American people do either. That is the reason that we are having this long, protracted debate here on this floor.

The American people expect us to do our jobs. They expect us to act to address their problems. We cannot afford to let the country down. We must give President Clinton a chance.

Mr. President, I urge my colleagues on the other side of the aisle to withdraw from this attempt to recreate gridlock, to withdraw from this attempt to filibuster this legislation, to give this President a fair chance to govern.

Thank you, Mr. President.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I thank the distinguished Senator for her very moving and excellent speech.

I yield to the distinguished Senator from Maryland [Ms. MIKULSKI] 5 minutes.

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

THE PRESIDENT'S STIMULUS PACKAGE

Ms. MIKULSKI. Thank you very much, Mr. President.

I rise again in defense of the stimulus package. We are in the closing hours of the debate today and are on the brink of voting for a technical procedure of cloture. As we come on the brink of this vote, I would like to pay my respects and tribute to the most gallant, steadfast, and unrelenting fighter for this program, Senator BOB BYRD.

Senator BOB BYRD has been on this floor day and night defending the American people and the fact that this stimulus program could create jobs, not only in West Virginia, but in every State in the United States of America. Senator BYRD has used the skills of parliamentary procedure, the genius that he is able to execute that, and in the American tradition has used the rule of law to advance an American agenda.

I hope the world is watching on CNN to see how the American people conduct their business; in an open forum. We are on TV. This is an electronic debate on the future of the United States of America. Who has led us? Senator BOB BYRD and our leader, GEORGE MITCHELL.

We could not have a better time. I remember during the dark days of exile when the Republicans were in control of the U.S. Senate, BOB BYRD knew how to hang in there. But I will tell you, BOB BYRD never put the Senate through the gyrations of an obstructionist tactic as is going on today.

When Ronald Reagan went to meet with Gorbachev and those world leaders, BOB BYRD always had the minority organized to tip their hats so that when an American President was meeting with a foreign leader, he did not have to worry about what was going on in the Chambers of the U.S. Congress, that there would be no mischief to undermine his agenda while he was overseas fighting for freedom and stability in the world. I would like the same courtesy extended to Bill Clinton as we extended to Ronald Reagan and to George Bush when they met with their world leaders. We did not do budget summiteering and so on.

So as we come to those final hours, I would like to turn to, Senator BOB BYRD, and thank him for what he has done in the advance of this stimulus package.

I know that we work with appropriations under the aegis of the budget given to us by JIM SASSER, and we are going to advance that American agenda.

Let me tell the American people why we are voting for cloture. Cloture means that you cannot filibuster. People say this is no filibuster. They ask, is that when old, craggy, Senators get up in the middle of night and read from telephone books, and soup recipes, Yankee recipes, lobster pie, chicken potpie?

No. That is when people will know what is going on. That is out of date. That is out of line. That is out of step. And everybody will know that.

We are into something called a groping filibuster, where we are filibustering one amendment at a time. But guess what? We are combat ready, we Democrats, and we will be here to deal with it amendment by amendment. We are going to try to come up with an orderly parliamentary procedure to bring this to a closure. I am ready to do it.

Why? Because I so believe in this package to generate jobs, and we will do it in every State because of something called the Community Development Block Grant Program, one of the anchor chains of the distinguished package, the one that has been minimized and trivialized as pork barrel.

Yet, there were no cries for pork when Jerry Ford invented the program, because in every State in the Union, they knew that those projects were coming in.

We know that community development block grants will enable people at local levels to be able to provide shelters for the homeless, be able to modernize public housing, be able to do worthwhile projects that will stimulate other economic development, the rehabilitation of small business districts that might be deteriorating. There is a whole cornucopia of opportunity that will occur at the local level. And who will be in charge of it? Not the Federal bureaucrats working on regulations, but mayors, city councils, grassroots community organizations, will be determining the destiny of their own communities.

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

Ms. MIKULSKI. Mr. President, I think that will conclude my remarks for now. But if I am needed to enhance this debate, for as long as this long filibuster stands, I will be combat ready with my sister and brother Democrats.

Mr. WELLSTONE addressed the Chair.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Maryland [Ms. MIKULSKI] for her animated, inspiring, great, speech. And I thank her profusely for her kind remarks.

Ms. MIKULSKI. I thank the Senator from West Virginia sincerely.

Several Senators addressed the Chair.

Mr. BYRD. Mr. President, I yield all of the remaining time on this side to Mr. SASSER.

Mr. SASSER. I thank the distinguished Senator from West Virginia. The Senator from Minnesota has been seeking recognition. May I ask the Senator how much time he needs?

Mr. WELLSTONE. I will need 5 minutes.

Mr. SASSER. I yield 5 minutes to the Senator from Minnesota.

FILIBUSTER BY AMENDMENT

Mr. WELLSTONE. Mr. President, first of all, let me just say that I do not know that I want to follow the Senator from Maryland very often. I thank Senator BYRD from West Virginia for being a very strong voice out here on the floor of the Senate for a long, long, long time. And I thank Senator SASSER for his leadership as well. It makes me very proud to be a Democrat.

Mr. President, what we have had on the floor of the Senate is not just a continuation of gridlock—we talked about guardians of gridlock—but I think, more profoundly, a continuation of an old and discredited politics. It is as if our colleagues, by introducing amendment after amendment after amendment and trying to stop and thwart and block an economic stimulus package, have forgotten the meaning of the election.

President Bush talked about just deficit reduction alone, and he turned his back away from real people with real problems and real pain, from people who were unemployed, from young people who were looking for jobs during this summer, from young children who were in the Head Start Program, from children who were not immunized, from young people who could not afford to go on to higher education, from communities that did not have the resources to invest in infrastructure. And President Bush made a very big mistake, because people in our country have said several things to us. One is: Get your economic house in order. Please begin to deal with all of the problems that you swept under the rug for so long. Please begin to bring that deficit down.

But the other thing that people said to us in the United States of America in this past election was: Invest in our communities, invest in our economy, invest in jobs and come through for us, Senators and Representatives, Democrats and, yes, Republicans alike, when it comes to decent, affordable, humane, dignified health care.

Mr. President, this economic stimulus package, from the point of view of a good many of us here in the Senate, really is too little. It is the most reasonable of the reasonable of the reasonable compromises. Many of us felt there should have been more of a stimulus. But it seemed to be a compromise and at least a step forward.

I really believe that my colleagues on the other side of the aisle, by filibustering through amendment, are making a terrible mistake. They are making a terrible mistake on economic grounds, in terms of what is good for our country economic policywise. They are making a terrible mistake by turning their gaze away from real people with real problems and on a huge and full agenda that has to be met.

Finally, let me say, as a political scientist, that I think the biggest mistake of all is to fail to understand this distinction. If our colleagues on the other side of the aisle do not agree with this economic stimulus package, if they do not agree with the budget resolution, or they do not agree with what we do with health care, they have every right to debate it and to say you are wrong, to say that to the people of the country.

But then this is what accountability is: We get a chance to put those policies into effect. And if we do well for the people of the United States of America and begin to turn the economy around, and we do well on health care, and we do well on beginning to bring the deficit down, and we do better in terms of employment policy, then 2 years and 4 years and 6 years from now, people say, it worked, so we will reelect you; or it did not work, we do not reelect you. That is the essence of representative democracy.

This amendment after amendment after amendment, this obstructionism, this filibustering, really takes that very idea of representative democracy and severely undercuts it. It takes the very essence of accountability and undercuts it. It is a terrible mistake from the point of view of what is good government.

I hope my colleagues will, at a certain point in time—the sooner the better—call off the filibuster and let us move forward with the policy.

Mr. SARBANES. If the Senator will yield for a question, is it not the fact that the President has made it very clear that this bill is part of his overall economic package, and that he needs all of his economic package in order to make his economic strategy work, including this legislation that is before us; is that not correct?

Mr. WELLSTONE. I say to the Senator from Maryland, it is an important question because what the President is trying to do is strike a balance between, yes, some deficit reduction, yes, some increase in taxes, yes, a call for shared sacrifice; but also, as the Senator from Maryland knows, of critical importance is that investment, that stimulus right now in an economy which is not producing jobs for people.

Mr. SARBANES. The fact of the matter is, Mr. President, that those who thwart this part of the President's package, in effect, are denying him the opportunity to put forth his comprehensive economic proposals.

If this part of the package is thwarted and the economic proposals do not work, the reason they will not have worked is because they were denied the full opportunity to work. You cannot take one piece of it and let that go and deny the other piece without assuming the responsibility for whether the package is going to work or not.

The President has said that these are interrelated. He needs all of these pieces in order to make this economic strategy work. And those who are denying him this piece, in effect, are denying him the opportunity to put his economic strategy into place and, in my judgment, will ultimately bear the responsibility, if the policy does not prove itself. The President is prepared to be accountable. The President has said: Give me this economic package, and I will take the responsibility for what happens in the economy. You can hold me accountable in the future in terms of how it works out.

Our colleagues on the other side are saying: No, we are not going to give you that chance, Mr. President; we are going to deny you one essential element of your economic strategy.

I say, Mr. President, if that in the end proves to be the case, that we cannot put this essential piece into place and the economic strategy then does not work out, obviously the reason it will not have been worked out is the denial of one essential element of that economic package.

Several Senators addressed the Senator.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. SASSER. Mr. President, I yield 3 minutes to the Senator from Vermont.

Mr. LEAHY. I thank the Senator.

Mr. President, I spoke here a few days ago on this package in my capacity as chairman of the Agriculture, Nutrition, and Forestry Committee. I did that because all of the programs that affect rural America go through that committee.

Every one of us have extolled the virtues of rural America—the clean air, the sense of neighborliness, and all that is there. But one thing that we have to realize, every Senator, Republican and Democrat, is that we all represent some rural areas. In those areas, unemployment has skyrocketed.

One thing that really needs mentioning here is that the President's plan provides jobs in rural America. If we want to go back home and extol the virtues of rural America, let us be able to go back home and say: We voted for jobs for rural America.

President Clinton deserves a vote. If you want to vote against this jobs program, then vote against it. But allow it to come to a vote. The American people expect gridlock to end. They want us to vote on this package. Vote for it, or vote against it, but for God's sake vote. Do not hold a jobs program hostage so you can get some kind of a political or partisan advantage. Allow it to come to a vote.

Keep in mind the President of the United States is representing every single one of us in probably the most important meeting he will have this year, the meeting with the President of Russia. The whole world is watching President Clinton. Every single American wishes him well. Do we want the news to be that his jobs program is being held hostage for partisan reasons, with people saying we cannot even vote on President Clinton's jobs program, at a time when he is supposed to carry the message and the standards of the free world in his meeting with President Yeltsin.

Maybe somebody sees a political advantage in that. I am one American who does not. If there is ever a time the President ought to at least be allowed to have a vote in this great democracy of ours, on his program, it is now, as he goes to meet with President Yeltsin. Let us not deny him that vote. But even more importantly, whether we deny it to President Clinton or not, let us not deny that vote to 250 million Americans who are concerned about whether we are going to have jobs, whether in rural America or urban America.

This is, after all, a program designed to put people back to work. I think all people are concerned either because they are out of a job or because they worry about losing the job they are in.

Mr. President, that is my point. Let us not hold up 250 million Americans who want to see a jobs program voted and let us not embarrass the President of the United States when he is meeting at this important summit.

The PRESIDING OFFICER. The time has expired.

The Senator from Tennessee.

Mr. SASSER. Mr. President, I yield myself 10 minutes.

Mr. President, the Senate has been dealing with the President's job bill here now for more than a week, and that is what it is. It is the jobs bill, a bill to produce jobs for the American people that has been presented to this body by the President of the United States. This jobs bill is an integral part of President Clinton's economic recovery package.

Some of our colleagues on the other side of the aisle say we do not need it. They say if we leave this economy alone, it will recover on its own. They say why if we leave it alone, leave the economy alone, the unemployment lines will simply vanish, the help wanted ads will miraculously choke the classified ads in the newspapers. That is exactly what they were saying last year, and that is exactly what they were saying the year before.

The American people listened to them then. But they have determined they were wrong and they determined they needed a change, and that is the reason they elected Bill Clinton to be President of the United States.

The latest news from the job front knocks all these pipe dreams of our friends from the other side of the aisle into a cocked hat.

The economy reminds me of a weak-kneed prizefighter struggling to his feet, and this filibuster over here on the other side is going to be the punch that sends this weak-kneed prizefighter to the mat for the third time.

We have seen this economy struggle, struggle, and struggle and look as if it was getting into a significant recovery twice before and then fall back off into recession. This is the third time it is coming up struggling, struggling. And what this President is trying to do with this jobs bill is give it some help. Why is he doing that?

I would call the attention of my colleagues to this particular chart here. The distinguished Senator from Maryland has ably pointed this out before, but I think it is helpful to review this.

This chart indicates what is occurring in this recovery and why it is different from every other economic recovery we have had since World War II. At all other stages of an economic recovery since World War II, and technically we are now 24 months from the bottom of this recession, 24 months coming out of it, in every other recovery since World War II, the economy would have produced 4 million jobs by this time as represented by the blue in this chart.

What has the economy done? In this particular instance, in this particular recovery, the economy has produced less than a million jobs, about 825,000 jobs represented by the yellow.

Mr. SARBANES. Mr. President, will the Senator yield on that point?

Mr. SASSER. I am pleased to yield to my friend from Maryland.

Mr. SARBANES. It is also important to underscore that the only part of the private sector that has shown a job growth through this recovery is the service sector, and a large share of the jobs produced in the service sector have been in the temporary help industry. In fact, the temporary help industry has accounted for about 25 percent of the job growth in the service area. As we know, the unemployment statistics count as employed anyone who works even 1 hour a week..

Mr. RIEGLE. The Senator is correct.

Mr. SARBANES. So you have not only the unemployed, about 9 million of them, you have a lot of people working part time who want full-time jobs. They are not counted as unemployed, but they may only be working 5 or 10 or 15 or 20 hours a week, and there are 6 million. There are almost 2½ million of such part-time unemployed on top of the 9 million that are unemployed and that are reflected in the unemployment figures.

Mr. SASSER. The Senator is quite right.

As we pointed out on the floor of this Senate yesterday, we have more people on food stamps in this country now than at any time since the inception of the program in 1964.

Mr. LEAHY. One out of every 10.

Mr. SASSER. One out of every 10 of our fellow Americans is on food stamps today. Those who run this program say that these are different types of individuals. People in the food stamp lines now are middle-income, middle-level managers who worked for some of the great corporations—IBM, Boeing, Sears Robuck—all of these people are being laid off.

The distinguished Secretary of Labor, Dr. Robert Reich, testified a week or two ago before the House committee that only 14 percent of these individuals who are being laid off by the great corporations such as IBM, Boeing, Sears Robuck, and General Motors

will ever be recalled back to work. That is why President Clinton says we have to get a jobs bill passed here and have a tail wind moving behind this economy.

What is happening in the economy at the present moment as I speak to you?

I call the attention of my colleagues to another chart here captioned "Tracking the Economy." What this chart includes something economists refer to as "coincident indicators." What are coincident indicators? It is an economic measure wherein you combine income of the work force with the number of jobs in the work force, with the sales that are going on in the economy, with the production that is emanating from the economy. That is what we produce. These things lumped together make up what the economists call coincident indicators, and they are a very significant measure of an economy's health.

I want my colleagues to look at what has happened in this economy. Beginning in January of 1990, we see the economy is up at a fairly decent level. Then it suddenly drops off, and that dropoff is occasioned by the war in the Middle East, the Operation Desert Shield, and then Operation Desert Storm. You see it falling off here. Then the war ends at the very bottom and it struggles up just a little bit and then starts falling off again, another fall off into a recession. It struggles up once again, struggles, falls off again. We see here in January 1993, and we see as we come further into 1993 it is struggling up once again and then starts falling off again.

Now, that indicates we have troubles in this economy. Just today the distinguished Senator from Maryland in testimony he took from the Bureau of Labor Statistics learned that 59,000 people lost their jobs in the construction industry last month. The unemployment rate in the construction industry, as I speak to you today, is in excess of 15 percent. The distinguished Senator from Maryland may have the precise number there. It is 15 or perhaps 16.3 if memory serves me correctly. An unemployment level of over 15 percent in the construction industry is depression-level unemployment.

This job bill contains money to put construction workers back to work.

It contains billions of dollars worth of funds for highway construction. These funds are collected from us every time we buy a gallon of gasoline and put it in the highway trust fund. It is there to create jobs.

What do our friends on the other side of the aisle have to say about that particular initiative?

Well, here is what they were saying about the highway bill back in 1991. The distinguished minority leader, for whom I have the highest regard, stated, in his support of the highway bill, that it would create 4 million jobs.

The distinguished Senator from Texas [Mr. GRAMM] who is one of the leaders in this effort here to obstruct the passage of this bill, said, "How can having a highway bill be controversial, a bill that would create tens of thousands of jobs?"

And BOB MICHEL, the Republican leader in the House of Representatives, said, "Thank heavens for a job-creator bill."

Now, that is what they were saying when the highway bill was passed.

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

Mr. SASSER. Mr. President, I do not want to use the time unduly.

TRIBUTE TO JOHN HERSEY

Mr. LEAHY. Mr. President, a literary genius has passed away. John Hersey died on March 24; he was 78. Hersey was a renowned writer, known as both a journalist and novelist. His work made us more aware of the human condition, writing about society in terms that captured the perspectives of ordinary men and women within the context of larger life experiences.

The son of American missionary parents, Hersey was born in Tientsin, China, on June 17, 1914. His family returned to the United States when he was 10. Hersey's work spanned over half a century. He published over 20 novels and wrote numerous articles. His career began in 1937, writing for Time and then Life, chronicling the epic events of World War II. Hersey retired as a professor from Yale University in 1984, but he continued to write, handing in his last manuscript 7 weeks ago.

Hersey won a Pulitzer Prize for "A Bell for Adano," in 1945. The book explored the human aspects of World War II in a small Italian village, where American soldiers responded to the cries of the people to replace the church bell which was the central cultural emblem of their town. One of his most famous works, "Hiroshima," tracked the lives of six people who had survived the dropping of the atomic bomb on Japan. In 1950, Hersey published "The Wall," a novel about the Warsaw ghetto during Nazi occupation.

In 1968, Hersey's book, "The Algiers Motel Incident," told the story of a racially motivated murder at a Detroit motel. His most recently published novel, "Antoinietta," in 1991, follows the life of a Stradivarius violin, as it passes through the hands of different people. Hersey used fiction to capture truth. As he wrote for the Atlantic Monthly in 1949, "Fiction is a clarifying agent. It makes truth plausible. Among all the means of communication now available, imaginative literature comes closer than any other to being able to give an impression of truth."

John Hersey explored mankind. He did not write about politics, but about the people it affected. His legacy will live on.

TRIBUTE TO BILL BUFORD

Mr. BUMPERS. Mr. President, I rise today to pay tribute to my friend, Bill Buford, a brave and dedicated public servant. Bill is presently recovering in Little Rock from a gunshot wound he received in late February while involved in the raid on the Branch Davidian sect's compound in Waco, TX.

Buford, the resident agent of the Little Rock office of the Bureau of Alcohol, Tobacco and firearms since 1976, was a part of the unit assigned to the raid on the religious cult. Bill saw one of his own men killed during that raid and attributes that agent's heroism to his ability to escape alive.

Bill and those he supervises are among the scores of civil servants in this country who often risk life and limb to protect our liberties. Most of the time they are unsung heroes; we know little of their efforts.

Mr. President, Bill Buford has now recovered from his wounds sufficiently to return to work. That is true testament to his fortitude and dedication. I want him to know that we wish him well in his recovery and that all Americans appreciate the fine work that he and others like him perform for us day after day in the service of country.

TRIBUTE TO SAMMY CAHN

Mr. LEAHY. Mr. President, one of the greats in American songwriting is gone. Sammy Cahn died at the age of 79, leaving behind a legacy of brilliant collaborations and lyrical hits.

Mr. Cahn was known for his bold, colorful style which he often mixed with sentimentality. He worked with composers Jule Styne, Jimmy Van Heusen, and Saul Chaplin to create music for such talents as Frank Sinatra, Dean Martin, Paul Anka, Sammy Davis, Jr., and Tony Bennett.

Sammy Cahn's career spanned 57 years and included hits on Broadway as well as the big screen. Beginning as a fiddler on the Lower East Side of New York, Sammy Cahn then joined forces with Saul Chaplin to write material for vaudeville acts. In 1947, he worked with Jule Styne to produce the hit Broadway musical, "High Button Shoes," and between 1942 and 1951, the Cahn-Styne duo wrote songs for 19 films. His song "All the Way" from the 1957 film "The Joker is Wild" won Frank Sinatra an Oscar and as with many of Mr. Cahn's other collaborations, became a No. 1 hit. Known for his clever parodies of his own and others' work, Sammy Cahn rewrote the lyrics for "High Hopes" which was made famous as John F. Kennedy's campaign song in 1960.

In the late 1950's, Frank Sinatra brought Sammy Cahn and Jimmy Van

Heusen together to write the title song for the film "The Tender Trap." Their collaborations sent Sinatra right to the top producing the title songs for four of his classic albums. The team then went on to write for three more Broadway musicals. In 1974, Mr. Cahn was a great success in his own, one-man retrospective on Broadway, "Words and Music."

For 20 years, Sammy Cahn served as president of the National Academy of Popular Music, an organization also known quite appropriately as the Songwriters Hall of Fame. He touched so many through his creativity and musical genius. His songs caused us to smile, to hum, to sing aloud. Mr. Cahn dedicated his life to entertainment and to him, his wife Tita and his children, we say thank you.

My wife and I were privileged to know Sammy, to be with him when be played and sang before hundreds—and before a handful in a living room.

He was an American genius.

VIOLENCE AGAINST WOMEN ACT

Mrs. BOXER. Mr. President, yesterday I met with representatives from Childhelp USA, a national nonprofit organization dedicated to the prevention and treatment of child abuse and neglect. I was deeply moved by the distressing situation they described.

Approximately 2.7 million children were reported to State authorities as abused or neglected in 1991, an increase of 6 percent from the previous year, and 40 percent since 1985.

The National Child Abuse Hotline, which Childhelp USA founded and runs, received 360,000 calls last year. Of those calls, 19 percent requested assistance in reporting child abuse to authorities; 53 percent required crisis counseling and referrals to child abuse treatment, mental health and emergency shelter programs; and 28 percent asked for general information about child abuse and neglect.

In addition to the hotline, Childhelp USA created the first residential treatment center for victims of child abuse and neglect in my home State of California. That program has been so successful that it has been replicated in Virginia.

It is time to end child abuse, to end the hurt and the pain. Passing the Violence Against Women Act, which I introduced with the distinguished chairman of the Judiciary Committee, Senator BIDEN, would be a step in the right direction.

In one-half of spouse-abusing families, the children are battered as well. According to a study conducted by the San Francisco Family Violence Project of men who abuse their wives, 63 percent of the abusers had either seen their own mothers abused or had themselves been abused as children.

The Violence Against Women Act would break the cycle of family violence by providing additional funding for the arrest and prosecution of spouse abusers, for battered women's shelters, and for educating youths in all school grades about domestic violence and violence among intimate partners.

I commend Childhelp USA for doing its best to prevent child abuse and neglect, and I hope that Congress will do its part by passing the Violence Against Women Act as quickly as possible.

LUXURY TAX COLLOQUY

Mr. CAMPBELL. Mr. President, a few weeks ago, a discussion took place on this floor among several Senators, including my distinguished colleague from New York, Senator MOYNIHAN, supporting the repeal of the luxury tax. The concern expressed that day focused on the toll this onerous tax has taken on the boating industries of their respective States.

Like my colleagues, I strongly favor a repeal of the luxury tax imposed on boats, jewelry, furs, and airplanes. However, today, I speak against the tax as it relates to jewelry. As a jewelry designer and maker myself, I know first hand how devastating this tax has been to the jewelry industry.

Mr. MOYNIHAN. I welcome my distinguished colleague's support for repeal, and I note with pride that my State, especially New York City, is one of the centers of jewelry production and sales in this country. So I too, have a great familiarity with the industry and the adverse consequences associated with this poorly conceived tax. And, as I have noted before, this is a tax on those who make jewelry, not those who buy it.

Mr. CAMPBELL. First, let me begin by briefly describing the luxury tax as it relates to jewelry. According to the Omnibus Budget Reconciliation Act of 1990, the tax is to be imposed on the first retail sale of jewelry and, even more significantly, a retail sale is defined to include any jewelry manufactured from materials furnished by a customer. The tax is equal to 10 percent of the amount by which the sales price or, in the case of manufactured jewelry, the total fair market value of the jewelry exceeds $10,000 at the time of delivery. The tax is paid by the person who makes the first retail sale.

Since day one of this tax, jewelers have lost business, lost jobs, seen customers refuse to purchase items worth over $10,000, and angered customers when they can't be convinced that the increased costs are due to taxes, and not for the jewelers' own pockets.

One of the greatest problems with this tax is how it affects jewelers who remount stones previously purchased by customers. The law requires that the jeweler must pay the excise tax based on the fair market value of the new piece of jewelry, not just the cost of remounting the materials furnished by the customer.

I know of one jeweler who had a customer bring in a previously purchased diamond valued at $41,000 to be mounted on a $1,000 setting. When she came back to pick up the setting, she refused to pay the $3,200 luxury tax based on the total combined value of the diamond and the setting. The customer was so infuriated she demanded the jeweler unmount the setting. To make matters worse, the customer angrily canceled another order which would have brought $8,000 to $10,000 to the store. These things happen to jewelers all across America, forcing them to give up thousands of dollars in sales.

This story reveals the inadequacy of the luxury tax. Clearly, the tax does not affect the wealthy consumer who could absorb the extra cost, it hurts only the small business jeweler who is struggling to maintain a profit margin.

Furthermore, the design of this tax places the burden solely on the bench jeweler, not the one who sells the stone. According to the law, the luxury tax is charged once the loose gemstone is mounted in a finished piece. Thus, even though a jeweler can mount a diamond solitaire for as little as $150, the jeweler must bear the tax burden to the extent that the stone, as mounted, has a fair market value in excess of $10,000.

The luxury tax underscores one of the problems fallacious tax policies can lead to—unintentional consequences. Before passing a tax, we need to carefully examine its impact on the economy, especially the industries that will be most affected. Nothing in this economy exists in a vacuum. In the final analysis, it's clear we need to repeal this tax, because it just doesn't work.

Mr. MOYNIHAN. I thank my colleague for his remarks. As the distinguished Senator noted, I have long opposed this excise tax because I believe it is an ineffective means of making the tax burden progressive, and instead arbitrarily hurts workers and retailers in specific industries. Indeed, when such a tax was considered in 1987, I led a successful effort to defeat it in the Finance Committee.

I would also note that I was the first Democrat to cosponsor comprehensive, as opposed to single-item, repeal legislation (S. 1261) in 1991. I also supported the comprehensive repeal provisions that were included in last year's tax bills (H.R. 4210 and H.R. 11), both of which were vetoed by President Bush. Thus, I will continue to provide my support for any legislation included in this year's tax bill that would repeal the luxury tax on jewelry.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, the Federal debt—run up by the U.S. Con-

gress—stood at $4,230,579,916,100.67 as of the close of business on Wednesday, March 31.

Anybody remotely familiar with the U.S. Constitution is bound to know that no President can spend a dime of the taxpayers' money that has not first been authorized and appropriated by the Congress of the United States. Therefore, no Member of Congress, House or Senate, can pass the buck as to the responsibility for this long-term and shameful display of irresponsibility. The dead cat lies on the doorstep of the Congress of the United States.

During the past fiscal year, it cost the American taxpayers $286,022,000,000 merely to pay the interest on reckless Federal spending, approved by Congress—spending of the taxpayers' money over and above what the Federal Government has collected in taxes and other income. This has been what is called deficit spending—but it's really a form of thievery. Averaged out, this astounding interest paid on the Federal debt amounts to $5.5 billion every week, or $785 million every day—just to pay, I reiterate for the purpose of emphasis, the interest on the existing Federal debt.

Looking at it on a per capita basis, every man, woman, and child in America owes $16,470.44—thanks to the big spenders in Congress for the past half century. The interest payments on this massive debt average out to be $1,127.85 per year for each man, woman, and child in America. Or, looking at it still another way, for each family of four, the tab—to pay the interest alone, mind you—comes to $4,511.40 per year.

Does this prompt you to wonder what America's economic stability would be like today if, for the past five or six decades, there had been a Congress with the courage and the integrity to maintain a balanced Federal budget? The arithmetic speaks for itself.

SECURITY STRATEGY AND THE DEFENSE BUDGET

Mr. MCCAIN. Mr. President, as we begin to shape our Nation's security strategy and defense budget for the coming year, we must pay proper attention to George Santayana's caution that, "those who cannot remember the past are condemned to repeat it."

Before we treat the end of the 20th century as a era of peace, we need to remember its beginning. The world of 1905 was also a period of optimism where few had any idea of the reality that would follow. The Boer War, the Spanish-American War, the Balkan Wars, and the Russo-Japanese War were over. The Moroccan crisis of 1905 seemed little more than a petty colonial incident, and the long cold war between France and Germany seemed less and less likely to explode into a new conflict in Europe.

Constitutional and democratic reform had taken place throughout most of Western Europe. The Hague Conference of 1899 seemed to codify the rules of war, and lay the groundwork for an international court, and preparations were being made for a new Hague Conference of 1907. In spite of nationalism, most of the Western world believed it was already creating a new world order. In fact, two Nobel prizes were to be awarded to leading experts for proving that European nations would never again have any incentive to fight a major conflict.

Then, as now, Russia was moving toward democracy and reform, but presented great uncertainties. An innovative and challenging Japan was growing in power. Change was taking place in most of the developing world, including the Balkans, the Middle East, Asia, and Latin America, but usually in a peaceful and evolutionary fashion. The Indian National Congress came under moderate—not radical—control. The Empire of China was forced to abolish its ancient examination system, and was moving toward the revolution that toppled the Ching dynasty.

This was a time when the major European powers planned for wars that would last a maximum of 30 days. The only real warning of the shape of things to come was the Anglo-German arms race, and that was seen far more as a struggle for prestige than a serious harbinger of war. It was a period in which an interlocking matrix of treaties was being created to secure the world against wars between its major powers—although these same efforts at international cooperation eventually helped trigger the global conflict that followed.

We have had many painful lessons of our own during this century. We failed to see the risk of isolationism and military weakness after World War I. We helped create the climate of international relations that resulted in a second global conflict. After World War II, flush with victory and weary of war, we demobilized our forces and relaxes our defenses beyond the levels which prudence and the apparent hostility of an erstwhile ally demanded. We had confused victory with enduring invincibility, and the cost was a war in Korea, for which we were ill prepared and which we nearly lost.

After Korea, we again raced from war to peace without due regard to the emerging and global threat from the Soviet Union. We lost our ability to fight a European conflict without immediate resort to nuclear war. We lost much of our power projection capability and our technological edge. Our self-imposed weakness invited new challenges from our enemies, and we found ourselves trapped in a long, escalating arms race with a determined adversary.

Stunned and enervated from our losses in Vietnam, we let our forces become hollow. Once again, our conventional options in Europe were abandoned. Our power projection efforts were undermined by inferior readiness and capability. The result was another rapid and often wasteful military buildup. This buildup, however, was critical to checking the expansion of Soviet military power, and served as a key element in hastening the collapse of the Soviet Empire. It also allowed the United States to frustrate the ambitions of a regional empire builder in the Persian Gulf, and defeat the world's fourth largest military power with a minimum loss of life.

The lesson we should learn, that we must learn, from history is that optimism and hope must be supported by consistent strength and by a consistent will and ability to act. It is easy to talk about international stability and emerging world realities, but we need to face the fact that history is unpredictable, and very few have ever accurately foreseen the true nature of the strategic climate they have lived in.

THE END OF THE END OF HISTORY

History has taught that lesson repeatedly since the end of World War II. A study by the Center for Naval Analysis shows that we have used military force more than 240 times since 1945. In spite of our focus on the Soviet Union and Warsaw Pact during the cold war, well over 80 percent of those uses of force had nothing to do with the U.S.S.R. or any Warsaw Pact country.

Well over 90 percent of those uses of force were not included in the scenarios used for planning our forces the year before, and well over 90 percent involved less than 3 months of strategic warning. The uses of force for which we did not shape our force plans or have strategic warning included Korea, the Berlin Wall, Vietnam, Grenada, Panama, Operation Earnest Will, and Desert Storm.

There are obvious dangers in any comparison between 1905 and 1993, but in June 1990, some of my most senior colleagues on the Senate Armed Services Committee rejected the idea that we might need strong power projection forces because of the instability in the gulf. In fact, if you look at the record of the hearings we held during that month, you would find statements that we had no reason to concern ourselves with the gulf, that we had seen the end of the Iran-Iraq War, and that the region was relatively stable. No member of the committee would have made such statements 2 months later.

If we are to shape America's post-cold-war strategy and forces, we must recognize that we are not at the end of history, or even at a dramatic new beginning. We have instead reached another point where history reinvests itself—a moment where one or two catalytic changes alter one critical aspect of the structure of world power without fundamentally altering the balance of international stability in most of the world.

No one can deny that the collapse of the Warsaw Pact, the Soviet Union, and communism has been of momentous importance. The United States, Europe, Russia, and the world will all be safer. The prospect of another devastating world war, or nuclear holocaust, has greatly diminished.

Yet, we face many new uncertainties regarding the future. These include the political and military future of Russia and many of the other former states of the Soviet Union. We see civil war in many countries of the world. We see North Korea moving toward the acquisition of nuclear weapons, refusing inspection of its nuclear facilities by the International Atomic Energy Agency, and continuing to build up conventional forces that are continuously deployed in attack position and which could reach Seoul in a matter of hours.

Two aggressive and proliferating nations—Iraq and Iran—threaten the gulf, moderate Arab states, Israel, and the security of more than 60 percent of all the world's oil reserves. Iraq has emerged from the gulf war with more than 50 percent of its prewar force structure intact. North Korea's military spending and buildup continues in spite of its erratic rhetoric about peace, and North Korea seems unwilling to meet any of its obligations under the Nuclear Non-Proliferation Treaty. Iran is rearming at a rate of 500 million dollars' worth of arms a year.

A bloody war is raging in what was once Yugoslavia. A new arms race is taking place in Southeast Asia. A decade-long effort at peace negotiations has failed in Angola. Syria is buying new conventional arms and North Korean medium range ballistic missiles. India and Pakistan continue their nuclear arms race and efforts to develop long range missiles. A host of other small wars threaten regional peace, and some—like the wars in Somalia and the Sudan—are not small. They have already killed more people than the gulf war and all the Arab-Israeli conflicts combined.

MIXING PEACE WITH STRENGTH

The key issue for national security planning in the post-cold-war era is not how much we can save but rather how we can most cost-effectively provide what we need. If we maintain our strength, history does not have to repeat itself, and the present promise of the post-cold-war era does not have to end in a return to a world of conflict and disorder.

We can mix this ability to use force with peaceful alternatives. We can and should reach out to Eastern Europe and the nations that once formed the Soviet Union and help them create stable democracies, strong economies, and a new alliance that unites East and West.

At the same time, we must be prepared for the fact that it may take decades to bring all of the nations in the East to that level of development, and into such an alliance. We must be prepared for the risks posed by the fact that the nations that make up the CIS still possess vast numbers of nuclear weapons, missiles, conventional arms, and defense production facilities.

We should seek to encourage democracy, strong market economies, arms control efforts, and cooperative security efforts throughout the rest of the world. We should maintain humanitarian relief efforts, expand our peacekeeping efforts, and be ready to support U.N. and international peacemaking efforts even when these involve low- and mid-intensity conflict. We should be able to deter and contain aggression, be able to force the termination of regional conflicts, be able to support friendly states, and deal with the risks posed by proliferation.

At the same time, the use of force—and the ability to use force—are critical to peacemaking. Events in Bosnia, Kuwait, Somalia, and Liberia have already shown us that peace will not be created or endure without United States peacemaking capabilities. We cannot guarantee the security of humanitarian relief efforts; we cannot deal with sudden threats to American citizens or those of friendly nations; we cannot help friends and allies without American power projection forces.

The practical challenge for American strategy is to combine peaceful efforts to create a new world order with the preservation of our status as the world's only true superpower. We must also accept the fact that the central measure of our strategic and military capability to deal with the realities in post-cold-war era will be our power projection capabilities.

STRATEGIC CHANGE IN THE POST-COLD-WAR ERA: UNDERSTANDING THE PROBLEM OF RESOURCES

We have not failed to cut defense spending in the years since it became apparent that the cold war was coming to an end. Defense spending has dropped in real dollars during each of the last 7 years. President Bush and the Congress have initiated major reductions in defense spending which responded to the changing geopolitical circumstances and security threats, and to the fiscal pressures of the time. The United States has achieved a real peace dividend while sustaining its status as the only power capable of meeting aggression, when necessary, anywhere in the world.

At the same time, both history and the current threats of stability and peace warn us about the critical importance of power projection capabilities. They warn us that we cannot afford to plan our forces as if the only thing we will have to face is low-intensity combat or some defining mid-intensity threat. They warn us that we cannot shift from a force posture based primarily on the Soviet and Warsaw Pact threat to one that is driven by narrow budget factors or the economics of the Federal deficit.

If we are to provide the power projection capabilities we need and maintain our status as the world's only superpower, we must take a new and strategic approach to the problem of defense resources. Unfortunately, it is this strategic approach to shaping defense resources which the present administration threatens to undermine.

The Clinton administration's understandable focus on our economic problems has enouraged us to take risks with our security that we can ill afford to take. In fact, there is a clear and present danger that we will sacrifice our status as the world's only superpower on the mistaken premise that such a sacrifice is essential to our economic recovery. There is a very real risk that we will end the 1990's with our military manpower and major combat unit strength cut by 40 percent, having replaced our readiness during Desert Storm with hollow forces, and having substituted empty rhetoric for a real capability to meet our strategic commitments.

THE CLINTON DEFENSE PROGRAM

The only net cuts in Federal spending in the new administration's proposed budget come from defense. Net nondefense spending actually increases, and defense is taxed to reduce a budget deficit it did little to create in a totally disproportionate fashion. During 1990–95, defense was the only part of the Federal budget that took its fair share of cuts. Increases in entitlement spending and discretionary defense spending by a Democrat-controlled Congress transform the supposed $500 billion cut in the budget deficit that was supposed to occur during this into a $500 billion increase. In contrast, defense spending was cut more than was called for by the budget summit.

Table 1 shows how the new administration's bottom line for defense compares with that of President Bush. There are some unexplained differences between the numbers estimated by President Clinton and the lower numbers set forth in Secretary Aspin's defense budget request. The new administration has stated, however, that it proposes to cut $126.9 billion in budget authority in the program Congress approved last year, and $111.8 billion in budget outlays through 1998.

There is no easy way to estimate what these spending cuts will cost us in military capability. Secretary of Defense Les Aspin has only provided force cut data for 1994. These cuts are significant, and will cut Navy battle force ships from 443 to 412 and aircraft carriers, to 12. Army active divisions will be reduced from 14 to 12, and Air Force fighter wings will be reduced from 28 to 24. Readiness is said to be kept con-

stant—although this only seems to involve current operational activity levels—but procurement is to drop by 17 percent in 1994 alone.

The Army is to lose 35,000 personnel, the Navy 46,000, the Marine Corps 8,000, and the Air Force some 19,000. This is a total cut in our Active Forces of 108,000 men and women. In addition, 60,000 men and women will lose their jobs in the Selected Reserve, and the new administration will cut defense civilians by 45,000.

These cuts are only a taste of what is to come, but Secretary Aspin has said that he will not provide us with force plans and a "bottom up review" for fiscal years 1995–99, to explain the impact of President Clinton's massive cuts in defense spending, until late this summer. He has said that he will not provide concrete budget and future year defense plan figures until February 1994.

WHY MASSIVE CLINTON FORCE CUTS SEEM INEVITABLE

Most important, Secretary Aspin has stated that the current Clinton defense spending plans will produce a 42-percent cut in real defense spending between fiscal year 1985 and fiscal year 1998. He has also stated that this will lead to 30-percent cuts in our forces, although there is an obvious imbalance between the cuts in spending and the cuts in forces, and he has provided no real information on what forces and programs will be cut, the degree to which they will be cut, and his future plans for our defense industrial base.

What seems far more likely is that 42-percent cuts in defense spending will produce at least 40-percent cuts in our military forces. If so, the administration is putting us on a course that could cut our forces by 40 percent between 1991 and the end of 1998. A cut of this magnitude could reduce our total military manpower to about 1 to 1.2 million men and women, and result in at least a 20-percent larger reduction of defense industry employees. This would force hundreds of thousands of men and women, including many minorities to accept involuntary separation from the service.

The size of these force cuts may seem surprising, but this is largely because of the way the new administration has issued its proposed defense budget:

First, the Department of Defense issued a press release that only reported a total of $88 billion in cuts. As Table 1 shows, however, the detailed material issued by OMB indicates that the Clinton program cuts another $39.2 billion in 1998—a cut that the press release mysteriously ignores. This statistical gamesmanship means that much of the press has ignored the fact that the administration's cuts are at least 45-percent higher than $88 billion.

Second, there is no clear or credible picture of where the administration's cuts are coming. The only details given in "A Vision for America" concern a proposed $18 billion savings through a "Governmental-wide pay adjustment." This would, in effect, finance new social spending at the cost of fair pay for enlisted personnel and officers—an option the Congress has already rejected. These numbers, incidentally, do not seem to track with the tables issued with the Aspin defense budget.

Third, the administration keeps referring to cuts in military manpower that would reduce our military manpower to 1.4 million men. In fact, however, such figures only cover manning levels through 1997, and again ignore the $39.2 billion additional cut in 1998. The truth is that it will be almost impossible to sustain a future force level of greater than 1 to 1.2 million. The true cuts will be at least 400,000 larger than those recommended by President Bush—enough men and women to field 10 divisions. There must also be massive additional cuts of defense civilian employees and defense industry workers.

These are three good reasons why the Congress should not have voted on a total Federal budget before it saw the details of the administration's fiscal years 1994–98 defense program. Unfortunately, Congress not only acted before it thought, it acted before it understood. It also acted in a political climate where few understand that the United States has already made major cuts in defense spending and were planning further cuts in the coming years.

TABLE 1.—CLINTON DISCRETIONARY DEFENSE SPENDING

[In billions of current dollars]

	1993	1994	1995	1996	1997	1998	1994–98
Current OBRA baseline:							
Budget authority	274.3	288.0	296.4	304.5	312.9	321.5	1,523.3
Outlays	294.3	289.6	293.8	299.8	306.5	313.8	1,503.5
Changes from OBRA to congressionally adjusted Bush baseline:							
Budget authority		−12.5	−18.5	−26.2	−28.3	−28.1	−113.6
Outlays		−5.3	−9.5	−15.2	−20.0	−24.8	−74.8
Current congressionally adjusted Bush baseline:							
Budget authority		275.5	278.0	278.3	284.6	293.4	1,409.8
Outlays		284.4	284.3	284.6	286.5	289.0	1,428.8
Proposed Clinton changes:							
Budget authority		−11.8	−15.2	−24.5	−36.2	−39.2	−126.9
Outlays		−6.7	−11.7	−19.7	−37.4	−36.3	−111.8
Proposed Clinton discretionary defense spending:							
Budget authority	274.3	263.7	262.8	253.8	248.4	254.2	1,282.9
Outlays	294.3	277.7	272.6	264.9	149.1	252.7	1,317.0
Aspin proposed fiscal year 1994 defense budget:							
Budget authority	273.0	263.4	261.1	253.7	246.0	253.9	1,278.1
Outlays	290.7	276.9	270.9	264.7	246.9	252.5	1,311.9

Source.—Table 1 to Appendix to President Clinton's "Vision for America" and tables attached to Secretary of Defense Les Aspin's press release on the FY1994 defense budget.

THE PEACE DIVIDEND OF THE REAGAN AND BUSH PROGRAMS

Two years ago, the United States won a decisive victory against a heavily armed enemy with few American or allied casualties. It did so because it had the best military forces in the world. We had the best trained and most combat-ready men and women. It had the best weapons, intelligence, communications, and logistics. It was ready to project power anywhere in the world, and to sustain our forces in combat.

That victory came in combat, but the United States had won an even more important victory earlier without any casualties and without firing a shot. We had demonstrated a level of military capability and resolve that helped catalyze the collapse of the Soviet Union and Warsaw Pact. It had responded to a massive Soviet military build-up, and shown the leaders of the Soviet Union that they had no hope of dominating or intimidating the West.

The United States would never have won either victory if it had not been for the buildup in our forces and defense spending during the Presidency of Ronald Reagan. President Reagan took office at a time when we had hollow military forces. Forces that were underequipped, undertrained, lacking readiness, and lacking sustainability. By the mid-1980's, that situation was reversed, and the United States had a mix of high technology new weapons programs.

Since that time the cold war has ended, and the Soviet Union and Warsaw Pact have vanished into history. President Reagan and President Bush have signed the most successful arms control agreements in history—ending Warsaw Pact superiority in conventional forces, eliminating most deployed theater nuclear missiles, and putting us on a path that will reduce the strategic nuclear threat to the United States from more than 20,000

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weapons to 3,000—a seven fold reduction that includes the elimination of virtually every risk from a nuclear first strike.

President Bush did not, however, rest on these accomplishments. He took advantage of these strategic victories to achieve a massive peace dividend. He carried out a series of carefully planned and managed cuts in defense spending. As a result, the United States saved over $330 billion during 1985–93, relative to the peak spending levels of the Reagan buildup in 1985. In fact, defense spending dropped by nearly one-third in constant dollars.

These savings, however, are only part of the story. Under the Bush administration, defense spending dropped from 27 percent of the Federal budget to less than 17 percent the lowest share of the Federal budget in more than half a century.

This point is critical because the burden defense puts on Federal spending is not a function of how many dollars are spent, but rather how much defense consumes out of the total Federal budget. Our economy and Federal revenues grow constantly, and when defense budgets drop, they drop far more quickly in terms of the burden they place on total spending than they do in dollars.

The Bush 1993 defense budget provided vast security benefits while placing only a minor burden on the total budget. It is less than one-third of the 57 percent of the Federal budget we spent at the time of Korea, and less than half of the 43 percent we spent during Vietnam.

In fact, defense spending has contributed virtually nothing to our current budget and deficit problems—the issues that President Clinton says he is trying to address. During the period from 1950 to the present, which includes all of the major increases in the Federal deficit, payments to individuals, the so-called entitlement programs have risen from 18 percent of the Federal budget to over 50 percent.

Defense has also dropped massively as a burden on our economy. We spent 11.9 percent of our GNP on defense at the time of the Korean conflict, and 9.1 percent during the Vietnam War. President Bush reduced defense spending to less than 4.5 percent of our GNP today, versus 6.3 percent at the height of the Reagan buildup—this is a reduction of roughly 33 percent in the burden defense places on our economy since the beginning of the end of the cold war.

THE BUSH DEFENSE PLAN AND ADDITIONAL PEACE DIVIDENDS

There were times when President Bush might have acted faster, and achieved deeper defense cuts. He was slow, for example, to cut forces during the fiscal year 1992, and to terminate cold war relics like the *Seawolf*, B–2, and small ICBM. By fiscal year 1993, however, President Bush planned major additional defense cuts and peace dividends.

President Bush also presented a very clear plan for reducing our military forces and defense expenses. The Base Force plan that was proposed by General Powell, and which President Bush approved, reduced military manpower by 360,000 people between 1991 and 1997, or from 2.0 million to 1.63 million. It cut Army divisions from 26 to 18 divisions, aircraft carriers from 15 to 12, combat ships from 536 to 448, Air Force fighter wings from 34 to 26, and strategic bombers from 228 to 181.

These force cuts would have reduced defense spending to only about 16 percent of Federal spending, and 3.5 percent of the GNP by 1997. By that time, we would have been spending more on the paperwork and overhead costs of medical care than we would have been spending on our national security.

THE DANGEROUS IMPACT OF THE NEW ADMINISTRATION'S PROGRAM

As has been touched upon earlier, the new administration's program goes far beyond either the Bush cuts or those the Congress agreed to in voting on the fiscal year 1993 budget. These trends have already been shown in table 1, but four additional factors need to be considered in estimating the true impact of the Clinton 1994–98 defense program.

First, the administration's program clearly extends through 1998. Any analysis of the administration's program that ignores this is meaningless, and so are references to cuts of only 200,000 men or any other adjustment to our defense program that ignores the administration's $39.2 billion cut in 1998—the "balloon mortgage" of the administration's defense reductions.

Second, the administration's cuts are incremental to the major cuts that President Bush and Congress have already made.

Third, while many people talk about budget outlays, because these affect the deficit in a given year, it is budget authority that counts when it comes to shaping the trends in total force size and military capability.

Fourth, Secretary Aspin stated in his March 27, 1998 press release that defense spending is expected to drop to 3 percent of the GNP by 1998, and 13.5 percent of the Federal budget.

Given this background, it is striking that the OMB estimates that the administration relied on in its Vision for America list defense expenditures in 1998 of $254.2 billion in budget authority in current dollars. This total is 14 percent less than the $293.4 billion recommended by President Bush, and the Senate Budget Committee staff estimates that it is equal to only $232 billion in constant 1994 dollars. Similarly, the Congressional Budget Office estimates expenditures in constant dollars of $234 billion.

Given the fact that the Bush 1994–98 defense spending plan was already planned to produce at least 25 percent force cuts, a further reduction of 14 percent in defense spending almost inevitably leads to total force cuts of at least 40 percent.

The truth, however, could be much worse. There are also major uncertainties regarding the extent to which the administration believes or does not believe it can seriously freeze the pay of every man and woman in uniform, and defense civilian, for half a decade. The military have already lagged about 7.8 percent behind inflation during the last decade, and 11.7 percent behind civilian pay. The estimates Secretary Aspin provided in his testimony to the House Armed Services Committee indicate that the military will lose at least 6.6 percent more of the value of its pay during 1994–98 as a result of the new limits on pay increases, and this loss of real pay could exceed 13 percent if the January 1992 estimates of inflation prove to be more realistic than the administration's far more optimistic assumptions.

The new administration is only assuming about two-thirds of the inflation during the next 5 years that President Bush assumed last year, and it is far from clear that this is realistic. It is not clear what the new administration is assuming about energy tax costs, and serious questions arise about the assumptions regarding management and efficiency savings.

At least one-half billion dollars a year evidently has to be reprogrammed into defense conversion and some part of $17 billion in additional spending for technology and business reinvestment and defense conversion may have to come out of the defense budget.

These factors have a powerful cumulative impact. Even if we are charitable about the administration's plans for a pay freeze, these assumptions are almost certain to be offset by the undercosting of the 1994–98 program, and by the major diseconomies of scale that raise force costs as we cut our total force structure and defense industrial base.

WHAT DOES A 40-PERCENT FORCE CUT MEAN?

Given these data, what would a 40-percent force cut mean? A conservative estimate is shown in Table 2, and indicates that it could mean total active military manning of about 1.0–1.2 million men and women. It could mean cuts of at least 3 more active Army divisions, one more Army reserve division, 3 carrier battle groups, 100 more surface ships, 3 carrier air wings, 1 MEF equivalent, 5 active tactical fighter wings, 3 reserve fighter wings, and 60 more bombers. It could also mean at least 20 percent more cuts in the manpower in defense industry, and cuts of well over 100,000 more defense civilians.

During the period between fiscal year 1991 to fiscal year 1998, we would go from 28 Army divisions to 12–14, we

would go from 13 carriers to 8, we would go from 545 combat ships to 300–340, from 15 carrier air wings to 8, from 3 Marine Expeditionary Forces to 2, and from 36 Air Force fighter wings to 15–19, and from 268 bombers to 120–141.

TABLE 2.—SLASHING DEFENSE: THE PROBABLE REAL WORLD IMPACT OF THE CLINTON PROGRAM

Forces	Actual end 1992	Bush base force in fiscal year 1997	Aspin plans for fiscal year 1997				Probable impact of Clinton budget by fiscal year 1998
			A	B	C	D	
Total active military manpower (millions)	1.8	1.6	.....	1.4?	1.4?	1.4?	1.0–1.2
Army divisions:							
Active	14	12	8	8	9	10	8–9
Reserve	10	6	2	2	6	6	4–6
Marine Corps divisions:							
Active	3	3	2	2	2	3	2
Reserve	1	1	1	1	1	1	0.5
Air Force unit equivalents:							
Active fighter wings	18	16	6	8	10	11	9–11
Reserve fighter wings	12	11	4	6	8	9	6–8
Total fighters	1,296	1,098	.....	.....	.....	.....	750–780
Total bombers	250	211	.....	.....	.....	.....	120–141
Navy Forces:							
Total nonstrategic combat ships	441	432	220	290	340	430	300–340
Total carriers	14	13	6	8	12	15	8
SSNs	87	80	20	40	40	50	40
Amphibious ships	65	50	50	50	50	82	35–45
Mobility/prepositioning:							
C–5	128	128	.....	.....	.....	.....	.....
C–141	250	to 0	.....	.....	.....	.....	.....
C–17	0	to 120	.....	.....	.....	.....	60
Fast Sealift ships	8	8	16	24	24	24	10
New surge ships	0	11	.....	.....	.....	.....	(?)
Reserve fleet	99	142	.....	.....	.....	.....	80
MPS squadrons	33	3	.....	.....	.....	.....	(?)
Prepo ships	12	23	20	24	24	24	18–20

Other risks are less clear because they are harder to cost, but they are not less important. We already are letting some aspects of our forces to go hollow. We are not buying the major spare parts and advanced munitions we need. We are not keeping our military bases modernized. We are reducing support activities, and we are slowing many other areas of force modernization. We are disguising this by not cutting normal operational and training rates, but the fact remains that we are losing readiness.

We often forget what Desert Storm taught us about shortfalls in our forces. Our modernization of strategic and tactical airlift is far behind schedule, and critical areas like Marine Corps tactical lift are effectively unfunded. Strategic sealift has funds, but little tangible activity. Maritime prepositioning is inadequate and underfunded, as are many aspects of mine warfare. We face block obsolescence in amphibious lift, and we are funding shipbuilding at a rate that can only sustain a 200-ship Navy. We have no clear program to deal with the growing risk that we will face long range missiles and weapons of mass destruction on the battlefields of the future.

Not all of these cuts and problems can be blamed on the administration's program. Some are attributable to undercosting and exaggerated management savings during President Bush's term. Roughly a third are the long term consequences of the budget cuts made by Congress before President Clinton took office.

Such cuts would mean we cannot maintain an effective defense of Asia. We cannot provide security for Israel and the gulf. We cannot provide adequate safeguards for the security of Europe. They also mean we will have no real reserve for peace-making and other contingencies. We will probably have lost much of the technology edge we had during Desert Storm. We will have crippled part of our defense industrial base.

The alternative to such a slash and burn approach to defense cuts is to use a fundamentally different approach to sizing our defense expenditures and our forces. It is to build upon the knowledge that we have already reduced defense spending as a share of total Federal expenditures and our GNP to levels that are both acceptable and sustainable indefinitely. Given this fact, we can reexamine the base force concept to see what forces are needed and what forces are not, and pursue strategy-driven solutions to adjusting our forces to the post cold war era, rather than narrow budget-driven approaches.

Such a strategy-driven approach does not produce one fixed set of force numbers for the next 5 years. We must continuously be prepared to deal with uncertainty, and there are areas like sizing our future strategic forces and strategic defense efforts which require comprehensive zero-based study on a bipartisan basis. It is clear that some force improvements and additions must be made to strengthen our power projection capabilities, as well as force cuts. However, one thing is clear. There are some areas where significant force cuts are possible, and if these cuts are less draconian than the Clinton cuts, they would still allow us to meet our strategic requirements and stay within 15 percent to 17 percent of the Federal budget, and 3.5 percent of our GNP.

STRATEGIC CHANGE IN THE POST COLD WAR ERA: RESTRUCTURING OUR FORCES FOR EUROPE AND IN THE ATLANTIC FORCE PACKAGE

The Atlantic force package portion of President Bush's base force is one of the areas where significant savings seem possible. We should continue to restructure our forces to match the pace of change within the former Soviet Republics, the improvements in East-West relations, advances in arms control, and the growing wealth of our Europeans allies.

We can make further cuts in defense spending by creating a new transatlantic bargain. Such a bargain would restructure our strategic relations with Europe so that Europe takes over primary responsibility for the security of Europe while the United States concentrates on the security of Asia and other out of area commitments.

Such a change in United States strategy could allow us to reduce our presence in Europe. This is now planned to drop from 300,000 to 150,000 men, although Congress has legislated that it should drop to 100,000. It is scheduled to be reduced from two corps with four divisions to one corps with two divisions, and from 8.8 fighter wings to 3.3 wings.

Further reductions are possible. Total manpower in Europe could drop to 70,000–80,000 men. Our ground forces could consist of two active brigades, dual capable in power projection missions. We could preposition an additional two to four brigades worth of equipment to allow the United States to build up to corps strength in 30 days, and provide suitable reinforcement forces in the United States to provide rapidly deployable combat and support forces. Such forces could be far smaller than the traditional support forces used in structuring a NATO corps, taking into account the fact that a prolonged theater-wide conventional conflict in Europe is no longer a credible threat.

Our air component in Europe should be kept at a strength near three wings, but it should be clear that such forces will be dual capable in power projec-

tion missions and will not be dedicated to NATO if out of area crises arise. At least one wing should be deployed in the southern flank area where it can deploy immediately to out of area missions in the gulf and the Middle East. We also restructure our Air Force units in Europe to concentrate on deploying the high technology and special purpose aircraft our allies do not have, and using smaller wing structures designed to be as economic in peacetime as possible. Such a mix of air units might be deployable for as little as the cost of two of the kind of wings we now deploy in Europe.

The present crisis response force in the United States—that is part of the Atlantic forces package of the base force—is the least necessary component of our present force posture. We should stop maintaining dedicated Active and Reserve Forces in the United States for NATO. We are not going to buy the lift and sustainability to deploy anything like three Active and six Reserve divisions for Europe. Without such lift, however, such reinforcements are largely symbolic in character.

Further, Europe currently shows no signs of maintaining the kind of forces in the central region that would allow such forces in the United States to play a useful role in a theater conflict even if such a conflict seemed likely, and even if the United States had 90–180 days of strategic warning to deploy and mobilize such forces.

Virtually every European nation is now cutting its forces and defense expenditures to the point where they will no longer maintain the strength and capabilities for theater-wide conventional war. There are strong indications that most of the central region nations that now rely on conscription will either see those systems end or drastic new constraints on the amount of manpower called up and periods of service.

Accordingly, the land element of the crisis response force can probably be cut to one Active and three Reserve divisions, using some of the savings to improve deployability and out of area power projection capabilities. There is no requirement for the two Army cadre divisions in the reconstitution force of the Atlantic forces package, or for the Navy frigates assigned to this force. They are artifacts of the cold war and should be disbanded as quickly as possible.

The 2 Active and 11 Reserve air wings currently assigned to the crisis response force have more practical value. They can deploy relatively rapidly, and they have an inherent dual capability for power projection missions. Thy are, however, a force component where further cuts can be made, and reducing this force to one Active and five Reserve wings would free substantial assets for higher priority power projection forces.

The four carrier battle groups and Marine expeditionary force currently assigned to the Atlantic forces package are power projection forces and should be retained in the force structure. They are vital elements of our peace making capability, rapid reaction capability, and ability to intervene in low- and mid-intensity conflicts.

There are, however, two major changes that should be made in structuring our Navy and Marine forces for Europe that should be made in all these forces world wide. The U.S. Navy does not need its current mix of surface escorts, ASW assets, or attack submarines. It needs to thin out its forces in the Atlantic to create far more cost-effective power projection forces, and reflect the post cold war shift away from blue water conflicts to littoral warfare. It needs to emphasize the dual capability of its carrier aircraft, and converting the F–14 to dual capability in attack missions should be given high priority in view of the age of the A–6 and the fact the A–X cannot be deployed until well after 2025.

At the same time, emphasis needs to be given to providing improved cruise missile attack capability, improved missile defense capability, improved mine warfare capability, and improved shore support capability. The idea of mounting the multiple launch rocket system [MLRS] on shipboard deserves serious consideration. The Marine Corps probably needs at least one additional prepositioning ship to improve sustainability and capability for mid-intensity conflict.

The United States needs to reevaluate the heavy weapons strength and sustainability of the Marine Corps expeditionary forces [MEF's]. The recent roles and missions study by the Chairman of the Joint Chiefs of Staff does not come to grips with the need to deploy power projection forces with the artillery, armored, tactical lift, and sustainability to fight well armed Third World forces like those of Iraq.

It simply does not make sense to maintain or restructure U.S. Army forces to support the Marine Corps in these areas which can never be as flexible, rapidly deployable, or as well integrated into an amphibious strike force as Marine Corps units, and strengthening Marine Corps forces—potentially with U.S. Army equipment—would be far more cost-effective.

The United States cannot abandon Europe, or Atlanticism, but it must focus its military resources on the ability to deploy forces anywhere in the world, and it must concentrate its contingency planning on missions in Asia and the developing world. The time has come where the United States must not only push Europe to assume primary responsibility for Europe, but make it clear that Europe has no other choice.

STRATEGIC CHANGE IN THE POST COLD WAR ERA: RESTRUCTURING OUR FORCES FOR ASIA AND IN THE PACIFIC FORCE PACKAGE

The situation in Asia and the Pacific is radically different from the situation in Europe. The confrontation between North Korea and South Korea represents one of the two most serious risks that United States will be involved in mid- to high-intensity conflict—the other being the risk of renewed conflict in the gulf.

United States forces in Asia play a major role in stabilizing the balance between Japan, the PRC, and Russia. They help assure and there are no confrontations between nations in Southeast Asia, they act as a presence that limits the risk of further conflict in Cambodia, and they deter armed clashes in the South China Sea.

Unlike the Atlantic forces package we do not have a major forward deployed force in Asia, and we do not have large surplus active and reserve forces for Asia in the United States. There is only one light division in South Korea, and it has only two brigades. We deploy less than two fighter wing equivalents in country.

Now that we have withdrawn from the Philippines, our only other major forces that are forward deployed in Asia consist of 1–2 fighter wings in Japan, a forward deployed carrier battle group and amphibious readiness group and a Marine expeditionary force in Okinawa. Our reserve forces in the United States consist of one division and one fighter wing in Hawaii and Alaska, and five carrier battle groups in Hawaii and the United States—the core of our naval power in the Pacific.

There are no major regional powers with military forces that can take the place of the present strength of U.S. forces. Japan is assuming virtually all of the Yen costs of deploying our forces in Japan, and South Korea is steadily increasing its burden sharing contribution. We are able to project power that brings a high degree of stability to nearly half the world at only minimal cost.

There are, however, useful changes we can make to our present force structure. Our forces in South Korea can be given dual capability in power projection missions. This would allow some further economies in our force structure in the United States, provide some strengthening of their combat capability, and improve our rapid reaction capability during periods where we did not face an immediate threat from North Korea. It would also encourage further South Korean efforts to assume command functions in Korea.

The Marine expeditionary force in Okinawa has gradually dropped in readiness and deployability. It needs to be strengthened and brought to full readiness as a power projection force that can be used both regionally and in the gulf and Indian Ocean area. As in

the case with the MEF in the Mediterranean, more armor and artillery are needed, and probably at least one more repositioning ship to improve sustainability and capability for mid-intensity conflict.

There is little practical point in keeping land forces in Alaska in the post-cold war era, and the 6th Light Infantry Division can be disbanded. The U.S. Army also needs to reexamine its force and support structure in Hawaii. A lean power projection-oriented force component—which should require only limited changes to the 25th Light Infantry Division—is what is required.

As was the case with the Atlantic force package, the U.S. Navy does not need its current mix of surface escorts, ASW assets, or attack submarines. It needs to thin out its forces to create far more cost-effective power projection forces, and reflect the post cold war shift away from blue water conflicts to littoral warfare. It needs to emphasize the dual capability of its carrier aircraft, and converting the F-14 to dual capability in attack missions should be given high priority in view of the age of the A-6 and the fact the A-X cannot be developed until well after 2025.

Once again, new emphasis needs to be given to providing improved cruise missile attack capability, improved missile defense capability, improved mine warfare capability, and improved shore support capability. The idea of mounting the Multiple Launch Rocket System [MLRS] on shipboard deserves serious consideration. The Marine Corps probably needs at least one additional prepositioning ship to improve sustainability and capability for mid-intensity conflict.

STRATEGIC CHANGE IN THE POST COLD WAR ERA: RESTRUCTURING OUR CONTINGENCY FORCES PACKAGE

The contingency forces package was originated before Iraq's invasion of Kuwait, but time has validated the wisdom of this package. It is clearly apparent that we need a strong component in the United States of rapidly deployable Army divisions, Air Force fighter wings, and Marine and Navy forces.

The present proposal to maintain a five-division Army force, with three heavy, one airborne, and one air assault division represents the minimum force we should be able to deploy and sustain within a 30- to 60-day period. Giving this force the readiness and strategic sealift it needs should be one of our highest priorities. The same is true of providing it with seaborne munitions and sustainability.

It is possible that the present goal of maintaining seven tactical fighter wings can be reduced to five, but an alternative is to give the National Guard and Air Reserve a role in the contingency forces to allow us to maintain the present strength. Similarly, Desert Storm has shown that a new total force concept might well include substantial reserve combat and service support for the Army's active divisions.

The Marine expeditionary force assigned to this package represents the Marine Corps' global reserve. It should be strengthened and given added firepower and maritime prepositioning, just as has been the case with the MEFs assigned to the Atlantic and Pacific Forces.

Two other major changes are needed in this package:

First, even the best strategic sealift cannot deploy a heavy U.S. Army division in time to defend the gulf, and more than 60 percent of the world's oil reserves, from Iran and Iraq. Every effort should be made to persuade Kuwait, Saudi Arabia, and the other southern gulf states to fund prepositioning of one heavy division in the gulf. The alternative is to seek burdensharing for maritime prepositioning. We need true rapid deployment capability for at least one MEF and one Army division to both deter Iraqi and Iranian aggression and to respond to it if it occurs.

Second, the original base force plan never specifically dedicated strategic air lift, strategic sealift, maritime prepositioning forces, or naval air, missile, and fire support for this package. These power projection capabilities should be identified as specific parts of the contingency force package, and the naval forces in the Atlantic and Pacific Forces that will be specifically tailored to support contingency force operations should be identified and possibly even earmarked to the contingency force.

We need to recognize that the contingency force has a major potential war fighting mission—the defense of the gulf. We need to ensure that it can fight such conflicts successfully. We also need to be extremely careful to ensure that the contingency force keeps its war fighting capabilities. General purpose forces tend to become no purpose forces as congressional pork and inter-service politics take their toll. This must not happen in the future.

STRATEGIC CHANGE IN THE POST COLD WAR ERA: RESTRUCTURING OUR STRATEGIC FORCES PACKAGE

President Bush has already created a climate that allows massive reductions in the strategic forces component of the base force package. Our goal should be to work with Russia and the other members of the CIS that have nuclear forces to move towards the goal of no more than 3,000 nuclear weapons on each side as soon as possible.

REEXAMINING OUR NEEDS FOR STRIKE AND STRATEGIC OFFENSIVE FORCES

It is tempting to spell out the details of such a shift, but what is really needed is not more proposals for altering the triad, weapons mixes, or patterns of downloading. What we need is a comprehensive review of what the United States and Russia can realistically accomplish, of the costs and tradeoffs involved, and of the options for United States action and force planning.

We must tailor our cuts in force modernization to a very clear net assessment of Russian actions. We must tailor our cuts in the bomber force to a comprehensive reappraisal of the role the bomber force can play in conventional combat.

The Air Force has raised some interesting ideas in this regard, but there are massive uncertainties in its estimate of the potential lethality of the B-52, B-1B and B-2 in conventional combat that need independent validation by research centers that are not affiliated with the Air Force. This includes evaluation of such key factors as aircraft and weapons performance, sortie generation and sustainment capability, targeting capability

At the same time, equally demanding analysis is needed of the linkages and tradeoffs between bomber and strike fighters. We need to examine how the most realistic bomber road map compares with Navy and Air Force plans to modernize attack and strike fighters. Recent roles and mission studies attempt to resolve these issues on a doctrinal, rather than an analytic basis. They avoid direct examination of tradeoffs between the air fleets of given services, and we lack the resources to tolerate such an approach.

The United States also needs to examine the need for a future triad, and reexamine its strike planning. For example, reducing ICBM's, and emphasizing SSBN's, would eliminate key land targets. At the same time, it would increase force costs and present some problems in terms of the START II agreement. Limiting D-5 modernization and loading could reduce costs, but increase the need for ICBM's. Freezing modernization of the B-1 could save money, but potentially limit some conventional capabilities.

Our goal should not be to make some simple set of program tradeoffs but to find ways we can simultaneously reduce the risk of conflict, first strikes, and total force cost. It may well be possible to reduce such costs of strategic forces by 10 percent more per year if we are successful in working with Russia to reduce the capabilities on both sides. However, we must not take risks with strategic offensive forces.

A BIPARTISAN APPROACH TO ZERO-BASING OUR THEATER AND STRATEGIC DEFENSE FORCES

As for strategic defenses, our program should not be budget or ideology driven, or tied rigidly to the current interpretation of the ABM Treaty. We need to break out of the partisan impasse of the last 5 years, and restructure the entire SDI Program on the basis of a comprehensive reassessment of the need for theater and strategic defenses. The best way to approach this

would be a bipartisan commission, similar to the Scowcroft Commission, that examined all the options involved.

This commission should also look beyond the narrow mandate of ballistic missile defense. It should examine our combined need for ballistic missile, cruise missile, and air defenses. It should examine theater threats, the problem of proliferation, the risk of accidental launch, and options for further deterring any risk of a strategic exchange. It should examine what models of technical and cost risk should drive plans and schedules, and tie the program to a realistic reassessment of potential threats. It should reexamine all our assumptions about space and land based systems, deployment versus R&D activity, and the role each service should play in theater and strategic defense.

It should specifically examine options for cooperation with Russia, rather than treat it as an opponent, and it should examine time frames for the deployment of given types of defenses and the need for continuing research where deployment is not yet indicated. It should examine sea- as well as land-based theater defense options, and it should integrate the analysis of ballistic missile defense options with the analysis of cruise missile and air defenses.

Such an approach might allow us to make substantial near term reductions in the Bush spending plan for SDI. It is unlikely, however, that such reductions would come close to the Draconian, budget-driven cuts proposed by President Clinton. In any case, our program should be based on a zero-based review, founded on the best analysis available, and not on partisan ideology.

STRATEGIC CHANGE IN THE POST COLD WAR ERA: RESTRUCTURING OUR SUPPORTING FORCES PACKAGE

One of the critical flaws in the way the United States now tries to manage strategic change is that it tends to focusing on making tradeoffs among its most useful forces—its combat ready and forward deployed forces—while it ignores the need to reduce the vast mix of support capabilities it maintains in the United States.

It is a strategic fact of life that cutting active and reserve combat and combat support forces threatens our security, but cutting unnecessary overhead, headquarters, support, military bases, and other facilities in the United States does not.

These support capabilities have been reduced as a result of the actions of the Base Realignment and Closing Commission, management review efforts by the Department of Defense, and actions by the individual military services. Many, however, are still vestiges of prior wars or are sized to meet the very different requirements of the cold war era. As Secretary Aspin has admitted in his testimony to the Base Closing Commission, the sum total of our base closings and realignments to date—including every aspect of the 1993 efforts now under examination by the Commission—will close only 15 percent of our domestic bases. This compares with plans to cut or forces by 30–40 percent and to reduce defense spending by 42 percent.

It is almost impossible to believe that we cannot make major further cuts in non-strategic defense activities in the United States if we restructure our current base closing and management efforts to make a comprehensive effort to reduce them by the same share as we reduce our combat forces and defense spending. Such an effort could produce tens of billions in additional savings, and it is important to note that such savings would generally not mean a net loss of jobs or income for most states.

There is a fundamental fallacy in the way the Congress generally treats local interests and pork. It is assumed that every dollar spent or job saved produces a net saving for the State involved. In fact, all that ever happens in an era of declining defense budgets is to trade needed jobs and activities that contribute to our national security for ones that do not.

A given district may benefit from pork, but—in general—preserving unneeded bases and programs simply means cutting the number of active military, needed bases, or defense industry jobs at the same time by roughly the same amount. An honest effort to resize our defense support activities in the United States would produce new base closings and changes in facilities, but it would be counterbalanced by allowing us to preserve larger forces and a larger defense industrial base.

STRATEGIC CHANGE IN THE POST COLD WAR ERA: THE DEFENSE INDUSTRIAL BASE

The defense industrial base is another area that needs bipartisan analysis and planning, and not ideological quick fixes. We cannot afford to try to solve the problem through either industrial Darwinism or planning of a kind that eliminates market forces and competion. We also cannot afford to downsize our industrial base simply to meet our short term needs without considering future risks and the lead times necessary to recreate key defense production capabilities.

The key is to pull together experts from industry, the military services, and academic centers to form a bipartisan task force that will make specific recommendations about both the steps we need to take in the near future and the future management of our industrial base. Such a task force should be set up immediately and provide at least a preliminary report before Congress takes its final vote on the fiscal year 1994 defense budget. It should work closely with the military services and Office of the Secretary of Defense.

Most importantly, it should recognize certain basic strategic realities.

First, the United States must maintain the technology edge it used during Desert Storm. Deployed technology is both a force multiplier and a deterrent, and we must size our RDT&E, procurement programs, and defense industrial base accordingly.

Second, we must not indulge in either over-ambitious procurements, or in focusing on RDT&E efforts that do not reach the troops. We know all too well we cannot count on years of strategic warning to procure the equipment we need. We know from bitter experience that few major systems are ever really combat ready that are not tested and modified by units in the field, and adapted on the basis of realistic training and exercises. We know that nearly half the cost and delays of the learning curve in major programs comes after equipment enters initial full scale production.

Third, we know there are many areas where we will be able to afford only one major center of production capability. We must preserve competition wherever we can, but there are many areas where competition already does not exist. We must plan such centers of excellence and substitute improved government management for a lack of competitive efficiency.

Fourth, while we need to clearly identify the areas where we must preserve a defense industrial base that is separate from the civil industrial base, we also need to move as swiftly as possible to redesign our combat technology and production systems to use civil parts and manufacturing capability in every other area. The only way to achieve future economies of scale, and preserve critical production capability, is to end as much of the separation of the civil and defense industrial bases as possible. This will maximize the strength of competition and our ability to use the free market system.

The last thing we need is partisan debates over the merits of industrial planning versus competition. We need both. We also need to recognize that cost and on-schedule performance must be absolute conditions for going ahead with major programs, not simply strategic need or technical excellence. We must not confuse preserving the defense industrial base with preserving firms that cannot perform or industries that have lost their importance.

STRATEGIC CHANGE IN THE POST COLD WAR ERA: ARMS SALES AND THE PROBLEM OF PROLIFERATION

Finally, we need to recognize that both the United States and other Western states face a world where power projection faces the threat that Third World states will use weapons of mass destruction, and where every advanced conventional weapon that falls into unfriendly hands complicates our ability to project power.

The ongoing process of proliferation in the developing world may well be emerging as a much more serious long term threat than the residual capabilities of the Russian Republic. North Korea, Iran, Iraq, Libya, and Syria already possess significant capabilities for chemical warfare and probably for biological warfare as well. They already have advanced long range strike aircraft and surface-to-surface missiles. India and Pakistan are already nuclear powers, and the most radical states in northeast Asia and the Middle East are seeking nuclear capability as well.

It is one thing to sell advanced conventional weapons to states like South Korea, Singapore, Egypt, Israel, or Saudi Arabia. It is quite another to sell them to states that may stay friendly or neutral, or to states like Iran, Libya, and Syria. We already created one Frankenstein's monster in Iraq. We will have only ourselves to blame if we create another.

We need to recognize that we must both prepare to fight wars where weapons of mass destruction may be used, and that the effort to limit proliferation and the transfer of advanced conventional arms to potentially hostile states has the highest possible strategic priority. Arms control is not the enemy of effective power projection. It is its essential partner, and no analysis of emerging world realities can afford to ignore this.

ACCEPTING THE CONTINUING NEED FOR AMERICAN POWER

There is no way to cost all of the recommendations set forth in this paper. Many require detailed follow-on planning efforts, and many involve complex changes in force structure that are far beyond the simplistic and inaccurate cost models used outside the Department of Defense. It is clear, however, that all of these measures can be implemented for less than the cost of the adjusted Bush program for fiscal years 1993–98. It is also clear that they will cost more than the program advocated by President Clinton.

Such an added investment will be worth far more than its cost. It is easy to counsel retreat and to list the risks of American involvement overseas. It is easy to strip away defense resources in a period of peace. It is much harder to remember the inevitable costs of taking such advice. The fact remains, however, that we need strategy driven force plans and defense budgets. Further, any short term savings we can achieve are almost certain to be more than offset by the costs of our resulting indifference and weakness.

It is all too clear that we are not present at the creation of a new world order—if that is supposed to mean a world where political and economic forces can preserve peace and democracy. In fact, in many ways, the world we face today is very similar to the world that existed when this century began. This is the reason we cannot make the kind of cuts in defense spending now proposed by the new administration without threatening our security. It is the reason such cuts could eventually force us into far higher defense expenditures than if we maintained the level of military capability we need in the first place.

The United States cannot act alone in the world, nor should it oppose the strengthening of international coalitions, arms control efforts, and peace making. Being the world's remaining superpower is not an end in itself. It is only a bridge to the time when cooperation between East, West, and the developing nations of the world can achieve greater security by more peaceful means.

The last thing we should seek is a United States faced with responsibilities it cannot really afford, and thrust into a solitary role that can only mix arrogance with isolation. The United States should limit any power projection role it plays to its own vital strategic interests, or to aiding threatened democracies that cannot defend themselves without American aid.

However, we must not burn our bridge to a secure future before we cross it. An era of limits must not become an era of impotence, and the only thing worse than being the world's only policeman is trying to live in a world with no policeman at all. The emerging realities of the post cold war world are forcing the United States to change its forces and deployments to adopt a new power projection strategy. This is the only way that we can hope to preserve international stability, deter and repel aggression, and buy the time we need to create a more stable world.

POWER OF PROSECUTION

Mr. WALLOP. Mr. President, prior to the Senate's vote to confirm Ms. Janet Reno as the Nation's next Attorney General, the majority leader made some rather curious remarks about our Nation's judicial system.

After discussing Ms. Reno's experience as a prosecutor for the State of Florida, the majority leader spoke generally about "the power of prosecution" in our society.

He stated that "One of the greatest powers in a democratic society is the power of prosecution." Mr. President, this Senator certainly has no quarrel with that particular comment. In any society, the prosecutorial power of the State is formidable.

However, the majority leader subsequently proclaimed that, "The power of prosecution is greatly abused in a democratic society." He also inveighed against the power of prosecution as "The greatest power for which there is little or no accountability."

Mr. President, if the majority leader is truly concerned about the unfettered and unaccountable power of the prosecution in our society, the Senator from Wyoming suggests he turn his attention to the activities of independent counsel Lawrence Walsh. The conduct of Judge Walsh's investigation mirrors perfectly the concerns the majority leader has expressed.

Mr. President, when our judicial system operates within the institutions and the principles set forth by our Founding Fathers in the Constitution and Bill of Rights, there are numerous and powerful restraints on the State's prosecutorial power.

However, when our Government creates offices and empowers officers outside the bounds of these very important strictures, we seriously threaten the core principles upon which this Nation was established. The independent counsel law is one such example.

One of the reasons we place limitations upon the State's prosecutorial power is to prevent it from engaging in witch hunts. Nevertheless, we now have the spectacle of an independent counsel—whose authorization to exist expired December 15 of last year—continuing to pursue alleged villains with reckless abandon. Of course, to date, Judge Walsh's efforts to convict the individuals he has hounded have proven quite unsuccessful. Perhaps it is due to frustration that his office's investigation has taken on the appearance of a vendetta.

But Mr. President, it is for just such an eventually that we have institutional constraints and constitutional protections.

The majority leader emphasized the need for accountability among those vested with the power of prosecution. Does it not trouble him that until last year the General Accounting Office had failed to conduct an audit of Judge Walsh's Office, in operation since 1987, as required by law?

This despite the fact that Judge Walsh's expenditures to date—nearing the $40 million mark—account for roughly 90 percent of all the money spent by independent counsels since 1978. Does it not bother the Senator from Maine that when the GAO audit was finally conducted, a number of improprieties were discovered, including:

The failure of Walsh and his chief deputy, Craig Gillen, to pay District of Columbia income taxes while living and working in the city;

The improper billing to the taxpayers of 78,000 dollars' worth of meals and lodgings;

The improper billing of first-class air travel;

The improper leasing by Walsh of a Government vehicle for transportation between his office and Washington residence;

The granting of excess leave credit without written justification. As of

March 30, 1992, 30 employees had reportedly accrued 5,300 hours of leave time; and

A number of other financial and ethical misdeeds.

If practices such as these trouble the majority leader—and they should—then he ought to be even more appalled that the GAO agreed to waive—yes, waive—the applicable Federal pay and procurement standards with respect to the operation of Judge Walsh's office.

That's right. Having been informed that these activities violated Federal guidelines, Judge Walsh asked for, and was granted—yes, granted—by GAO, an exemption from applicable Government rules. In effect, Judge Walsh has been pardoned; he cannot be held accountable for his activities. To make matters worse, not only has Judge Walsh's office been granted a waiver from applicable Government regulations for its past actions, it has also been notified it need not comply with some of the same rules for the remainder of its investigation. How preposterous. What American citizen can expect the same absolution?

Perhaps the majority leader could explain to the Senator from Wyoming and the American taxpayer how such waivers and exemptions fulfill his notion of accountability.

As the evidence of Judge Walsh's financial and political intemperance mounts, it becomes ever more clear how dramatically Congress erred when it created the Frankenstein monster known as the independent counsel law.

With the authorization for the law having expired, one would hope that this monster, having met a timely demise, would be laid to rest for good. However, as in the many sequels to the classic horror film, some mad scientist always takes it upon himself to resurrect the hideous creature hoping to tame him once and for all.

It should come as no surprise then that the Judiciary Committee in the other Chamber recently, after issuing bipartisan criticism of Judge Walsh and his office's conduct, voted along party lines to revive the independent counsel law. Can similar action in the Senate be far behind?

So, Mr. President, if the majority leader is truly distressed about malicious and overzealous prosecution, about the lack of accountability among prosecutors, and about prosecution with a political agenda, he will have an excellent opportunity to confront these problems if and when some of our colleagues attempt to revive the independent counsel legislation.

This Senator would be happy to work with the Senator from Maine to prevent that from happening.

Mr. President, I yield the floor.

CONFERENCE REPORT ON HOUSE CONCURRENT RESOLUTION 64

Mr. DORGAN. Mr. President, I rise to support the conference report on House Concurrent Resolution 64, the budget resolution for fiscal year 1994 and succeeding years, because it embodies fundamental economic change that this country direly needs.

This compromise resolution requires that we take some tough medicine to help cure our budget deficit problems. But we must not shrink from doing so because the American people expect no less.

The conference report sets forth the biggest deficit reduction package in our history. The $500 billion cut in red ink will help to ensure both that deficits do not undermine the foundations of our Government and that they do not cripple economic growth.

The spending cuts and tax increases required by this legislation will create some pain in sectors throughout our Nation. President Clinton said that this sacrifice should be fairly shared. And that's as it should be.

I have worked to see that those most able should shoulder the biggest burden of sacrifice. I have also sought equity in the plan so that rural America received fair treatment.

I am pleased to report that the resolution before us does indeed assume that the wealthy will bear the largest burden of tax increases. Under the Clinton plan, two-thirds of the revenue increases would fall on taxpayers with incomes over $100,000. Meanwhile, the resolution assumes full funding for programs that help fight poverty, such as WIC, Head Start, Child Immunization, and the Mickey Leland Hunger Program.

Moreover, the Clinton Administration has cooperated with me and other colleagues to put deficit reduction for agriculture and rural America at the same relative level as for other sectors. We achieved this result by retaining the Senate's budget level for agriculture, which was $3.2 billion higher than the House proposal over 5 years. This compromise softens the impact on agriculture and gives us room to design a decent price support program and to make sound reforms in the Agriculture Department.

The President has also agreed to exempt ethanol from the Btu tax and to fix the problem that tax might have created for the Dakota Gasification Plant. The conference agreement also recognizes that agriculture and energy-producing States should not bear a disproportionate share of the Btu tax. It further affords some flexibility in adjusting grazing fees so that ranchers are not unfairly penalized.

May I also add that this budget achieves savings through prudent reductions in Government overhead and defense spending. We can do so as a result of Federal management reforms and the end of the cold war, respectively. Reining in wasteful and unneeded spending can enable us to invest in such priorities as education, health care, and transportation systems. Prior administrations have neglected these needs and I commend President Clinton for turning the spotlight back on them.

In a word, this budget meets the twin tests of economic change and fairness. It charts a path toward economic competitiveness and deficit reduction. It asks my constituents in North Dakota to make a meaningful contribution to deficit reduction, but does not ask them to bear an unfair burden compared to other regions of the country. That is why I intend to vote for the conference report on the fiscal year 1994 budget resolution.

EXECUTIVE SESSION

NOMINATION OF STROBE TALBOTT, OF OHIO, TO BE AMBASSADOR AT LARGE AND SPECIAL ADVISER TO THE SECRETARY OF STATE ON THE NEW INDEPENDENT STATES

The PRESIDING OFFICER. Under the previous order, the question is on the confirmation of Strobe Talbott.

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

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

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Strobe Talbott, of Ohio, to be Ambassador at Large and Special Adviser to the Secretary of State on the New Independent States?

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Texas [Mr. KRUEGER] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from New Hampshire [Mr. GREGG] is necessarily absent.

The PRESIDING OFFICER (Mr. BAUCUS). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 89, nays 9, as follows:

[Rollcall Vote No. 99 Ex.]

YEAS—89

Akaka	Chafee	Feingold
Baucus	Coats	Feinstein
Bennett	Cochran	Ford
Biden	Cohen	Glenn
Bingaman	Conrad	Graham
Bond	Coverdell	Gramm
Boren	D'Amato	Grassley
Boxer	Danforth	Harkin
Bradley	Daschle	Hatch
Breaux	DeConcini	Hatfield
Brown	Dodd	Heflin
Bryan	Dole	Hollings
Bumpers	Domenici	Inouye
Burns	Dorgan	Jeffords
Byrd	Durenberger	Johnston
Campbell	Exon	Kassebaum

Kennedy	Mitchell	Rockefeller
Kerrey	Moseley-Braun	Roth
Kerry	Moynihan	Sarbanes
Kohl	Murkowski	Sasser
Lautenberg	Murray	Shelby
Leahy	Nickles	Simon
Levin	Nunn	Simpson
Lieberman	Packwood	Specter
Lugar	Pell	Stevens
Mack	Pressler	Thurmond
Mathews	Pryor	Warner
McConnell	Reid	Wellstone
Metzenbaum	Riegle	Wofford
Mikulski	Robb	

NAYS—9

Craig	Helms	McCain
Faircloth	Kempthorne	Smith
Gorton	Lott	Wallop

NOT VOTING—2

Gregg	Krueger

So the nomination was confirmed.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

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

The motion to lay on the table was agreed to.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

EMERGENCY SUPPLEMENTAL APPROPRIATIONS

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will report.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on committee substitute to H.R. 1335, the emergency supplemental appropriations bill:

Harlan Mathews, Dianne Feinstein, Barbara Boxer, Jeff Bingaman, Bob Kerrey, Barbara A. Mikulski, Robert C. Byrd, Pat Leahy, Frank R. Lautenberg, Wendell Ford, David Pryor, Carol Moseley-Braun, Tom Daschle, John D. Rockefeller IV, Jim Sasser, Bill Bradley, Patty Murray.

CALL OF THE ROLL

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

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the committee substitute to H.R. 1335, the emergency supplemental appropriations bill, shall be brought to a close?

The yeas and nays are required. The clerk will call the roll.

Mr. FORD. I announce that the Senator from Texas [Mr. KRUEGER] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from New Hampshire [Mr. GREGG] is necessarily absent.

The yeas and nays resulted—yeas 55, nays 43, as follows:

The result was announced—yeas 55, nays 43, as follows:

[Rollcall Vote No. 100 Leg.]

YEAS—55

Akaka	Feinstein	Mikulski
Baucus	Ford	Mitchell
Biden	Glenn	Moseley-Braun
Bingaman	Graham	Moynihan
Boren	Harkin	Murray
Boxer	Heflin	Nunn
Bradley	Hollings	Pell
Breaux	Inouye	Pryor
Bryan	Johnston	Reid
Bumpers	Kennedy	Riegle
Byrd	Kerrey	Robb
Campbell	Kerry	Rockefeller
Conrad	Kohl	Sarbanes
Daschle	Lautenberg	Sasser
DeConcini	Leahy	Simon
Dodd	Levin	Wellstone
Dorgan	Lieberman	Wofford
Exon	Mathews	
Feingold	Metzenbaum	

NAYS—43

Bennett	Faircloth	Murkowski
Bond	Gorton	Nickles
Brown	Gramm	Packwood
Burns	Grassley	Pressler
Chafee	Hatch	Roth
Coats	Hatfield	Shelby
Cochran	Helms	Simpson
Cohen	Jeffords	Smith
Coverdell	Kassebaum	Specter
Craig	Kempthorne	Stevens
D'Amato	Lott	Thurmond
Danforth	Lugar	Wallop
Dole	Mack	Warner
Domenici	McCain	
Durenberger	McConnell	

NOT VOTING—2

Gregg	Krueger

The PRESIDING OFFICER. On this vote, there are 55 yeas and 43 nays. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The majority leader.

Mr. MITCHELL. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate is not in order. The Senate will not proceed until the Senate is in order. All those wishing to converse, please take their conversations to the cloakroom.

The majority leader.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Republican leader be recognized to use his leader time; that following his remarks I be recognized to use my leader time; and that following my remarks, the Senate stand in recess subject to the call of the Chair.

Mr. BYRD. Mr. President, reserving the right to object, I do not intend to object, I hope we will know before the day is over what time tomorrow we will come in.

Mr. MITCHELL. Mr. President, we will.

Mr. BYRD. I thank the leader.

Mr. GRAMM. Will the distinguished Senator yield?

The PRESIDING OFFICER. Is there objection?

Mr. GRAMM. Reserving the right to object, I will not object, I simply would like to ask a question.

If we come in tomorrow to vote on cloture, will we have an opportunity tomorrow to offer amendments?

Mr. MITCHELL. I will discuss that with the distinguished Republican leader during the evening. Obviously, if the request is accompanied with a list of amendments and a time certain for voting on the bill, it will be very carefully and sympathetically considered and reviewed. We will be happy to discuss that with the Senator from Texas and the distinguished Republican leader and others following discussions.

Mr. GRAMM. I just say to the distinguished majority leader, I have amendments to this bill that I think are relevant. I am eager to offer them. If we are going to be in anyway, I would like to get that opportunity.

Mr. MITCHELL. If we can get a list of amendments and a time certain for vote up or down on the bill, and the Senator would like to help us in that regard, obviously we will be pleased to consider that.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. Reserving the right to object,

Mr. MITCHELL. Mr. President, I ask that prior to the statements by the distinguished Republican leader, and myself, that the Senator from Iowa be recognized for up to 3 minutes to deliver a eulogy on former Representative Schwengel from Iowa.

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

TRIBUTE TO FRED SCHWENGEL

Mr. HARKIN. Mr. President, today is a very sad day for me and the State of Iowa and for Americans everywhere. As the Chaplain already mentioned in his opening prayer last night, a good friend of mine, former Congressman from the State of Iowa, Fred Schwengel, died after a long bout of illness.

History tells us that on the day John F. Kennedy died, a tailor in New York put a sign on the door that read, "Closed Due to a Death in the Family." That is the way I feel today—it is like we had a death in the family.

Fred was born and raised in Iowa. Many of this body knew him personally, as well as his wife Ethel, who survives him, as well as two children, five grandchildren, and one great-grandchild.

In fact, Mr. President, it was just a little over a month ago that Fred cele-

brated the birth of his great-grandson. His granddaughter-in-law, Betsy Schwengel—who is a member of my staff—gave birth to a bouncing baby boy, Riley Kenworth Schwengel. And I'll tell you, Fred was proud of that great-grandson.

He was a progressive Republican who served for eight terms in the U.S. House, and five terms in the Iowa Legislature. I knew Fred for over 30 years. In fact, I probably would not be here in the Senate today if it were not for Fred Schwengel. My first experience in Washington was as an intern in a program set up by Fred Schwengel to bring both Republican and Democratic young Iowans to Washington, DC, to intern for the summer.

As we all know, one of Fred Schwengel's true loves was history. He was both a teacher and a historian. Back in 1962, Fred Schwengel founded the U.S. Capitol Historical Society. He served as its president until 1992, and was chairman of the board until his death. We've all seen him leading guiding tours through the Capitol, talking about the institution that he loved. He enriched our lives and our understanding of this building.

Fred used to tell me that "sometimes he wanted to say to those who are still in school, and who think that history is a dry thing that lives in a book: nothing is every lost in this building." And if you walk through the Capitol rotunda today and listen closely, you can still hear Fred leading a group of students through and point to the paintings or to the center of the rotunda, and saying "that is where the body of Abraham Lincoln layed in State."

As any Senator can attest whoever went on a tour with Fred Schwengel that it was a real treat to go on the tour of the Capitol with Fred Schwengel.

He loved history and approached it as both a romantic and a realist. He could quote from the Lincoln-Douglas debates easily. In his love and support of America's historical treasures, Fred Schwengel himself became a national treasure.

He was probably on of the foremost scholars of the Capitol in the world. He also wrote a book on the history of the Republican Party. I would say that Fred Schwengel is probably the only person who could get me to talk about the history of the Republican Party on the floor of the U.S. Senate.

I recommend it to everyone, both Republicans and Democrats. But, Mr. President, I would like to read just one paragraph from Fred Schwengel's book on the history of the Republican Party. I recommend it. It is a wonderful book.

This is what Fred Schwengel wrote about the Republican Party—actually about America.

I believe that moderation is a virtue—especially in a democracy of contending interest—and that extremism is a divisive vice. My reaction in 1964 led me to conduct research on political moderation. I have come to the conclusion that moderation is to be recommended above all political philosophies because it will alone recognizes the common fate and aspirations of all human beings; it alone understands the influences that drive people to extremes; and, finally, moderation alone respects the sacredness of humanity. Moreover, I have discovered that the Republican Party has a heritage of moderation. Lincoln, far from being the radical, was a moderate who followed Ben Franklin's advice to "avoid extremes."

Fred Schwengel was, indeed, one of the individuals who influenced me to go into politics. I always kidded that he got me involved in government but could never make me a Republican. He was a dearly beloved figure, one of the closet friends I had in my lifetime. He was a credit to his country and a credit to the U.S. House of Representatives, a credit to the Capitol.

The last time I worked with Fred was about 6 months ago. He has just successfully worked to set up the Harry S. Truman Program for the importance of history at Northeast Missouri State University. They were having a dinner and he asked me to send a letter.

In that letter, I wrote that "in the long history of the world, mankind has pondered whether people make history or history makes people. Harry Truman reminded us that people do indeed make history—but it's up to all of us to make sure that that history is never forgotten."

Mr. President, I think the same may be said of Fred Schwengel. Thomas Carlyle once said that "history is the biography of great people." Fred Schwengel was a great person, he was a great friend, and a credit to this institution. He lived a long and full life, and he left his mark. And we are all going to miss him.

Mr. President, I yield the floor.

Mr. MITCHELL. I ask unanimous consent that the Senator from Virginia be recognized for up to 5 minutes to submit a resolution unrelated to the pending bill.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. ROBB. I thank the Chair.

(The remarks of Mr. ROBB pertaining to the submission of Senate Resolution 92 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

The PRESIDING OFFICER. Under the previous order, the Republican leader is recognized.

ALTERNATIVE ECONOMIC STIMULUS PACKAGE

Mr. DOLE. Mr. President, there has been a lot of double-talk lately about this so-called jobs bill.

Well, let me tell the American people exactly what this bill really stands for: It stands for everything the American people voted against last year; it is everything they detest about Washington—big deficits, big spending, and big promises from a Congress that still refuses to exercise a little discipline when it comes to spending the taxpayers hard-earned dollars.

That is not change. That is short-changing the American people. If you are looking to stimulate the deficit, vote for this bill.

Of course, this is not a jobs bill. Oh, it does provide some temporary make-work jobs, but there is nothing in this package that will create longterm job opportunities for Americans looking for real jobs and real hope.

Some of the double-talk we've heard lately has also tried to describe this bill as some kind of emergency. Well, it is an emergency—it is an emergency for the taxpayers; and it is an emergency for our economy, which cannot take any more deficit spending by the White House and Congress.

In my opinion, a vibrant private sector will create far more good, lasting jobs than the President's plan to send a $19 billion IOU to future generations of Americans.

The clever salesmen behind this plan's false advertising have also tried to hide the truth behind the gridlock gimmick.

Well, let us make one thing clear—when it comes to wasting another $19 billion, the American people are counting on gridlock to save them from the tax and spend crowd that cannot wait to get their hands on the taxpayers' wallets.

However, while my Republican colleagues and I have serious problems with much of the President's package, we are ready to offer an alternative plan that contains the better elements, and saves the taxpayers from having to pay for all those swimming pools, gymnasiums, and that infamous ice skating warming hut.

Our plan includes support for unemployment benefits, summer jobs, immunization, and highway and mass transit funding. These five items are all either time-sensitive, genuinely create jobs, or are legitimately needed.

This leaner, meaner alternative puts the Government on a healthier diet by cutting out the pork and the fat—no pork, no political favors, no fooling around with the taxpayers dollars. I hope my Democratic colleagues will embrace this package. Forget the gridlock gimmick what we have here is greedlock, the wasteful pork barrell proposals that have put this terrible bill in jeopardy, which is exactly where the American people are hoping we put it.

Our alternative supports summer jobs, immunization, highway and mass transit funding—and here is the best part—and it pays for them with across-the-board cuts in Government administrative costs. It is a fair and equitable way to pay for programs.

It is regrettable that funding to extend unemployment compensation will not be offset elsewhere in this amendment. That is because the most recent extension bill passed by Congress considers all funding to extend unemployment benefits emergency spending. I voted against this approach, but in this case, I have little choice but to abide by the statute passed by the majority of my colleagues.

Let us face it, dialing the legislative equivalent of "911" has become a major loophole that needs to be closed. Everyone in this Chamber knows that simply slapping the emergency label on clearly questionable spending in a supplemental appropriations bill will not stop it from adding to the deficit. If we need something, we should be honest enough to pay for it within the spending caps set in the 1990 budget agreement.

The American people are demanding change and an end to business-as-usual. What better way to give it to them than by paying for new spending rather than taking the easy way out and jacking up the deficit.

Mr. President, it had been my intention yesterday to offer an amendment. I still hope I may have an opportunity to do this, if not tomorrow, some time next week.

I want to discuss what the amendment would do. We have all heard the debate on what the entire bill will do and whether or not it is a stimulus package and what the American people want.

I know one thing they do not want are big deficits, big spending, and big promises from the Congress that refuses to exercise very much discipline when it comes to spending the taxpayers' money. It just seems to me that we have voted and demonstrated that we do have an impasse here. Some would call it gridlock; I call it porklock. Call it what you will. There is a big difference of opinion on what we ought to do.

Some would say this is an emergency bill, and some would categorize it as an emergency for the American taxpayer, that we ought to halt this bill in its entirety, because it is an emergency for the taxpayers and for our economy.

Many of us believe we just cannot continue to pile up deficit spending and say do not worry about it, it is not that much money, and add it to the deficit. In the opinion of many in this country, including Republicans or Democrats, the best recovery will come from the private sector, from lasting jobs and not make-work, short-time summer jobs, whereever it may be.

So it seems to me that we will have a lot of debates in the next 2 or 3 days.

To summarize, I do not think there is any dispute about the unemployment compensation, about that $4 billion. We have already voted on that. It has already been authorized. So there is no dispute about the $4 billion. I think we would be prepared—at least I would be; I cannot speak for all of my colleagues—to put in additional sums for summer jobs, immunization, highway and mass transit funding; in other words, complete this fiscal year, and this would be outlays. The total would be $350 million, plus the $4 billion that is not paid for, the unemployment compensation; we would pay for the $350 million.

This leaner and meaner alternative puts the Government on a healthier diet. We cut out a lot of the areas that we do not think are necessarily job-creating.

I hope that there might be some opportunity to offer the amendment. I am not under any illusion that it might be passed. But it might set the stage—if there is any way of working out something here in the next few days—for at least sending a signal that we are just as sensitive, we believe, as Members on the other side of the aisle when it comes to some of these programs. We just have a basic difference. We think they ought to be paid for.

We believe they can be paid for. If we did it on a pay-as-you-go basis, there would be considerable support on this side of the aisle.

So we pay for it with the across-the-board cuts in Government administrative costs. It is fair and it is a fair way to pay for it. When you ask the American people who ought to sacrifice, they say the Government. They do not see the Government sacrificing. We just passed a big, big tax bill called an economic package, but we do not see the Government making any sacrifice. So it would seem to me that we can at least make a step in the right direction.

It is regrettable, in my view, that we are going to extend unemployment compensation without paying for it, but we have already been through that. I voted against it because we did not pay for it. In this case we have little choice but to abide by the statute, so let us fact it. I think this would give us an opportunity to at least take a look at whether or not there is any way we can figure our way out of this impasse. If not, then I assume we will be on this bill for a considerable amount of time.

I hope that sometime tomorrow or sometime on Monday I will be offered an opportunity to offer this amendment because I think it should be voted on. It is relevant, it is germane, it does deal with the specific issue before us, and it would offer some degree of relief, not as much as some would like, but it does go into the areas where we think there are job opportunities, at least some relationship, and funds those programs for the fiscal year 1993. In my view the Appropriations Committee will find ways to fund the programs in 1994, 1995, 1996, and thereafter. Why not pay for what we do? That seems to me a fairly responsible approach. It is the one the American people want when they tell us to cut spending first. If we are not going to cut it, as least we ought to pay for it. In my view, that is a very responsible position to have. I wanted to state that I hoped to offer this amendment yesterday afternoon, but I had a matter I had to attend to and was not here and able to do that.

Mr. President, I ask unanimous consent that my amendment be printed in the RECORD.

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

In the pending substitute, on page 28, line 22, [sec. 201] strike the period and insert ": *Provided*, That no appropriations contained in this act may be made available for obligation except (1) all of the additional amounts under the heading "Training and Employment Services" under the heading "Employment and Training Administration" under the Department of Labor, (2) all of the additional amounts under the heading "Advances to the Unemployment Trust Fund and Other Funds" under the Department of Labor, (3) all of the additional amounts under the heading "Office of the Assistant Secretary for Health" under the heading "Assistant Secretary for Health" under the Department of Health and Human Services, (4) all of the additional amounts under the heading "Federal-Aid Highways (Liquidation of Contract Authorization) (Highway Trust Fund)" under the heading "Federal Highway Administration" under the Department of Transportation and Related Agencies", (5) and all of the additional amounts under the headings "Formula Grants", "Discretionary Grants", and "Trust Fund Share of Transit Programs (liquidation of contract authorization) (Highway Trust Fund)" under the heading "Federal Transit Administration" under the Department of Transportation and Related Agencies."

PAY-AS-YOU-GO PROVISIONS

(A) Of the amounts provided in previous fiscal year 1993 appropriations acts and available budget authority under previous appropriations acts, such amounts of budgetary resources are rescinded so as to equal $350,000,000 in outlays as provided in subsections (B) and (C).

(B) The Director of Office of Management and Budget shall make uniform percentage reductions in budget authority in Federal agency administration expenses, except that no reductions shall be made in current rates of pay under current law.

(C) For the purposes of this section, Federal agency administration expenses are defined as object classes 10 (excluding object classes 12.1, 12.2 and 13.0), 20 (excluding object class 23.1), and 30.

(D) To the extent budgetary resources are not provided in appropriations acts, the Director shall make the same uniform percentage reduction as required in subsection (B) in Federal administrative expenses as determined in section 256(H) of the Balanced Budget and Emergency Deficit Control Act of 1985.

STRIKE EMERGENCY PROVISION

On page 28, strike section 202.

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

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Mr. President, what the American people want are jobs and an end to gridlock, and end to the politics of the past which has tied this institution and this country in knots and not permitted the kind of change in progress for which the American people voted in November. The rate at which new jobs are being created coming out of this recovery is only one-tenth the rate at which jobs have been created in previous recoveries.

The economic news today indicated that in the last month, rather than an expected 100,000 increase in jobs, the economy suffered a decrease of 22,000 jobs with very large decreases in manufacturing. I say to my colleagues, the most pressing need in America today is the creation of jobs, and this is a jobs bill, which is intended to and will create jobs. A vote against this bill is a vote to deny Americans the 500,000 jobs which would be created by this bill. That is the central issue.

What Americans also want is an end to gridlock, an end to what has occurred over the past 7 days in which a majority favoring the bill, which is an important part of the President's program, is denied the right to vote on the bill because a minority, acting within their rights under the rules, has denied that right. All of us at one time or another have exercised the rules to our favor. We all recognize that fact. But in this case, a new President has presented a comprehensive economic program which will reduce the budget deficit by $496 billion over the next 5 years, and those who say they want to reduce the deficit voted against the President's deficit reduction program.

This bill is a part of the whole. President Clinton was elected to change the economic policies that the previous administration followed. He offered a comprehensive economic program for change and job creation and deficit reduction. Our opponents, our colleagues, want to continue the failed policies of the past. We want to change those policies. That is the essential difference that confronts us here today.

Now the effort to defeat and embarrass the President is focused on picking his program apart piece by piece, first in opposing the deficit reduction of $496 billion and then opposing the job-creating program on the contention that it does not reduce the deficit even though those making that argument voted against the deficit reduction program which we just adopted in the budget resolution.

It is opposing every part of the President's program on a piecemeal basis. The American people understand that the President's program is a complete program, an integrated economic whole, and it makes sense. The pressing need now is job creation so the first step is to create 500,000 jobs with this jobs bill.

In order to sustain economic growth over the coming 5 years, it is necessary to bring the deficit down, so the President's program does that by a combination which includes $223 billion in spending reductions and $273 billion in revenue increases, every dollar of which will go to reduce the deficit.

Viewed as a whole it makes sense. But under the rules of the Congress we cannot vote on it as a whole. We must vote on it piece by piece, and that enables our colleagues, first, to oppose the deficit reduction plan and then to oppose the jobs bill on the grounds that it does not reduce the deficit.

I think the American people understand the issue at stake here. President Clinton has been in office for just over 2 months. Are we the Congress, going to give our new President a chance to get his program started? Or are we going to block the President? Are we going to give the President the chance to do what he was elected to do—change the economic policies of this country? Or are we going to try to block the President? Are we going to give President Clinton the opportunity to demonstrate to the American people that they were right when they elected him last year to change the economic policies? Or are we going to try to block the President? That is what is at stake here.

I regret the vote that just occurred. I understand it. I respect each and every one of my colleagues, and I surely respect my good friend the distinguished Republican leader. We do have a fundamental difference of opinion on how best to approach this.

I wish to address just briefly the subject of amendments. We have been told that there are unlimited amendments to be offered by the other side. Several Senators have suggested that it is inappropriate that they not be allowed to offer amendments. Mr. President, we have been on this bill for 7 days. Where were they when they had the opportunity to offer amendments earlier? Second, I have made it clear that if our colleagues will give us a list of amendments that they want to offer and a specific time when we can vote on this bill up or down when those amendments are completed, surely we will consider them. But when the suggestion is made that "we want to offer amendments" and they are unlimited in number and they refuse to give any time for final action on the bill, then it is clear that this is a filibuster by amendment.

So everyone should understand that. If we can get an agreement on what amendments are going to be offered and we can vote on this bill up or down at some point, why, then of course the amendments will considered.

Mr. President, in conclusion I say I regret the result of the vote. I understand it. I respect the arguments presented by my friend and colleague. We disagree, as we often do, not in a disagreeable way. I believe the President's program is right for the country. I believe the American people elected him to put this policy into effect, and I believe this Senate ought to give him that chance.

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

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER (Mr. FEINGOLD). The Chair recognizes the Republican leader.

Mr. DOLE. Mr. President, I do not want to extend this and I certainly do not want to quarrel with my good friend, the majority leader. But I am compelled to indicate that, as of last night, the Democrats have used 24 hours and 6 minutes and the Republicans have used 10 hours and 58 minutes.

I think when you look at the time that has been allotted to the two sides, it is very clear where most of the debate has been coming from. So it has not been an effort on this side to hold up this legislation.

Every time I hear this about gridlock, I think back to 1985 when I was the majority leader. At 2 o'clock in the morning, we finally passed a budget—a tough budget—by a vote of 50 to 49. One Democrat was in that group of 50, the late Ed Zorinsky from the State of Nebraska.

We had not learned about gridlock then. I guess we knew what it was, but we had not been able to define it.

So when I look at back at 1985—and we were not raising taxes; we were cutting spending and making a lot of tough decisions—I could not encourage or persuade any but one of my colleagues on the other side to vote with us.

I agree with the majority leader—and I will address this more maybe tomorrow—about how we use the rules and how some say we abuse the rules.

I remember when we had a brandnew President—his name was George Bush—in 1989. He had an economic plan. The key element of that plan was reduction of the capital gains tax rate.

A strange thing happened. We had some parliamentary maneuver worked out so it took 60 votes. We had a majority, but we could not get 60 votes. That went on for 4 years. You talk about gridlock. This is nothing. That lasted for 4 years. Never could get a vote on the capital gains tax rate reduction, which would have done a lot for the economy. Maybe we would not be here today if we had passed that part of President Bush's economic package.

So there are a lot of parallels.

At the same time, the two leaders, we disagree from time to time, but we are never disagreeable. We have to make this place run and we hope we can continue to do that.

But there is, I think, a basic difference in philosophy. We believe we ought to pay for what we spend. That is the only point we are trying to make.

I hope we can work out some agreement on amendments. We have a number of relevant, germane amendments on this side that we would like to offer. We hope that is a possibility.

The majority leader has left the door open—slightly. You cannot get through it, but we can see through it. But, in any event, we will be working on that.

So I just say to my colleagues, we appreciate your patience. We hope it is as good on Wednesday as it is this evening.

RECESS SUBJECT TO THE CALL OF THE CHAIR

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess subject to the call of the Chair.

Thereupon, the Senate, at 6:02 p.m., recessed subject to the call of the Chair; whereupon, at 7:40 p.m., the Senate reassembled, when called to order by the Presiding Officer [Mr. PELL].

EMERGENCY SUPPLEMENTAL APPROPRIATIONS

The PRESIDING OFFICER. The clerk will report the pending business.

The assistant legislative clerk read as follows:

A bill (H.R. 1335) making emergency supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes.

The Senate resumed the consideration of the bill.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The Senator majority leader.

CLOTURE MOTION

Mr. MITCHELL. Mr. President, I send a cloture motion to the desk and I ask that it be stated.

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

The bill clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on committee substitute to H.R. 1335, the emergency supplemental appropriations bill:

Wendell Ford, Pat Leahy, Patty Murray, Barbara Boxer, George Mitchell, Daniel Inouye, Dianne Feinstein, Claiborne Pell, Robert C. Byrd, David Pryor, Jim Sasser, Tom Daschle, Paul Sarbanes, John F. Kerry, John Glenn, Byron L. Dorgan, Paul Wellstone, Carol Moseley-Braun.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there now be a period for morning business.

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

EXECUTIVE SESSION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations: Calendar No. 63, James B. King to be Director of the Office of Personnel Management; Calendar No. 65, Eugene Allan Ludwig to be Comptroller of the Currency.

I ask unanimous consent that the nominees be confirmed en bloc; that any statements appear in the RECORD as if read, that the motions to reconsider be laid upon the table en bloc; that the President be immediately notified of the Senate's action; and that the Senate return to legislative session.

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

The nominations considered and confirmed en bloc are as follows:

OFFICE OF PERSONNEL MANAGEMENT

James B. King, of Massachusetts, to be Director of the Office of Personnel Management for a term of 4 years.

DEPARTMENT OF THE TREASURY

Eugene Allan Ludwig, of Pennsylvania, to be Comptroller of the Currency for a term of 5 years.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

SENATE LEGAL COUNSEL TO APPEAR AS AMICUS CURIAE

Mr. MITCHELL. Mr. President, I send to the desk a resolution to direct the Senate legal counsel to appear as amicus curiae in the name of the Senate in a case pending in the U.S. Court of Appeals for the Sixth Circuit, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 93) to direct the Senate Legal Counsel to appear as amicus curiae in the name of the Senate in *United States ex rel. Taxpayers Against Fraud, et al.* v. *General Electric Company*.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MITCHELL. Mr. President, by Senate Resolutions 104, 117, 160, and 289 of the 101st Congress, and Senate Resolutions 287 and 343 of the 102d Congress, the Senate authorized the Senate Legal Counsel to file briefs as amicus curiae in the name of the Senate in defense of the constitutionality of the qui tam provisions of the False Claims Act. The provisions in question authorize private plaintiffs to initiate civil lawsuits against contractors who have defrauded the Government and, as an incentive for such actions, to share a portion of funds recovered on the Government's behalf.

The Government contractors, who have been the defendants in these cases, have advanced two challenges to the constitutionality of the False Claims Act. First, they maintain that authorizing private individuals to initiate civil litigation in the name of the United States violates the constitutional separation of powers and infringes upon the executive branch's law enforcement responsibilities. Second, they argue that the qui tam provisions of the act violate the standing requirement of article III of the Constitution.

All the district courts that have addressed the constitutional issues, and recently the U.S. Court of Appeals for the Second Circuit, have rejected challenges to the act's constitutionality. Appeals on the constitutionality of the act will soon be heard by the U.S. Court of Appeals for the Ninth Circuit.

The qui tam provisions of the False Claims Act have also come under challenge by the defendant in United States ex rel. Taxpayers Against Fraud, et al. versus General Electric Company, which is now pending in the U.S. Court of Appeals for the Sixth Circuit. As with the prior cases, the Department of Justice has not appeared in the litigation to defend the constitutionality of the qui tam provisions of the act. We understand that the Department is reviewing its position on this issue, and look forward to an early decision by it to defend the constitutionality of this significant tool to protect the Government against fraud. While the issue is under review by the Department, it remains important for the Senate to continue its defense of the law.

Accordingly, this resolution authorizes the Senate Legal Counsel to appear in this case as amicus curiae on behalf of the Senate to defend the constitutionality of the qui tam provisions of the False Claims Act. Senate Counsel will not be addressing other issues between the parties in the appeal.

The PRESIDING OFFICER. Without objection, the resolution is agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 93

Whereas, in the case of United States ex rel. Taxpayers Against Fraud, et al. versus General Electric Company, Nos. 92-4283 and 93-3015, pending in the United States Court of Appeals for the Sixth Circuit, the constitutionality of the qui tam provisions of the False Claims Act, as amended by the False Claims Amendments Act of 1986, Pub. L. No. 99-562, 100 Stat. 3153 (1986), 31 U.S.C. 3729, et seq. (1988), have been placed in issue;

Whereas, pursuant to sections 703(c), 706(a), and 713(a) of the Ethics in Government Act

of 1978, 2 U.S.C. 288b(c), 288e(a), and 288l(a) (1988), the Senate may direct its counsel to appear as amicus curiae in the name of the Senate in any legal action in which the powers and responsibilities of Congress under the Constitution are placed in issue: Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to appear as amicus curiae on behalf of the Senate in the case of United States ex rel. Taxpayers Against Fraud, et al. versus General Electric Company to defend the constitutionality of the qui tam provisions of the False Claims Act.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

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

The motion to lay on the table was agreed to.

DEDICATION OF THE U.S. HOLOCAUST MEMORIAL MUSEUM

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of Senate Joint Resolution 76, a joint resolution concerning the dedication of the U.S. Holocaust Memorial Museum; that the Senate then proceed to its immediate consideration, that the joint resolution be deemed read three times, passed, and the motion to reconsider laid upon the table and the preamble be agreed to.

The PRESIDING OFFICER. Without objection is so ordered.

The joint resolution was deemed read a third time and passed.

The preamble was agreed to.

The joint resolution, with its preamble, is as follows:

S.J. RES. 76

Whereas, in 1980, the Congress of the United States established the United States Holocaust Memorial Council (Public Law 96-388, dated October 7, 1980) by unanimous vote and mandated it with the creation of a permanent living memorial museum to the victims of the Holocaust;

Whereas, through the great generosity and unstinting efforts of thousands of individuals from all walks of life, the United States Holocaust Memorial Museum has now been built on Federal land with private contributions and will be officially dedicated on April 22, 1993;

Whereas this institution will underscore the ideals of human rights and individual liberty this Nation was founded upon, as expressed by President George Washington in 1790, when he declared that the United States had created "a government which to bigotry gives no sanction, to persecution no assistance";

Whereas four administrations and every Congress since 1980, and especially Members of Congress and individuals who have served on the Council and officials of the United States Departments of State, the Interior, and Education, have joined with the American public in bringing this institution to life; and

Whereas this museum signifies national dedication to remembering the Holocaust and will serve as the Nation's leading educational facility to teach current and future generations of Americans about this tragic period of human history and its implications for our lives and the choices we make as individuals and societies against crimes based on hate and prejudice regarding race, religion, and sexual preference: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the One Hundred Third Congress officially commemorates the opening and recognizes the historic importance of this unique institution as it takes its place among the other great memorials and museums in our Nation's Capital that honor the democratic precepts this Nation is based upon; and be it further

Resolved, That Congress encourages all citizens of the United States, and all who come to Washington, District of Columbia, to visit the Museum and avail themselves of the opportunities presented within its walls to learn about the past and to contemplate the moral responsibilities of citizenship; and be it further

Resolved, That in remembrance of those who perished in the Holocaust; in tribute to the survivors who came to the United States to build a new life, and who, with their families, have contributed so much to the fabric of our diverse society; in recognition of heroic American soldiers who liberated prisoners of Nazi camps; in recognition of the anonymous bravery of rescuers from many lands who had the courage to care and placed their own lives in peril to help others in need; and in hope that Americans will learn from this museum the need to remain vigilant against bigotry and oppression; we welcome the United States Holocaust Memorial Museum to the center of our American heritage and state now, in recognition of the Museum's motto, that for the dead and the living and those yet to be born, we do bear witness.

DEDICATION OF U.S. HOLOCAUST MEMORIAL MUSEUM

Mr. MITCHELL. I ask unanimous consent that the Senate proceed to the immediate consideration of House Joint Resolution 156, a House companion joint resolution, just received from the House; that the joint resolution be deemed read three times, passed, and the motion to reconsider laid upon the table; and that the preamble be agreed to.

The PRESIDING OFFICER. Without objection it is so ordered.

The joint resolution was deemed read a third time and passed.

The preamble was agreed to.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Edwin R. Thomas, 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.)

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-708. A communication from the Chairman of the Federal Maritime Commission, transmitting, pursuant to law, the annual report for fiscal year 1992; to the Committee on Commerce, Science and Technology.

EC-709. A communication from the Employee Benefits Manager, transmitting, pursuant to law, notice of information on the retirement and thrift plans, and financial statements for the period ending August 31, 1992; to the Committee on Governmental Affairs.

EC-710. A communication from the Acting President of the United States Institute of Peace, transmitting, a report of the audit for fiscal year 1992; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MOYNIHAN, from the Committee on Finance, without amendment:

S. 766. An original bill to provide for a temporary increase in the public debt limit.

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. DANFORTH (for himself, Mr. EXON, Mr. LAUTENBERG, and Ms. MIKULSKI):

S. 738. A bill to promote the implementation of programs to improve the traffic safety performance of high risk drivers; to the Committee on Commerce, Science, and Transportation.

By Mr. BUMPERS:

S. 739. A bill to amend the Internal Revenue Code of 1986 to simplify the limitation on using last year's taxes to calculate an individual's estimated tax payments; to the Committee on Finance.

By Mr. COHEN:

S. 740. A bill to amend the Congressional Budget and Impoundment Control Act of 1974 to provide for the expedited consideration of certain proposed rescissions of budget authority and certain tax expenditure repeals; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other Committees have thirty days to report or be discharged.

By Mr. BREAUX:

S. 741. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for contributions to individual investment accounts, and for other purposes; to the Committee on Finance.

By Mr. AKAKA (for himself and Mr. INOUYE):

S. 742. A bill to amend the National Parks and Recreation Act of 1978 to establish the Friends of Kaloko-Honokohau, an advisory commission for the Kaloko-Honokohau National Park, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. SIMON:

S. 743. A bill to require court clerks to report the posting of bail in an amount exceeding $10,000 in certain criminal cases, and for other purposes; to the Committee on the Judiciary.

S. 744. A bill to provide for drug-testing of Federal prisoners on release from prison; to the Committee on the Judiciary.

S. 745. A bill for the relief of Hardwick, Inc; to the Committee on the Judiciary.

By Mr. D'AMATO:

S. 746. A bill to amend the Internal Revenue Code of 1986 to provide an investment tax credit for stage 3 aircraft; to the Committee on Finance.

By Mr. ROTH:

S. 747. A bill to suspend temporarily the duty on Pigment Red 254; to the Committee on Finance.

S. 748. A bill to extend the temporary suspension of duty on 7-Acetyl-1,1,3,4,4,6-hexamethyltetrahydronaphthalene; to the Committee on Finance.

S. 749. A bill to suspend temporarily the duty on Pigment Blue 60; to the Committee on Finance.

S. 750. A bill to suspend temporarily the duty on pectin; to the Committee on Finance.

S. 751. A bill to suspend temporarily the duty on 6-Acetyl-1,1,2,3,3,5-hexamethyl Indan; to the Committee on Finance.

By Mr. BUMPERS:

S. 752. A bill to modify the boundary of Hot Springs National Park, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. ROCKEFELLER:

S. 753. A bill to extend the temporary suspension of duty on certain carbodiimides; to the Committee on Finance.

S. 754. A bill to extend the temporary suspension of duty on octadecyl isocyanate; to the Committee on Finance.

S. 755. A bill to extend the temporary suspension of duty on 1, 5-naphthalene diisocyanate; to the Committee on Finance.

S. 756. A bill to suspend temporarily the duty on certain carbodiimide masterbatches; to the Committee on Finance.

By Mr. ROCKEFELLER (for himself, Mr. PRYOR, Mr. WOFFORD, Mr. SIMON, and Mr. GLENN):

S. 757. A bill to correct the tariff rate inversion on certain iron and steel pipe and tube products; to the Committee on Finance.

By Mr. SIMON:

S. 758. A bill to amend the Harmonized Tariff Schedule of the United States to restore the duty rate that prevailed under the Tariff Schedules of the United States for certain twine, cordage, ropes, and cables; to the Committee on Finance.

By Mr. COCHRAN (for himself and Mr. LOTT):

S. 759. A bill to provide for the establishment of the Margaret Walker Alexander National African-American Research Center, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. WARNER:

S. 760. A bill for the relief of Leteane Montasi; to the Committee on the Judiciary.

By Mr. STEVENS (for himself and Mr. MURKOWSKI):

S. 761. A bill to amend the "unit of general local government" definition for Federal payments in lieu of taxes to include unorganized boroughs in Alaska; to the Committee on Energy and Natural Resources.

By Mr. PRYOR (for himself, Mr. BAUCUS, Mr. BOREN, Mr. BREAUX, and Mr. SARBANES):

S. 762. A bill to amend the Internal Revenue Code of 1986 to simplify the pension laws, and for other purposes; to the Committee on Finance.

By Mr. DURENBERGER:

S. 763. A bill to amend section 1729 of title 38, United States Code, to improve the Department of Veterans Affairs medical care cost-recovery program; to the Committee on Veterans' Affairs.

By Mr. WOFFORD:

S. 764. A bill to exclude service of election officials and election workers from the Social Security payroll tax; to the Committee on Finance.

By Mrs. BOXER (for herself, Mr. DECONCINI, and Mr. FEINGOLD):

S. 765. A bill to amend title I of the Employee Retirement Income Security Act of 1974 to improve protection of benefits under group health plans, to provide for adequate notice of adoption of material coverage restrictions under such plans, and to provide for effective remedies for violations of such title with respect to such plans; to the Committee on Labor and Human Resources.

By Mr. MOYNIHAN:

S. 766. An original bill to provide for a temporary increase in the public debt limit; from the Committee on Finance; placed on the calendar.

By Mr. NICKLES:

S. 767. A bill to amend title XIV of the Public Health Service Act (commonly known as the "Safe Drinking Water Act") to redirect and extend Federal and State activities to protect public water supplies in the United States, and for other purposes; to the Committee on Environment and Public Works.

By Mr. ROCKEFELLER (for himself and Mr. MURKOWSKI):

S. 768. A bill to amend the Japan-United States Friendship Act to recapitalize the Friendship Trust Fund, to broaden investment authority, and to strengthen criteria for membership on the Japan-United States Friendship Commission; to the Committee on Foreign Relations.

By Mr. DANFORTH (for himself, Mr. MURKOWSKI, Mr. STEVENS, Mr. HATCH, Mr. GORTON, and Mr. MCCAIN):

S. 769. A bill to prohibit any increase in the tax on the sale of certain aviation fuel, and to prohibit any tax on such fuel or on the energy content of petroleum or petroleum products used in the production of such fuel; to the Committee on Finance.

By Mr. DANFORTH:

S. 770. A bill to amend the Federal Aviation Act of 1958 to authorize the Secretary of Transportation to prevent United States air carriers from engaging in predatory pricing; to the Committee on Commerce, Science, and Transportation.

S. 771. A bill to provide a limited exception to the restriction on foreign ownership and control of the voting interest in United States air carriers; to the Committee on Commerce, Science, and Transportation.

By Mr. DECONCINI:

S. 772. A bill to amend the Internal Revenue Code of 1986 to provide a simplified tax on all income, and for other purposes; to the Committee on Finance.

By Mr. LAUTENBERG (for himself and Mr. BRADLEY):

S.J. Res. 79. A joint resolution to designate June 19, 1993, as "National Baseball Day"; 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. SIMON:

S. Res. 91. A resolution to refer S. 745 entitled "A Bill for the Relief of Hardwick, Inc.," to the Chief Judge of the United States Court of Federal Claims; to the Committee on the Judiciary.

By Mr. ROBB (for himself, Mr. BIDEN, Mr. HELMS, Mr. MURKOWSKI, and Mr. D'AMATO):

S. Res. 92. A resolution condemning the proposed withdrawal of North Korea from the Treaty on the Non-Proliferation of Nuclear Weapons, and for other purposes; to the Committee on Foreign Relations.

By Mr. MITCHELL:

S. Res. 93. A resolution to direct the Senate Legal Counsel to appear as amicus curiae in the name of the Senate in United States ex. rel. Taxpayers Against Fraud, et al. v. General Electric Company; considered and agreed to.

By Mr. GRAMM:

S. Con. Res. 22. A concurrent resolution concerning the approximately 190 children and youths at the Romanian Institution for the Unsalvageables at Sighetu Marmatei who are in desperate need of humanitarian assistance; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DANFORTH (for himself, Mr. EXON, Mr. LAUTENBERG, and Ms. MIKULSKI):

S. 738. A bill to promote the implementation of programs to improve the traffic safety performance of high risk drivers; to the Committee on Commerce, Science, and Transportation.

HIGH RISK DRIVERS ACT OF 1993

• Mr. DANFORTH. Mr. President, I am pleased to introduce with Senators EXON, LAUTENBERG, and MIKULSKI the High Risk Drivers Act of 1993. The goal of this legislation is a reduction in the disproportionate number of highway crashes involving younger and older drivers and drivers with bad driving records.

Last October, the National Highway Traffic Safety Administration increased its 1990 estimate of the annual cost of traffic crashes from $74 billion to $137.5 billion. This estimate reflects only the economic loss of crashes, which includes lost productivity, property damage, and health care costs. There are, however, more devastating losses. If the current trends continue, over the next 10 years, an estimated 400,000 people will be killed and over 5.2 million will be hospitalized as a result of highwy crashes. We can prevent a substantial portion of this economic and human loss by reducing the disproportionate number of crashes and fatalities involving younger and older drivers and repeat offenders.

In 1991, drivers under the age of 21 experienced the highest crash involve-

ment rate per licensed driver. Nationally, 7.4 percent of licensed drivers were 16 to 20 years of age. Despite the lower percentage of young licensed drivers, drivers between the ages of 16 and 20 were 15.4 percent of traffic fatalities and were involved in over 20 percent of all single-vehicle accidents. In my home State of Missouri, 29.5 percent of all 1991 traffic accidents and 26.4 percent of fatal accidents involved a driver under the age of 21, although those drivers comprised only 7.7 percent of all licensed drivers. In 1991, a total of 277 Missourians were killed and 21,171 injured in accidents involving young drivers. This translates to one person killed or injured in a young driver related accident in Missouri every 24.5 minutes.

This legislation will combat the major causes of young driver crashes by establishing an incentive grant program under which qualifying States must institute a provisional licensing system. This system would mandate that a minor may not obtain a full license until he or she has maintained a clean driving record for 1 year. California, Maryland, and Oregon have experienced as much as a 16-percent reduction in accidents and a 15-percent reduction in traffic convictions for 16- to 17-year-old youths after implementing such systems.

Qualifying States would have to take additional steps to combat youth-related highway safety problems, including a 0.02-percent blood alcohol content [BAC] maximum for minors; an open container prohibition; a minimum $500 penalty for selling alcohol to a minor; mandated belt use for front and rear passengers; a minimum 6-month license suspension for any minor convicted of an alcohol-related offense; a youth-oriented traffic safety enforcement, education, and training program for State officials and young drivers; substantial compliance with the drivers license compact to ensure the efficient interstate transfer of driver records; and a minimum $100 penalty for driving through a railroad crossing while the gate is closed or being opened or closed.

The criteria were selected based upon their past effectiveness. For example, after a 0.02 percent BAC maximum was introduced in Maryland, there was a 21-percent reduction in crashes involving drivers under 21 who had been drinking. When combined with a public information and education campaign, those crashes decreased 50 percent.

Moreover, the National Transportation Safety Board released a report on March 3, 1993, which concluded that several actions can be effective in reducing automobile crashes involving young drivers, including lowering the maximum blood alcohol level for minors, vigorous enforcement of minimum drinking age laws, and provisional licenses for young drivers.

A supplemental grant program is also available to States which take steps, such as providing information to parents on the effect of traffic convictions on insurance rates, and mandating stricter penalities for speeding for drivers under the age of 21.

This legislation also establishes a research program on issues related to older drivers. According to an insurance institute for highway safety study, drivers 75 years and older had 11.5 fatal crashes per 100 million miles driven, as compared to 2 fatal crashes per 100 million miles for drivers aged 35 to 59. Research on the problems of older drivers had never been consistently funded, despite the fact that, by the year 2020, 51 million people will be over the age of 65, as compared to just over 30 million today.

This bill directs the Department of Transportation [DOT] to research and disseminate information on the abilities of older drivers and the ability of licensing agencies to deal with older drivers. The issues to be studied include identification of factors that predict the ability of older drivers; the training of examiners; an evaluation of licensing programs; the promotion of voluntary actions on the part of the older driver; encouragement of restricted license use as a way to preserve older driver mobility; the advancement of technology to benefit older drivers; and the commitment that alternative transportation take into account the needs of older persons. The legislation ensures that DOT acknowledges the importance of mobility for older persons and the need for States to be sensitive to the transportation needs of older Americans.

Finally, the High Risk Drivers Act of 1993 confronts the problem of drivers with repeated traffic violations and crashes. A driver with 12 or more convictions on his or her driving record is 6.9 times more likely to crash than a driver in the general population. Given this evidence, the legislation requires that DOT report to Congress on additional Federal activities that may be needed to improve driver record and control systems, so that enforcement authorities are aware of a driver's past and can take remedial action.

Mr. President, the High Risk Drivers Act of 1993 has the support of the American Association of Retired Persons, Mothers Against Drunk Driving, the American Insurance Association, and a number of Senators who have led the fight for transportation safety. Senator LAUTENBERG was the lead sponsor of legislation establishing a national uniform minimum drinking age of 21. Senators EXON and MIKULSKI have been strong supporters of transportation safety legislation, including the law requiring drug and alcohol testing of airline and rail crews and commercial drivers. With their support and the support of our colleagues, we can reduce this unnecessary slaughter on our highways.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 738

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "High Risk Drivers Act of 1993".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The Nation's traffic fatality rate has declined from 5.5 deaths per 100 million vehicles miles traveled in 1966 to an historic low of an estimated 1.8 deaths per 100 million vehicle miles traveled during 1992. In order to further this desired trend, the safety programs and policies implemented by the Department of Transportation must be continued, and at the same time, the focus of these efforts as they pertain to high risk drivers of all ages must be strengthened.

(2) Motor vehicle crashes are the leading cause of death among teenagers, and teenage drivers tend to be at fault for their fatal crashes more often than older drivers. Drivers who are 16 to 20 years old comprised 7.4 percent of the United States population in 1991 but were involved in 15.4 percent of fatal motor vehicle crashes. Also, on the basis of crashes per 100,000 licensed drivers, young drivers are the highest risk group of drivers.

(3) During 1991, 6,630 teenagers from age 15 through 20 died in motor vehicles crashes. This tragic loss demands that the Federal Government intensify its efforts to promote highway safety among members of this high risk group.

(4) The consumption of alcohol, speeding over allowable limits or too fast for road conditions, inadequate use of occupant restraints, and other high risk behaviors are several of the key causes for this tragic loss of young drivers and passengers. The Department of Transportation, working cooperatively with the States, student groups, and other organizations, must reinvigorate its current programs and policies to address more effectively these pressing problems of teenage drivers.

(5) In 1991 individuals aged 70 years and older, who are particularly susceptible to injury, were involved in 12 percent of all motor vehicle traffic crash fatalities. These deaths accounted for 4,828 fatalities out of 41,462 total traffic fatalities.

(6) The number of older Americans who drive is expected to increase dramatically during the next 30 years. Unfortunately, during the last 15 years, the Department of Transportation has supported an extremely limited program concerning older drivers. Research on older driver behavior and licensing has suffered from intermittent funding at amounts that were insufficient to address the scope and nature of the challenges ahead.

(7) A major objective of United States transportation policy must be to promote the mobility of older Americans while at the same time ensuring public safety on our Nation's highways. In order to accomplish these two objectives simultaneously, the Department of Transportation must support a vigorous and sustained program of research, technical assistance, evaluation, and other appropriate activities that are designed to

reduce the fatality and crash rate of older drivers who have identifiable risk characteristics.

SEC. 3. DEFINITIONS.

In this Act, the following definitions apply:

(1) The term "high risk driver" means a motor vehicle driver who belongs to a class of drivers that, based on vehicle crash rates, fatality rates, traffic safety violation rates, and other factors specified by the Secretary, presents a risk of injury to the driver and other individuals that is higher than the risk presented by the average driver.

(2) The term "Secretary" means the Secretary of Transportation.

SEC. 4. POLICY AND PROGRAM DIRECTION.

(a) GENERAL RESPONSIBILITY OF SECRETARY.—The Secretary shall develop and implement effective and comprehensive policies and programs to promote safe driving behavior by young drivers, older drivers, and repeat violators of traffic safety regulations and laws.

(b) SAFETY PROMOTION ACTIVITIES.—The Secretary shall promote or engage in activities that seek to ensure that—

(1) cost effective and scientifically-based guidelines and technologies for the nondiscriminatory evaluation and licensing of high risk drivers are advanced;

(2) model driver training, screening, licensing, control, and evaluation programs are improved;

(3) uniform or compatible State driver point systems and other licensing and driver record information systems are advanced as a means of identifying and initially evaluating high risk drivers; and

(4) driver training programs and the delivery of such programs are advanced.

(c) DRIVER TRAINING RESEARCH.—The Secretary shall explore the feasibility and advisability of using cost efficient simulation and other technologies as a means of enhancing driver training; shall advance knowledge regarding the perceptual, cognitive, and decision making skills needed for safe driving and to improve driver training; and shall investigate the most effective means of integrating licensing, training, and other techniques for preparing novice drivers for the safe use of highway systems.

TITLE I—YOUNG DRIVER PROGRAMS

SEC. 101. STATE GRANTS FOR YOUNG DRIVER PROGRAMS.

(a) ESTABLISHMENT OF GRANT PROGRAM.—Chapter 4 of title 23, United States Code, is amended by adding at the end the following new section:

"§ 411. Programs for young drivers

"(a) GENERAL AUTHORITY.—Subject to the provisions of this section, the Secretary shall make basic and supplemental grants to those States which adopt and implement programs for young drivers which include measures, described in this section, to reduce traffic safety programs resulting from the driving performance of young drivers. Such grants may only be used by recipient States to implement and enforce such measures.

"(b) MAINTENANCE OF EFFORT.—No grant may be made to a State under this section in any fiscal year unless such State enters into such agreements with the Secretary as the Secretary may require to ensure that such State will maintain its aggregate estimated expenditures from all other sources for programs for young drivers at or above the average level of such expenditures in its 2 fiscal years preceding the fiscal year in which this section is enacted.

"(c) FEDERAL SHARE.—No State may receive grants under this section in more than 5 fiscal years. The Federal share payable for any grant under this section shall not exceed—

"(1) in the first fiscal year a State receives a grant under this section, 75 percent of the cost of implementing and enforcing in such fiscal year the young driver program adopted by the State pursuant to subsection (a);

"(2) in the second fiscal year the State receives a grant under this section, 50 percent of the cost of implementing and enforcing in such fiscal year such program; and

"(3) in the third, fourth, and fifth fiscal years the State receives a grant under this section, 25 percent of the cost of implementing and enforcing in such fiscal year such program.

"(d) MAXIMUM AMOUNT OF BASIC GRANTS.—Subject to subsection (c), the amount of a basic grant made under this section for any fiscal year to any State which is eligible for such a grant under subsection (e) shall equal 30 percent of the amount apportioned to such State for fiscal year 1989 under section 402 of this title. A grant to a State under this section shall be in addition to the State's apportionment under section 402, and basic grants during any fiscal year may be proportionately reduced to accommodate an applicable statutory obligation limitation for that fiscal year.

"(e) ELIGIBILITY FOR BASIC GRANTS.—

"(1) GENERAL.—For purposes of this section, a State is eligible for a basic grant if such State—

"(A) establishes and maintains a graduated licensing program for drivers under 18 years of age that meets the requirements of paragraph (2); and

"(B)(i) in the first year of receiving grants under this section, meets three of the eight criteria specified in paragraph (3);

"(ii) in the second year of receiving such grants, meets four of such criteria;

"(iii) in the third year of receiving such grants, meets five of such criteria;

"(iv) in the fourth year of receiving such grants, meets six of such criteria; and

"(v) in fifth year of receiving such grants, meets six of such criteria.

"(2) GRADUATED LICENSING PROGRAM.—

(A) A State receiving a grant under this section shall establish and maintain a graduated licensing program consisting of the following licensing stages for any driver under 18 years of age:

"(i) An instructional license, valid for a minimum period determined by the Secretary, under which the licensee shall not operate a motor vehicle unless accompanied in the front passenger seat by the holder of a full driver's license.

"(ii) A provisional driver's license which shall not be issued unless the driver has passed a written examination on traffic safety and has passed a roadtest administered by the driver licensing agency of the State.

"(iii) A full driver's license which shall not be issued until the driver has held a provisional license for at least 1 year with a clean driving record.

"(B) For purposes of subparagraph (A)(iii), subsection (f)(1), and subsection (f)(6)(B), a provisional licensee has a clean driving record if the licensee—

"(i) has not been found, by civil or criminal process, to have committed a moving traffic violation during the applicable period;

"(ii) has not been assessed points against the license because of safety violations during such period; and

"(iii) has satisfied such other requirements as the Secretary may prescribe by regulation.

"(C) The Secretary shall determine the conditions under which a State shall suspend provisional driver's licenses in order to be eligible for a basic grant. At a minimum, the holder of a provisional license shall be subject to driver control actions that are stricter than those applicable to the holder of a full driver's license, including warning letters and suspension at a lower point threshold.

"(D) For a State's first 2 years of receiving a grant under this section, the Secretary may waive the clean driving record requirement of subparagraph (A)(iii) if the State submits satisfactory evidence of its efforts to establish such a requirement.

"(3) CRITERIA FOR BASIC GRANT.—The eight criteria referred to in paragraph (1)(B) are as follows:

"(A) The State requires that any driver under 21 years of age with a blood alcohol concentration of 0.02 percent or greater when driving a motor vehicle shall be deemed to be driving while intoxicated for the purpose of (i) administrative or judicial sanctions or (ii) a law or regulation that prohibits any individual under 21 years of age with a blood alcohol concentration of 0.02 percent or greater from driving a motor vehicle.

"(B) The State has a law or regulation that provides a mandatory minimum penalty of at least $500 for anyone who in violation of State law or regulation knowingly, or without checking for proper identification, provides or sells alcohol to any individual under age 21 years of age.

"(C) The State requires that all front seat and rear seat occupant of any motor vehicle shall use safety belts.

"(D) The State requires that the license of a driver under 21 years of age be suspended for a period specified by the State if such driver is convicted of the unlawful purchase or public possession of alcohol. The period of suspension shall be at least 6 months for a first conviction and at least 12 months for a subsequent conviction; except that specific license restrictions may be imposed as an alternative to such minimum periods of suspension where necessary to avoid undue hardship on any individual.

"(E) The State conducts traffic safety enforcement activities, and education and training programs—

"(i) with the participation of judges and prosecutors, that are designed to ensure enforcement of traffic safety laws and regulations, including those that prohibit drivers under 21 years of age from driving while intoxicated, restrict the unauthorized use of a motor vehicle, and establish other moving violations; and

"(ii) with the participation of student and youth groups, that are designed to ensure compliance with such traffic safety laws and regulations.

"(F) The State is a member of and substantially complies with the interstate agreement known as the Driver License Compact, promptly and reliably transmits and receives through electronic means interstate driver record information (including information on commercial drivers) in cooperation with the Secretary and other States, and develops and achieves demonstrable annual progress in implementing a plan to ensure that (i) each court of the State report expeditiously to the State driver licensing agency all traffic safety convictions, license suspensions, license revocations, or other license restrictions, and driver improvement efforts sanctioned or ordered by the court, and that (ii) such records be available electronically to appropriate government officials (including

enforcement, officers, judges, and prosecutors) upon request at all times.

"(G) The State prohibits the possession of any open alcoholic beverage container, or the consumption of any alcoholic beverage, in the passenger area of any motor vehicle located on a public highway or the right-of-way of a public highway; except as allowed in the passenger area, by persons (other than the driver), of a motor vehicle designed to transport more than 10 passengers (including the driver) while being used to provide charter transportation of passengers.

"(H) The State has a law or regulation that provides a minimum penalty of at least $100 for anyone who in violation of State law or regulation drives any vehicle through, around, or under any crossing, gate, or barrier at a railroad crossing while such gate or barrier is closed or being opened or closed.

"(f) SUPPLEMENTAL GRANT PROGRAM.—

"(1) EXTENDED APPLICATION OF PROVISIONAL LICENSE REQUIREMENT.—For purposes of this section, a State is eligible for a supplemental grant for a fiscal year in an amount, subject to subsection (c), not to exceed 10 percent of the amount apportioned to such State for fiscal year 1989 under section 402 of this title if such State is eligible for a basic grant and in addition such State requires that a driver under 21 years of age shall not be issued a full drier's license until the driver has held a provisional license for at least 1 year with a clean driving record as described in subsection (e)(2)(B).

"(2) PROVISION OF INSURANCE INFORMATION.—For purposes of this section, a State is eligible for a supplemental grant for a fiscal year in an amount, subject to subsection (c), not to exceed 5 percent of the amount apportioned to such State for fiscal year 1989 under section 402 of this title if such State is eligible for a basic grant and in addition such State provides, to a parent or legal guardian of any provisional licensee, general information prepared with the assistance of the insurance industry on the effect of traffic safety convictions and at-fault accidents on insurance rates for young drivers.

"(3) READILY DISTINGUISHABLE LICENSES FOR YOUNG DRIVERS.—For purposes of this section, a State is eligible for a supplemental grant for a fiscal year in an amount, subject to subsection (c), not to exceed 5 percent of the amount apportioned to such State for fiscal year 1989 under section 402 of this title if such State is eligible for a basic grant and in addition such State—

"(A) requires that the provisional driver's license, or full driver's license, of any driver under 21 years of age be readily distinguishable from the licenses of drivers who are 21 years of age or older, through the use of special background, marking, profile, or any other features, consistent with any guidelines developed by the Secretary in cooperation with the American Association of Motor Vehicle Administrators; and

"(B) employs the Social Security number as a common identifier on every driver's license so as to facilitate the transfer of traffic records among State.

"(4) DRIVER TRAINING PREREQUISITE.—For purposes of this section, a State is eligible for a supplemental grant in an amount, subject to subsection (c), not to exceed 5 percent of the amount apportioned to such State for fiscal year 1989 under section 402 of this title if such State is eligible for a basic grant and in addition such State requires that a provisional driver's license may be issued only to a driver who has satisfactorily completed a State-accepted driver education and training program that meets Department of Transportation guidelines and includes information on the interaction of alcohol and controlled substances and the effect of such interaction on driver performance, and information on the importance of motorcycle helmet use and safety belt use.

"(5) REMEDIAL DRIVER EDUCATION.—For purposes of this section, a State is eligible for a supplemental grant for a fiscal year in an amount, subject to subsection (c), not to exceed 5 percent of the amount apportioned to such State for fiscal year 1989 under section 402 of this title if such State is eligible for a basic grant and in addition such State requires, at a lower point threshold than for other drivers, remedial driver improvement instruction for drivers under 21 years of age and requires such remedial instruction for any driver under 21 years of age who is convicted of reckless driving, driving under the influence of alcohol, or driving while intoxicated.

"(6) PROVISIONAL LICENSE REQUIREMENT AFTER LICENSE SUSPENSION OR REVOCATION.—For purposes of this section, a State is eligible for a supplemental grant for a fiscal year in an amount, subject to subsection (c), not to exceed 5 percent of the amount apportioned to such State for fiscal year 1989 under section 402 of this title if such State is eligible for a basic grant and in addition such State requires that any driver whose driving privilege is restored after license suspension or revocation resulting from a traffic safety violation shall for at least 1 year be subject to the following:

"(A) The restored license shall be immediately suspended, for a period to be determined by the Secretary, upon the driver's conviction of any moving traffic safety violation, except that the Secretary may by regulation define limited circumstances under which the State may waive this immediate suspension requirement.

"(B) A full driver's license shall be issued only after the driver has held a provisional license for at least 1 year with a clean driving record, as described in subsection (e)(2)(B).

"(C) The driver shall be—

"(i) deemed to be driving while intoxicated if the driver has a blood alcohol concentration of .02 percent or greater; or

"(ii) prohibited from operating a motor vehicle with such a blood alcohol concentration.

"(7) RECORD OF SERIOUS CONVICTIONS; HABITUAL OR REPEAT OFFENDER SANCTIONS.—For purposes of this section, a State is eligible for a supplemental grant for a fiscal year in an amount, subject to subsection (c), not to exceed 5 percent of the amount apportioned to such State for fiscal year 1989 under section 402 of this title if such State is eligible for a basic grant and in addition such State—

"(A) requires that a notation of any serious traffic safety conviction of a driver be maintained on the driver's permit traffic record for at least 10 years after the date of the conviction; and

"(B) provides additional sanctions for any driver who, following conviction of a serious traffic safety violation, is convicted during the next 10 years of one or more subsequent serious traffic safety violations.

"(8) OVERSIGHT OF ALCOHOL SALES TO UNDERAGE DRINKERS.—For purposes of this section, a State is eligible for a supplemental grant for a fiscal year in an amount, subject to subsection (c), not to exceed 5 percent of the amount appropriated to such State for fiscal year 1989 under section 402 of this title if such State is eligible for a basic grant and in addition such State exercises effective oversight of colleges and universities that provide or allow the selling of alcohol to underage drinkers as defined by State law or regulation.

"(g) APPLICABILITY OF CHAPTER 1.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, all provisions of chapter 1 of this title that are applicable to National Highway System funds, other than provisions relating to the apportionment formula and provisions limiting the expenditure of such funds to the Federal-aid systems, shall apply to the funds authorized to be appropriated to carry out this section.

"(2) INCONSISTENT PROVISIONS.—If the Secretary determines that a provision of chapter 1 of this title is inconsistent with this section, such provision shall not apply to funds authorized to be appropriated to carry out this section.

"(3) CREDIT FOR STATE AND LOCAL EXPENDITURES.—The aggregate of all expenditures made during any fiscal year by a State and its political subdivisions (exclusive of Federal funds) for carrying out the State highway safety program (other than planning and administration) shall be available for the purpose of crediting such State during such fiscal year for the non-Federal share of the cost of any project under this section (other than one for planning or administration) without regard to whether such expenditures were actually made in connection with such project.

"(4) INCREASED FEDERAL SHARE FOR CERTAIN INDIAN TRIBE PROGRAMS.—In the case of a local highway safety program carried out by an Indian tribe, if the Secretary is satisfied that an Indian tribe does not have sufficient funds available to meet the non-Federal share of the cost of such program, the Secretary may increase the Federal share of the cost thereof payable under this title to the extent necessary.

"(5) TREATMENT OF TERM 'STATE HIGHWAY DEPARTMENT'.—In applying provisions of chapter 1 in carrying out this section, the term 'State highway department' as used in such provisions shall mean the Governor of a State and, in the case of an Indian tribe program, the Secretary of the Interior.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $18,000,000 for each of the fiscal years ending September 30, 1994, and September 30, 1995, $20,000,000 for the fiscal year ending September 30, 1996, and $22,000,000 for each of the fiscal years ending September 30, 1997, and September 30, 1998.".

(b) CONFORMING AMENDMENT.—The analysis of chapter 4 of title 23, United States Code, is amended by inserting immediately after the item relating to section 410 the following new item:

"411. Programs for young drivers.".

(c) DEADLINES FOR ISSUANCE OF REGULATIONS.—The Secretary shall issue and publish in the Federal Register proposed regulations to implement section 411 of title 23, United States Code (as added by this section), not later than 6 months after the date of enactment of this Act. The final regulations for such implementation shall be issued, published in the Federal Register, and transmitted to Congress not later than 12 months after such date of enactment.

SEC. 102. PROGRAM EVALUATION.

(a) EVALUATION BY SECRETARY.—The Secretary shall, under section 403 of title 23, United States Code, conduct an evaluation of the effectiveness of State provisional driver's licensing programs and the grant program authorized by section 411 of title 23,

United States Code (as added by section 101 of this Act).

(b) REPORT TO CONGRESS.—By January 1, 1997, the Secretary shall transmit a report on the results of the evaluation conducted under subsection (a) and any related research to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Public Works and Transportation of the House of Representatives. The report shall include any related recommendations by the Secretary for legislative changes.

TITLE II—OLDER DRIVER PROGRAMS

SEC. 201. OLDER DRIVER SAFETY RESEARCH.

(a) RESEARCH ON PREDICTABILITY OF HIGH RISK DRIVING.—(1) The Secretary shall conduct a program that funds, within budgetary limitations, the research challenges presented in the Transportation Research Board's report "Research and Development Needs for Maintaining the Safety and Mobility of Older Drivers".

(2) To the extent technically feasible, the Secretary shall consider the feasibility and further the development of cost efficient, reliable tests capable of predicting increased risk of accident involvement or hazardous driving by older high risk drivers.

(b) SPECIALIZED TRAINING FOR LICENSE EXAMINERS.—The Secretary shall encourage and conduct research and demonstration activities to support the specialized training of license examiners or other certified examiners to increase their knowledge and sensitivity to the transportation needs and physical limitations of older drivers, including knowledge of functional disabilities related to driving, and to be cognizant of possible countermeasures to deal with the challenges to safe driving that may be associated with increasing age.

(c) COUNSELING PROCEDURES AND CONSULTATION METHODS.—The Secretary shall encourage and conduct research and disseminate information to support and encourage the development of appropriate counseling procedures and consultation methods with relatives, physicians, the traffic safety enforcement and the motor vehicle licensing communities, and other concerned parties. Such procedures and methods shall include the promotion of voluntary action by older high risk drivers to restrict or limit their driving when medical or other conditions indicate such action is advisable. The Secretary shall consult extensively with the American Association of Retired Persons, the American Association of Motor Vehicle Administrators, the American Occupational Therapy Association, the American Automobile Association, the Department of Health and Human Services, the American Public Health Association, and other interested parties in developing educational materials on the interrelationship of the aging process, driver safety, and the driver licensing process.

(d) ALTERNATIVE TRANSPORTATION MEANS.—The Secretary shall ensure that the agencies of the Department of Transportation overseeing the various modes of surface transportation coordinate their policies and programs to ensure that funds authorized under the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240; 105 Stat. 1914) and implementing Department of Transportation and Related Agencies Appropriation Acts take into account the transportation needs of older Americans by promoting alternative transportation means whenever practical and feasible.

(e) STATE LICENSING PRACTICES.—The Secretary shall encourage State licensing agencies to use restricted licenses instead of canceling a license whenever such action is appropriate and if the interests of public safety would be served, and to closely monitor the driving performance of older drivers with such licenses. The Secretary shall encourage States to provide educational materials of benefit to older drivers and concerned family members and physicians. The Secretary shall promote licensing and relicensing programs in which the applicant appears in person and shall promote the development and use of cost effective screening processes and testing of physiological, cognitive, and perception factors as appropriate and necessary. Not less than one model State program shall be evaluated in light of this subsection during each of the fiscal years 1996 through 1998. Of the sums authorized under subsection (i), $250,000 is authorized for each such fiscal year for such evaluation.

(f) IMPROVEMENT OF MEDICAL SCREENING.—The Secretary shall conduct research and other activities designed to support and encourage the States to establish and maintain medical review or advisory groups to work with State licensing agencies to improve and provide current information on the screening and licensing of older drivers. The Secretary shall encourage the participation of the public in these groups to ensure fairness and concern for the safety and mobility needs of older drivers.

(g) INTELLIGENT VEHICLE-HIGHWAY SYSTEMS.—In implementing the Intelligent Vehicle-Highway Systems Act of 1991 (23 U.S.C. 307 note), the Secretary shall ensure that the National Intelligent Vehicle-Highway Systems Program devotes sufficient attention to the use of intelligent vehicle-highway systems to aid older drivers in safely performing driver functions. Federally-sponsored research, development, and operational testing shall ensure the advancement of night vision improvement systems, technology to reduce the involvement of older drivers in accidents occurring at intersections, and other technologies of particular benefit to older drivers.

(h) TECHNICAL EVALUATIONS UNDER INTERMODAL SURFACE TRANSPORTATION EFFICIENCY ACT.—In conducting the technical evaluations required under section 6055 of the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240; 105 Stat. 2192), the Secretary shall ensure that the safety impacts on older drivers are considered, with special attention being devoted to ensuring adequate and effective exchange of information between the Department of Transportation and older drivers or their representatives.

(i) AUTHORIZATION OF APPROPRIATIONS.—Of the funds authorized under section 403 of title 23, United States Code, $1,250,000 is authorized for each of the fiscal years 1995 through 2000, and $1,500,000 is authorized for each of the fiscal years 2000 through 2005, to support older driver programs described in subsections (a), (b), (c), (e), and (f).

TITLE III—HIGH RISK DRIVERS

SEC. 301. STUDY ON WAYS TO IMPROVE TRAFFIC RECORDS OF ALL HIGH RISK DRIVERS.

(a) IN GENERAL.—Within 1 year after the date of enactment of this Act, the Secretary shall complete a study to determine whether additional or strengthened Federal activities, authority, or regulatory actions are desirable or necessary to improve or strengthen the driver record and control systems of the States to identify high risk drivers more rapidly and ensure prompt intervention in the licensing of high risk drivers. The study, which shall be based in part on analysis obtained from a request for information published in the Federal Register, shall consider steps necessary to ensure that State traffic record systems are unambiguous, accurate, current, accessible, complete, and (to the extent useful) uniform among the States.

(b) SPECIFIC MATTERS FOR CONSIDERATION.—Such study shall at a minimum consider—

(1) whether specific legislative action is necessary to improve State traffic record systems;

(2) the feasibility and practicality of further encouraging and establishing a uniform traffic ticket citation and control system;

(3) the need for a uniform driver violation point system to be adopted by the States;

(4) the need for all the States to participate in the Driver License Reciprocity Program conducted by the American Association of Motor Vehicle Administrators;

(5) ways to encourage the States to cross-reference driver license files and motor vehicle files to facilitate the identification of individuals who may not be in compliance with driver licensing laws; and

(6) the feasibility of establishing a national program that would limit each driver to one driver's license from only one State at any time.

(c) EVALUATION OF NATIONAL INFORMATION SYSTEMS.—As part of the study required by this section, the Secretary shall consider and evaluate the future of the national information systems that support driver licensing. In particular, the Secretary shall examine whether the Commercial Driver's License Information System, the National Driver Register, and the Driver License Reciprocity program should be more closely linked or continue to exist as separate information systems and which entities are best suited to operate such systems effectively at the least cost. The Secretary shall cooperate with the American Association of Motor Vehicle Administrators in carrying out this evaluation.

SEC. 302. STATE PROGRAMS FOR HIGH RISK DRIVERS.

The Secretary shall encourage and promote State driver evaluation, assistance, or control programs for high risk drivers. These programs may include in-person license reexaminations, driver education or training courses, license restrictions or suspensions, and other actions designed to improve the operating performance of high risk drivers.●

By Mr. BUMPERS:

S. 739. A bill to amend the Internal Revenue Code of 1986 to simplify the limitation on using last year's taxes to calculate an individual's estimated tax payments; to the Committee on Finance.

SMALL BUSINESS TAX ACT OF 1993

● Mr. BUMPERS. Mr. President, today I am introducing legislation that will resolve a crisis the Congress created in November 1991 for certain small businesses and individual taxpayers. The crisis was created when the Congress repealed the safe harbor these taxpayers relied upon to avoid a penalty for underpayment of estimated taxes.

My reform proposal avoids the economic and political problems created by the estimated tax reform proposed by the Senate Finance Committee last fall. As my colleagues will remember last October I nearly prevailed on a motion to strike the committee's proposal.

I was not ready then to present my own proposal for solving the estimated tax crisis. I am now ready to do so and my proposal for reform is contained in the legislation I am introducing today.

This legislation restores a safe harbor for all taxpayers regarding penalties for underpayment of estimated taxes. This safe harbor is based on the taxpayer's tax liability for the previous year. By relying on the tax liability of a taxpayer in the previous year, we avoid the expense and penalties that are now being imposed on taxpayers who cannot rely on any safe harbor based on their previous year's tax liability.

I am happy to report that this proposed estimate tax reform generates $600 million in revenue to use to reduce the budget deficit. I am not proposing that these revenues be expended for any purpose other than deficit reduction.

NOT THE OPENING BID

I have developed this proposal in consultation with the key small business representatives in Washington. They represent the taxpayers who need a safe harbor so they can avoid penalties for underpayment of their estimated taxes.

Let me be clear about the limits of their endorsement and my endorsement of this proposal. When the President's deficit reduction and investment program is consider, it might be tempting for the administration or the congressional tax writing committees to extract a higher price for reform of the estimated tax crisis. Last year's estimated tax safe harbor reform proposal would have raised $3.9 billion in revenue and I am sure that the administration or the Finance Committee would find many different ways to spend $3.9 billion.

The small business community wants reform of the estimated tax system and needs a safe harbor based on their previous year's tax liability. It supports this legislation, but I can guarantee the administration and tax writing committees that the small business community will fight any proposed estimated tax payment reform that costs more than $600 million. This is as much as the small business community is willing to pay for remedying the safe harbor problem which, after all, was created by the Congress, not by small business taxpayers. If the price of reform is greater than this, the small business community would prefer no reform at all.

The small business community is reluctant to pay any price for remedying the safe harbor problem. This problem was created by the Congress in November 1991. This is not a case where the small business community has a longstanding problem with the tax system and is proposing reform. It is, in fact, quite outrageous to ask the small business community to pay any price to remedy the problem Congress created. By proposing a reform that raises $600 million in revenue for the Government the small business community expects that the reform will be enacted expeditiously and in the form proposed.

The small business community will not be lured into paying a higher price for reform of the estimated tax payment mess. This is a generous offer and it is not the opening bid.

UNDERPAYMENT PENALTIES AND SAFE HARBORS

Let me take a minute to explain the crisis created by the November 1991 repeal of the safe harbor for certain small businesses.

Ever since the current estimated tax and tax withholding systems were instituted taxpayers have faced penalties if they do not make estimated tax payments, or have withheld enough taxes. These penalties for failing to make sufficient estimated tax payments, or to have enough taxes withheld, can be substantial. Most taxpayers have their tax withheld from their paychecks, but many taxpayers, particularly sole proprietors, partners and S corporation shareholders make estimated tax payments instead. In both cases, there are penalties for not paying enough taxes to the Government in a timely manner as income is earned by the taxpayer.

Under current law these underpayment penalties are imposed if a taxpayer does not make estimated tax payments, or have withheld, 90 percent of one's current year tax liability. It is, however, often difficult for a taxpayer to determine in the middle of the tax year the appropriate amount of taxes to pay, or have withheld, to satisfy the 90 percent standard. So, the Congress has established a safe harbor which waives any penalties for underpayment of estimated taxes if a taxpayer makes estimated tax payments or has withheld an amount equal to 100 percent of the taxpayer's previous year's tax liability.

This 100 percent previous tax year safe harbor is a standard that is easy to use because it looks to the taxpayer's previous year's tax liability. All taxpayers know how much they paid in tax for the previous year, so this 100 percent previous tax year safe harbor is an objective standard that does not rely on a moving target focusing on the taxpayer's current year tax liability. This safe harbor has been in our tax laws since at least 1954.

In November 1991, the 100 percent safe harbor was repealed for certain taxpayers. Starting in 1992 certain taxpayers were barred from using the 100 percent previous tax year safe harbor to avoid penalties for underpayment of estimated taxes. These taxpayers were, in effect, required to make estimated tax payments equal to 90 percent of the current year's tax liability. They could not use any safe harbor based on their previous year's tax liability.

The repeal of the 100 percent previous tax year safe harbor created the mess that leads to introduction of this legislation today to restore a safe harbor for these taxpayers based on the previous year's tax liability.

The November 1991 law did not provide a workable, objective standard on which these taxpayers could rely. Rather it set a floating standard based on the current year's tax liability. This is the problem; the repeal of the safe harbor leaves these taxpayers in an untenable and costly situation.

The taxpayers who lost the old 100 percent previous tax year safe harbor are described by a formula. The November 1991 law provides that taxpayers could not use the 100 percent previous tax year safe harbor if the taxpayer had adjusted gross income of more than $75,000 in the current tax year and their income for the current year was more than $40,000 higher than the income for the previous tax year. Only these taxpayers lost the 100 percent previous tax year safe harbor.

Let me be clear. The 100 percent previous tax year safe harbor continued to be available to all taxpayers who did not fit this floating standard. Most taxpayers can still use the 100 percent previous tax year safe harbor. They are not affected by the November 1991 law either because they do not have over $75,000 in AGI or their income for the current year is not more than $40,000 greater than their previous year's tax liability.

The problem is that taxpayers often don't know until the end of the current tax year whether they can use the 100 percent previous tax year safe harbor. They often don't know if their adjusted gross income will exceed $75,000 of if the increase in income will exceed $40,000. They might meet one of these two tests and not the other. They might have a surge in income in the last quarter that will take them over the $75,000 and/or $40,000 thresholds. Their income doesn't always come in predictable amounts or at predictable times.

If they assume that they can use the 100 percent previous tax year safe harbor and at the end of the year it turns out that they are, in fact, barred from using it, they can get hit with substantial penalties for underpayment of estimated taxes in the second, third or fourth quarters of the year.

It is an absolute nightmare because the 1991 law requires these taxpayers or their accountants to compute their taxable income for each estimated tax period (months ending in May, August, and December regardless of the business' tax year) within a two week window to determine how much in estimated tax payments to make. This is simply an impossible burden. All of these calculations are tentative and subject to change. And, depending on the final, yearend tax situation of the taxpayer, these complicated calculations may be wholly unnecessary. They

might well qualify to use the 100 percent previous year safe harbor, which requires only that they multiply that tax liability by 25 percent and pay that amount each quarter. This is simplicity itself and it compares with the nightmare for the taxpayers who can't use any safe harbor based on their previous year's tax liability.

Many taxpayers are being caught by this nightmarish game of chance. They are guessing wrong, assuming that they can use the 100 percent previous tax year safe harbor, and assuming that they do not need to make estimated tax pavements equal to 90 percent of their current year's tax liability. For these taxpayers there will be substantial penalties for guessing wrong. My proposal will solve this problem and eliminate this game of chance. Simplicity and certainty is what my bill will provide.

REFORM PROPOSED IN H.R. 11

As my colleagues will remember the Finance Committee last fall proposed to restore a safe harbor to higher income taxpayers based on their previous year's tax liability. That was the good news. But, unfortunately, the safe harbor was not set at 100 percent, 110 percent, or even 115 percent of the taxpayer's previous year tax liability; it was set at 120 percent.

Even more outrageous, the proposed reform did not apply only to the higher income taxpayers who needed reform, who wanted an objective safe harbor based on their previous year's tax liability. It repealed the 100-percent safe harbor for everyone who can use it now and hit all of them with the 120-percent requirement as well.

Higher income taxpayers wanted and needed a safe harbor based on their previous year's tax liability—an objective standard—and wanted to avoid trying to comply with unworkable floating standard from the November 1991 law. They did not, however, support paying 120-percent of their previous year's tax liability.

But, applying this new 120-percent safe harbor to everyone else was completely unjustified. It hit all taxpayers, including the tens of millions of taxpayers who had not lost the 100-percent safe harbor in November 1991 and had no need for any reform. The new safe harbor hit every partner in every partnership, every sole proprietor and every shareholder of an S corporation who earned more than a minimal amount of income. All of them would be forced to pay more estimated taxes to avoid a penalty for underpayment of estimated taxes. For them H.R. 11 would simply have accelerated their tax payments, with no offsetting benefit.

An acceleration of tax payments is, in effect, a tax increase. If the Government has the use of the taxpayer's money earlier, it enjoys the time value of the money. It doesn't have to borrow as much, which reduces its costs. And, for the taxpayer the opposite is true. The taxpayer loses use of the money and might in some cases even have to borrow funds to make up the difference. In the many cases where the taxpayer makes more than enough payments of estimated taxes, the taxpayer will later have to wait for a refund. What we have here is the Government extracting interest free loans from taxpayers. The Congressional Budget Office and Joint Tax Committee certainly score the acceleration as a revenue increase and this is an accurate reflection of the reality from the perspective of a small business owner.

It can be said that small businesses can avoid paying the 110-percent, 115-percent, or 120-percent amount by simply paying 90-percent of their current year's tax liability. But, using the 90-percent standard—which looks to the taxpayer's current year tax liability—requires these taxpayers to hire and pay accountants to help them make the complex quarterly estimated tax calculations and to avoid an underpayment penalty at the end of the year.

This choice isn't really a choice. They would be forced to make estimated tax payments equal to 110 percent, 115 percent, or 120 percent of their previous year's tax liability as the lesser of two evils, even when this means that they will be filing for a tax refund the following April. They would pay early and then file for a refund, giving the Government the interest free use of their money in the meantime.

To be fair to the Finance Committee, this 120-percent safe harbor proposal as applied to all taxpayers came from the Bush administration and many Members of the committee did not like the proposal. But, they did adopt it and sent it to the Senate floor for debate.

Responding to the outrage over this proposal in the small business community, I took the floor last October to move to strike the 120-percent safe harbor. I said that this onerous provision in H.R. 11, if adopted, was likely to precipitate a reaction in the small business community reminiscent of the reaction to section 89 or the automobile mileage logs. I said that I thought my colleagues would remember those issues and would not want to vote for a provision that will generate the same hostility in the small business community.

I won that vote 57–37. Unfortunately I needed 60 votes to prevail since I was moving to waive a Budget Act point of order against my amendment. It is, of course, extremely rare for a Member to win a vote to waive the Budget Act. But, the absolute margin in favor of my motion was a powerful statement in opposition to the reform proposal of the Finance Committee. It was clear that an overwhelming majority of the Senate wanted this provision deleted from the bill.

The 57 votes I received last year were particularly significant since I did not offer any proposal for making up the revenue that would have been lost had the 120-percent safe harbor proposal been stricken from the bill.

In that debate I made it clear that I did not object to reform that would set a new and higher safe harbor rate for the higher income taxpayers, including unincorporated businesses, who lost the 100-percent safe harbor in November 1991 and who wanted reform. It was and is my understanding that these higher income taxpayers were and are willing to pay estimated taxes in an amount equal to 110-percent of their previous year's tax liability—not 120-percent. They are willing to meet a standard that is higher than the old 100-percent standard. But, I did and do object to any proposal to impose a 120-percent safe harbor and to a repeal of the 100-percent safe harbor for all the other taxpayers who can still use it.

DESCRIPTION OF LEGISLATION

The legislation I am introducing today retains the 100-percent previous year tax safe harbor for those who can now use it. It restores an estimated tax safe harbor based on a previous year tax liability for the small business taxpayers who lost their safe harbor in November 1991. It would require certain higher income taxpayers to pay 110-percent of their previous year's tax liability, not 100-percent. So, this reform comes at a price for the higher income taxpayers who want a safe harbor, a price that these taxpayers are willing to pay to regain the use of a safe harbor.

The new 110-percent safe harbor only applies to higher income taxpayers. It has virtually no effect on the taxpayers who can currently use the 100-percent safe harbor.

Here's what it says:

The new 110-percent safe harbor applies to the estimated tax payments made by a taxpayer in year three. It applies to a taxpayer who has over $150,000 in adjusted gross income in year two and whose income in year two exceeds his income in year one by more than $40,000.

These taxpayers may avoid a penalty for underpayment of estimated taxes in year three if they make estimated tax payments in year three equal to 110-percent of their tax liability in year two.

This sounds complicated, but it isn't. Let me put this in the form of an outline:

Year one: Taxpayer has $110,000 AGI;

Year two: Taxpayer has $150,001 AGI;

Note: Taxpayer's AGI in year two is over $150,000 and it exceeds previous year's AGI by more than $40,000.

Year three: Taxpayer has safe harbor if he makes estimated tax payments equal to 110-percent of year two tax liability.

If this taxpayer's adjusted gross income in year two did not exceed

$150,000 or his or her AGI in that year did not increase by more than $40,000 from his or her AGI in year one, the taxpayer would have a safe harbor in year three if he or she made estimated tax payments equal to 100-percent of their tax liability in year two. That's the safe harbor under current law.

I ask unanimous consent that an outline of current law and this bill be printed at this point in the RECORD.

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

ESTIMATED TAX PAYMENT OPTIONS: CURRENT LAW AND BUMPERS BILL

Option 1: Current Law and Bumpers Proposal: Taxpayers avoid penalty for underpayment if they make estimated tax payments equal to 90% or more of current year tax liability.

Option 2: Current Law and Bumpers Proposal: Most taxpayers can avoid penalty for underpayment if they make estimated tax payments equal to 100% of their tax liability in the immediately previous year. This is a "safe harbor."

Current Law: But, some taxpayers do not have Option 2—they have no "safe harbor"—and only have Option 1. The taypayers who only have Option 1 are those with more than $75,000 AGI and whose income is over $40,000 greater than their AGI in the immediate previous year.

Option 3: Bumpers Proposal: Under the Bumpers bill all taxpayers would have a "safe harbor." Most taxpayers would be able to continue to use Option 2 (100% of their previous year's tax liability). But, taxpayers whose AGI in the previous tax year exceeded $150,000 and whose AGI in that tax year exceeded their AGI in the immediate previous year by more than $40,000 can avoid a penalty for underpayment if they make estimated tax payments equal to 110% of their tax liability in the immediately previous year. This is their new "safe harbor."

Mr. BUMPERS. This reform solves the problem created by the November 1991 law. It provides a safe harbor based on a taxpayer's previous year's tax liability for all taxpayers. For most the safe harbor remains at 100-percent of their previous year's tax liability. For some it would be 110-percent.

I cannot say that there are no taxpayers who currently can use the 100-percent safe harbor who would now have to make estimated tax payments under the 110-percent standard. But, I can say that the number who would have to do so is sure to be negligible. I cannot make a categorical statement about the impact of the 110-percent safe harbor on those who can still use the 100-percent safe harbor because the November 1991 law is based on one's current year tax liability. This bill applies the new 110-percent safe harbor based on one's previous year's tax liability. The two groups of taxpayers are not precisely the same, but it is a fair approximation of the same group.

The key point is that my bill sets a 110 percent safe harbor, unlike the Finance Committee's 120 percent proposal of last year, and it would not impose the 110 percent safe harbor on taxpayers who are now able to use the 100 percent safe harbor. It would restore a safe harbor for the small business taxpayers who lost the use of a safe harbor in November 1991 and not penalize those who didn't.

Further, those taxpayers will know that they are subject to the higher safe harbor before they start making the increased estimated tax payments. They will not have to guess what their income will be quarter by quarter during the tax year and guess whether they must make the increased estimated tax payments.

REVENUE ESTIMATE

As I have said, this reform bill raises $600 million over 5 years because the November 1991 law is scheduled to expire at the end of 1996. This bill sets the new 110 percent estimated tax safe harbor permanently into law. This means that it raises $2.6 billion in 1997. It loses $2 billion in 1994 because it restores the safe harbor to taxpayers who lost it in November 1991.

It loses no revenue in 1993 because it applies to tax years beginning after December 31, 1993.

So, it is a strange revenue estimate, but on a net basis it raises $600 million over 5 years with no revenue loss in the first year. Obviously this is important for parliamentary reasons.

COALITION OF SUPPORTERS

I am introducing this legislation on behalf of a coalition of the American Institute of Certified Public Accountants, the National Federation of Independent Businesses, National Small Business United, National Society of Public Accountants, and the National Association of Enrolled Agents. They endorse this legislation, find that it solves the estimated tax safe harbor crisis in a fair and equitable way and reluctantly accept the $600 million cost that will be paid for this reform.

Let me be clear. None of these groups is happy at the prospect of paying any price for the estimated tax payment reform proposed here. They do not feel it is fair that any price be paid to solve a problem that the Congress, not they, created. But, they are realistic and they want to restore a workable safe harbor for the small business taxpayers who lost their safe harbor in November 1991.

ACCEPTANCE OF THIS OFFER

This is a proposal for reform that is acceptable to the taxpayers who need reform and it raises revenue to apply to the deficit.

It has no effect on the taxpayers who can use the 100 percent safe harbor. It will not lead to the revolt we witnessed last year.

I know that the Finance Committee would like to avoid a fight on this issue. I assume it would prefer a reform proposal that would generate $3.9 billion in revenue. But, that option is simply not available. This option, and $600 million in revenue, is available.

This is the way to solve the estimated tax crisis and I look forward to working with the Finance Committee and the Administration to secure its enactment into law.●

By Mr. COHEN:

S. 740. A bill to amend the Congressional Budget and Impoundment Control Act of 1974 to provide for the expedited consideration of certain proposed rescissions of budget authority and certain tax expenditure; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one committee reports, the other committee have 30 days to report or be discharged.

EXPEDITED RESCISSION LEGISLATION

● Mr. COHEN. Mr. President, last week I offered an amendment to the budget resolution calling for expedited rescission authority. I was pleased that 64 of my colleagues joined me in opposing a motion to table that amendment.

Yesterday, Senator CRAIG and I introduced legislation to give the President expedited rescission authority. The Craig-Cohen bill is a companion bill to the one introduced by Congressman STENHOLM in the House and would apply to appropriation measures only.

I am now introducing legislation that would grant expedited rescission authority to both appropriations and tax expenditures.

Under current law, a rescission request does not take effect unless Congress affirmatively approves the request within 45 days. The Congress can—and often does—choose simply to ignore these requests, allowing them to wither on the vine.

Rescission authority needs to be strengthened for it to be more effective in reducing Government waste. The question, of course, is what is the best way to strengthen rescission authority without undermining the balance of powers between the legislative and executive branches.

One way to expand rescission authority without upsetting the balance of power is through expedited rescission authority. Under this authority, Congress would be required to vote on rescission requests within 20 days. Rescissions would not take effect without congressional approval, but Congress could no longer simply choose to ignore rescission requests.

There is broad bipartisan support for expedited rescission.

The expedited rescission authority we are calling for is similar to the bill passed by the House last year by an overwhelming vote of 312 to 97. Congressman STENHOLM has reintroduced this legislation, and the House is expected to vote on this bill as early as today.

In his 1988 budget, President Reagan proposed "a change of law that would require the Congress to vote 'up or

down' on any proposed rescission, thereby preventing the Congress from ducking the issue by simply ignoring the proposed rescission and avoiding a recorded vote."

Last November, then President-elect Clinton expressed an interest in the expedited rescission bill that passed the House last year. In President Clinton's words, expedited rescission is "functionally almost identical" to the procedures he used as Governor of Arkansas to reduce wasteful spending.

Last month, two scholars—Thomas Mann of the Brookings Institute and Norman Ornstein of the American Enterprise Institute—endorsed expedited rescission in their testimony before the Joint Committee on the Organization of Congress of which I am a member.

Past efforts to strengthen rescission authority have been criticized because they would effect appropriated spending only. I think those criticisms are legitimate. Wasteful spending is not limited to appropriations bills. Tax expenditures, as my colleague from New Jersey, Senator BRADLEY, recently pointed out in the Wall Street Journal, also have been a source of wasteful spending. A wasteful tax credit is no different than a wasteful appropriation and, as such, should be subject to rescission authority.

Expedited rescission authority will not significantly reduce the deficit, and we certainly do not offer this proposal as a panacea to deficit reduction. Much harsher medicine will have to be swallowed to achieve that goal. By the same token, we should employ every possible tool in our efforts to reduce the deficit. I think expedited rescission should be one of those tools.

I realize that expedited rescission does not go far enough for some of my colleagues and goes too far for others. For this very reason, expedited rescission offers a responsible and workable alternative to both the status quo and proposals that would shift too much power to the President.

Last November, the American people voted for increased accountability in Washington. Expedited rescission provides greater accountability by requiring Congress to vote on rescission requests. Congress would no longer be able to duck the tough votes.

Expedited rescission by itself will not balance the budget, but it will enhance accountability and reduce Government waste. I believe it is a step in the right direction and urge my colleagues to support expedited rescission authority when it comes before the Senate.●

By Mr. AKAKA (for himself and Mr. INOUYE):

S. 742. A bill to amend the National Parks and Recreation Act of 1978 to establish the Friends of Kaloko-Honokohau, an advisory commission for the Kaloko-Honokohau National Park, and for other purposes; to the Committee on Energy and Natural Resources.

KALOKO-HONOKOHAU NATIONAL HISTORICAL PARK ACT OF 1993

● Mr. AKAKA. Mr. President, I rise today on behalf of myself and Senator DANIEL INOUYE, to introduce legislation to reestablish the Friends of Kaloko-Honokohau, an advisory commission for the Kaloko-Honokohau National Historical Park, located on the big island of Hawaii.

The Advisory Commission was originally authorized for a 10-year period under the National Parks and Recreation Act of 1978, the bill which established the Kaloko-Honokohau National Historical Park. Unfortunately, since the National Park Service did not acquire a sufficient land base for park operations to begin until October 1990, the 10-year period expired without the Commission being established.

My bill simply reauthorizes the Friends of Kaloko-Honokohau to complete its original mandate. The Commission will advise the Director of the National Park Service on the historical, archeological, cultural, and interpretive programs, for the park. Particular emphasis will be given to traditional native Hawaiian culture demonstrated in the park.

Mr. President, Congress intended Kaloko-Honokohau Historical Park to be dedicated to the preservation and perpetuation of traditional native Hawaiian culture and activities. The reestablishment of Friends of Kaloko-Honokohau is a necessary step in achieving this goal.●

By Mr. SIMON:

S. 743. A bill to require court clerks to report the posting of bail in an amount exceeding $10,000 in certain criminal cases, and for other purposes; to the Committee on the Judiciary.

ILLEGAL DRUG PROFITS ACT OF 1993

● Mr. SIMON. Mr. President, I rise today to introduce important legislation suggested by Mayor Richard M. Daley of Chicago at a Judiciary Committee hearing—legislation that will give this Nation's law enforcement agencies a new weapon in our efforts in the war against drugs and crime.

Mr. President, we all know only too well that our Nation is faced with a terrible crisis. While Government studies report a decrease in casual drug use, there are more people using dangerous drugs like cocaine—and its derivative crack—in greater quantities than ever before. The ravaging effects of illegal drug use do not discriminate between young and old, rich and poor, black and white. We, as a nation, are all victims.

The manufacture, distribution, and use of illegal drugs are pervasive problems which have a substantial and damaging effect on the health and general welfare of the American people. The prospect of illegal and untaxed profits from the manufacture and distribution of drugs is a substantial incentive to such activity and contributes greatly to this national tragedy.

While over the past few years Congress has passed a number of initiatives to help end this tragedy, much more needs to be done. We must constantly seek out new ideas. We cannot let down our guard until we have solved the problem.

As Mayor Daley suggested, one way to do this is by tracking down the illegal cash in the drug system.

Individuals owe taxes on earned income, from whatever source—even criminal drug enterprises. But criminals rarely pay taxes on illegal profits, and often attempt to launder illegal revenues through legitimate businesses. We need the highest possible scrutiny of drug traffickers, and others who facilitate the transfer of illegal drug profits. Such scrutiny of the financial operations of major drug trafficking organizations is a vital part of the battle to take our streets back from the drug dealers.

But how will the IRS identify the individuals and organizations to scrutinize? As Mayor Daley pointed out in his testimony before the Judiciary Committee last session, every day of the year alleged drug offenders or their friends walk into court and post bail with enormous amounts of cash—cash which might well come from the very crimes of which they are accused—cash which may represent illegal and untaxed drug profits—cash which may well represent the devastation of more American lives. The drug dealers have been telling us in our State and Federal courts who among them have the real money, but we haven't been listening.

This legislation I am introducing today will help us listen to major drug dealers as they identify themselves. This bill requires clerks in both State and Federal courts to inform the Internal Revenue Service and criminal prosecutors of all incidents in which an alleged drug offender or money launderer or racketeer posts a substantial bail in cash. The IRS will be able to use this information to identify and investigate major drug dealers and other powerful criminals and use the civil and criminal tax penalties of the Internal Revenue Code to cut down their financial empires.

We already have laws which require honest American businesspeople to report large cash transactions between them and their clients and customers. This has been one of our tools in identifying the flow of illegal cash into legitimate businesses. If we put this requirement on honest Americans, isn't it time we got at the large amounts of cash held by the drug dealers?

Mr. President, the fight against drugs is for the health and future of all Americans, and we need all the help we

can get in this battle. I thank Senator BIDEN and Mayor Daley for their help in crafting this important legislation, and I urge my colleagues to join me in adding this potent weapon to our arsenal.

I ask unanimous consent 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. 743

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Illegal Drug Profits Act of 1993".

SEC. 2. REQUIRED REPORTING BY CRIMINAL COURT CLERKS.

(a) IN GENERAL.—Each clerk of a Federal or State criminal court shall report to the Internal Revenue Service, in a form and manner as prescribed by the Secretary of the Treasury, the name and taxpayer identification number of—

(1) any individual charged with any criminal offense who posts cash bail, or on whose behalf cash bail is posted, in an amount exceeding $10,000, and

(2) any individual or entity (other than a licensed bail bonding individual or entity) posting such cash bail for or on behalf of such individual.

(b) CRIMINAL OFFENSES.—For purposes of subsection (a), the term "criminal offense" means—

(1) any Federal criminal offense involving a controlled substance,

(2) money laundering (as defined in section 1956 or 1957 of title 18, United States Code), or

(3) any violation of State criminal law involving offenses substantially similar to the offenses described in the preceding paragraphs.

(c) COPY TO PROSECUTORS.—Each clerk shall submit a copy of each report of cash bail described in subsection (a) to—

(1) the office of the United States Attorney, and

(2) the office of the local prosecuting attorney, for the jurisdiction in which the defendant resides (and the jurisdiction in which the criminal offense occurred, if different).

(d) REGULATIONS.—The Secretary of the Treasury shall promulgate such regulations as are necessary within 90 days of the date of the enactment of this Act.

(e) EFFECTIVE DATE.—This section shall become effective 60 days after the date of the promulgation of regulations under subsection (d).●

By Mr. SIMON:

S. 744. A bill to provide for drug-testing of Federal prisoners on release from prison; to the Committee on the Judiciary.

FEDERAL PRISONER DRUG TESTING ACT OF 1993

● Mr. SIMON. Mr. President, I rise today to introduce legislation to mandate drug testing for Federal prisoners as a condition of probation, parole, or supervised release.

Mr. President, between 1980 and 1987, the number of defendants sentenced to Federal prison for drug offenses almost tripled. This is the fastest growing segment of the Nation's prison population. Roughly 60 percent of all Federal prisoners today are serving sentences for drug-related offenses. Many of them were using illegal drugs prior to or during the commission of the crime for which they were imprisoned.

Unfortunately, illegal drug use and drug-related activity does not necessarily cease as a result of incarceration. Surprisingly, many inmates carry out well-organized criminal endeavors with drugs and other contraband smuggled in by staff and visitors.

But currently, there is no requirement for mandatory drug testing to determine whether a released inmate is using one or more illegal substances. Nor is being drug-free a condition of release.

As a result of this gap in our system, prisoners using drugs are released and returned to our communities. One could predict that a prisoner using drugs would, upon release, commit drug offenses or other crimes either while under the influence of drugs or in order to obtain illegal drugs. A cycle of crime, arrest, prosecution, and incarceration is perpetuated. This is obviously unacceptable. This situation certainly helps to explain a recidivism rate that, according to the Bureau of Justice Statistics, is greater than 40 percent for Federal prisoners.

To break this destructive cycle, we in Congress must act to ensure that inmates using illegal drugs are not released into our communities.

In furtherance of this goal, my legislation provides that any Federal inmate eligible for supervised release or parole must pass a urinalysis test within 15 days of release on probation or supervised release and must submit to two periodic drug tests thereafter. Supervised releasees and probationers face the possible revocation of their sentence and return to prison if they test positive for an illegal substance.

Mr. President, the benefits of this legislation to our communities and our criminal justice system are potentially great. I urge the cosponsorship and support of my colleagues.

I ask unanimous consent 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. 744

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

SECTION 1. FEDERAL PRISONER DRUG TESTING.

(a) CONDITIONS OF PROBATION.—Section 3563(a) of title 18, United States Code, is amended—

(1) by striking "and" at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting "; and";

(3) by inserting after paragraph (3) the following new paragraph:

"(4) for a felony, a misdemeanor, or an infraction, that the defendant refrain from any unlawful use of a controlled substance and submit to 1 drug test within 15 days before or after release on probation and at least 2 periodic drug tests thereafter (as determined by the court) for use of a controlled substance."; and

(4) by adding at the end the following: "The results of a drug test administered in accordance with paragraph (4) shall be subject to confirmation only if the results are positive, the defendant is subject to further imprisonment for failing the test, and either the defendant denies the accuracy of the test or there is another reason to question the results of the test. A drug test confirmation shall be a urine drug test confirmed using gas chromatography/mass spectrometry techniques or such test as the Director of the Administrative Office of the United States Courts, after consultation with the Secretary of Health and Human Services, may determine to be of equivalent accuracy. The court shall consider the availability of appropriate substance abuse treatment programs when considering action against a defendant who fails a drug test.".

(b) CONDITIONS ON SUPERVISED RELEASE.—Section 3583(d) of title 18, United States Code, is amended in the first sentence—

(1) by striking "and that" and inserting ", that"; and

(2) by striking the period and inserting ", and that the defendant refrain from any unlawful use of a controlled substance and submit to a drug test within 15 days before or after release on supervised release and at least 2 periodic drug tests thereafter (as determined by the court) for use of a controlled substance. The results of a drug test administered in accordance with the preceding sentence shall be subject to confirmation only if the results are positive, the defendant is subject to further imprisonment for failing the test, and either the defendant denies the accuracy of the test or there is another reason to question the results of the test. A drug test confirmation shall be a urine drug test confirmed using gas chromatography/mass spectrometry techniques or such test as the Director of the Administrative Office of the United States Courts, after consultation with the Secretary of Health and Human Services, may determine to be of equivalent accuracy. The court shall consider the availability of appropriate substance abuse treatment programs when considering action against a defendant who fails a drug test.".

(c) CONDITIONS OF PAROLE.—Section 4209(a) of title 18, United States Code, as in effect pursuant to section 235(b)(1)(A) of the Comprehensive Crime Control Act of 1984 and section 316 of the Judicial Improvements Act of 1990 (18 U.S.C. 4201 note), is amended—

(1) in the first sentence by striking ". and" and inserting ", that the parolee pass a drug test prior to release and refrain from any unlawful use of a controlled substance and submit to at least 2 periodic drug tests (as determined by the Commission) for use of a controlled substance, and"; and

(2) by inserting after the first sentence the following: "The result of a drug test administered in accordance with the preceding sentence shall be subject to confirmation only if the results are positive, the parolee is subject to further imprisonment for failing the test, and either the parolee denies the accuracy of the test or there is another reason to question the results of the test. A drug test confirmation shall be a urine drug test confirmed using gas chromatography/mass spectrometry techniques or such test as the Director of the Administrative Office of the United States Courts, after consultation

with the Secretary of Health and Human Services, may determine to be of equivalent accuracy. The Commission shall consider the availability of appropriate substance abuse treatment programs when considering action against a parolee who fails a drug test.".•

By Mr. SIMON:

S. 745. A bill for the relief of Hardwick, Inc.; to the Committee on the Judiciary.

HARDWICK, INC. RELIEF ACT OF 1993

• Mr. SIMON. Mr. President, I rise today to introduce a resolution, Senate Resolution 91, and its accompanying bill, S. 745. These proposals ask the U.S. Court of Federal Claims to advise the Senate on the merits of legal or equitable claims that Hardwick, Inc., may have against the United States.

Hardwick, Inc., is a family-run construction company, owned by an elderly couple in Beardstown, IL. The company was first organized in 1923 and grew into a multimillion dollar operation. By the mid-1970's, Hardwick employed 50 to 75 men during peak seasons. The company could bond 8 to 10 million dollars' worth of work, fully owned its equipment, and had a quarter of a million dollars in the bank.

Then, in 1977, the U.S. Government awarded the Hardwicks a contract to construct a levee near Brunswick, MO. The project, however, soon turned into a financial quagmire. The Hardwicks allege that, due to errors by the U.S. Corp of Engineers, the levee project entailed enormous cost overruns, rendering the company insolvent. The elder Hardwicks, the original owners of the company, have been left in personal bankruptcy. Their family farm—the only property they have left—is now in jeopardy of foreclosure.

As a result of this unfortunate situation, the Hardwicks have been involved in a contract dispute with the U.S. Government for over a decade. Last year, a decision in the case appeared to be imminent. However, before the court could rule, the Federal circuit issued a decision in an unrelated case, called *UNR Industries, Inc.* v. *United States*, 962 F.2d 1013 (Fed. Cir. 1992). This decision altered the jurisdictional rules for bringing a case in the Court of Federal Claims. As a result, the court determined that it would have to dismiss the Hardwick's claim, as well.

In doing so, the court acknowledged the injustice in dismissing the case after so many years of litigation based on an unforeseen change in the law. The judge urged the Hardwicks to seek congressional redress, telling the Hardwicks that "you may very well be able to proceed * * * to obtain a congressional reference * * * It would appear to me on the basis of my opinion in UNR that you would have a meritorious case in Congress."

This is exactly what the congressional reference resolution I have introduced accomplishes. However, I should emphasize, Mr. President, that a congressional reference resolution is not the same as a private relief bill. As explained in 28 U.S.C. §2509, a congressional reference resolution simply asks the U.S. Court of Federal Claims for a nonbinding recommendation on the merits of the Hardwick's legal or equitable claims against the U.S. Government. In short, the congressional reference procedure gives an injured party a forum for determining the merits of its grievance, which the Senate may then decide whether or not to enforce.

Mr. President, the Hardwicks have suffered enough. They must not be left without a forum for determining the merits of their claims. I urge my colleagues to join me in this just cause.

At this time, I ask unanimous consent to offer this bill into the RECORD.

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

S. 745

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of money not otherwise appropriated, to Hardwick, Inc., of Beardstown, Illinois, the sum of $ for all of its claims and demands against the United States relating to Contract DACW 41-77-C-0126 for the construction of Levee Unit L-246, Stage I, near Brunswick, Missouri. Payment of this sum shall be in full satisfaction of all claims of Hardwick, Inc., formerly known as Hardwick Brothers Company II against the United States arising out of such contract.•

By Mr. D'AMATO:

S. 746. A bill to amend the Internal Revenue Code of 1986 to provide an investment tax credit for stage 3 aircraft; to the Committee on Finance.

INVESTMENT TAX CREDITS—AIRCRAFT NOISE REDUCTION LEGISLATION

• Mr. D'AMATO. Mr. President, I rise today to introduce legislation that would assist the U.S. airline industry in meeting Federal aircraft noise reduction standards, and benefit the public in securing much needed relief from excess aircraft noise. I am joined by my distinguished colleagues Senators BOXER and LIEBERMAN who are original cosponsors of this bill.

This bill also would provide a real economic stimulus to the ailing aerospace industry with respect to the performance of modification work required to accomplish the goal of reducing aircraft noise. It is supported by the Air Freight Association, the National Airport Watch Group—a coalition of 163 citizens groups across the Nation—as well as by the Natural Resources Defense Council.

Simply stated, the legislation provides a 10 percent investment tax credit [ITC] to be available to aircraft owners for completing noise modification alterations to their aircraft. The ITC would expire by the end of 1996. Such an incentive would induce aircraft owners to quiet their fleets at the earliest possible time. It would benefit communities that are burdened with disproportionate amounts of aircraft noise, and assist the aviation industry to meet Federal noise standards, and create jobs in the industries that retrofit aircraft with hush kits or re-engine them.

The greater New York metropolitan area contains the vast preponderance of the Nation's aircraft noise impacted citizens—about one-third of such persons. Virtually every aircraft in the U.S. fleet cycles into and out of the New York City area from as frequently as several times per month to once every month or two; this includes the noisiest aircraft known as stage 2. While aircraft noise concerns must be addressed, the aviation industry has tremendous economic importance for the New York metro region, as well as for many other areas in the country. Finding ways in which aviation and residential communities can coexist is a difficult challenge and one that Congress must undertake.

The Aircraft Noise and Capacity Act of 1990 gave the Federal Government broad authority over the issue of aircraft noise. This law directed the Secretary of Transportation to issue regulations establishing a national aviation noise policy. It also phases out virtually all stage 2 aircraft by the year 2000. According to the FAA, when the phase out is completed, the number of people exposed to significant aviation noise will be reduced from 2.7 million to 400,000. The reduction in the New York metropolitan area is expected to be from approximately 700,000 to fewer than 100,000 people.

I would like to outline some specific provisions of this bill:

It would provide a 10-percent ITC for the costs incurred by taxpayers for aircraft noise modifications which return aircraft to service between January 1, 1992, and December 31, 1996. Thus, the ITC has a finite lifespan of 5 years;

The ITC would apply to noise modifications of aircraft from stage 2 to stage 3 noise levels, as defined by Federal Aviation Administration Regulations, part 36;

The ITC would apply against the alternative minimum tax as well as against the regular corporate tax.

The gross cost of the ITC has been estimated at approximately $120 million per year, and is expected to be offset many, many times over by accompanying job creation, industrial stimulus and economic multiplier effects. These estimates were performed by aerospace industry experts.

Mr. President, I ask unanimous consent that a copy of this bill be printed in the RECORD at the conclusion of my remarks. I urge my colleagues to support this worthwhile legislation.

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

S. 746

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

SECTION 1. INVESTMENT CREDIT FOR STAGE 3 AIRCRAFT MODIFICATIONS.

(a) ALLOWANCE OF CREDIT.—Section 46 of the Internal Revenue Code of 1986 (relating to amount of investment credit) is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by adding at the end the following new paragraph:

"(4) the stage 3 aircraft modification credit."

(b) AMOUNT OF CREDIT.—Section 48 of such Code is amended by adding at the end the following new subsection:

"(c) STAGE 3 AIRCRAFT MODIFICATION CREDIT.—

"(1) IN GENERAL.—For purposes of section 46, the stage 3 aircraft modification credit is the stage 3 aircraft modification percentage of the basis of each stage 3 aircraft modification property placed in service during the taxable year.

"(2) STAGE 3 AIRCRAFT MODIFICATION PERCENTAGE.—The stage 3 aircraft modification percentage is 10 percent.

"(3) QUALIFIED STAGE 3 AIRCRAFT MODIFICATION PROPERTY.—For purposes of this subpart—

"(A) IN GENERAL.—The term 'qualified stage 3 aircraft modification property' means tangible property—

"(i) which is an integral part of and modification of a nonstage 3 aircraft (including the installation of different engines or the retrofit of the existing engines with sound attenuation devices),

"(ii) which is certificated by the Federal Aviation Administration and is made to qualify the aircraft for the stage 3 noise level requirements, and

"(iii) the original use of which begins with the taxpayer.

"(B) STAGE 3 NOISE LEVEL.—The term 'stage 3 noise level' has the meaning given such term by section 36.1(f)(5) of title 14, Code of Regulations (as in effect on February 15, 1993).

"(C) NONSTAGE 3 AIRCRAFT.—The term 'nonstage 3 aircraft' means an aircraft with a maximum gross takeoff weight in excess of 75,000 pounds which did not meet the stage 3 noise level requirements before the stage 3 aircraft modification property was installed.

"(4) SPECIAL RULE FOR CERTAIN PURCHASES AND LEASES.—For purposes of paragraph (3)(A)(iii), a qualified stage 3 aircraft modification property shall be treated as originally placed in service by a person if it is sold to such person or is leased by such person within 3 months of the date such modifications are made.".

(c) STAGE 3 AIRCRAFT MODIFICATION CREDIT ALLOWABLE AGAINST REGULAR TAX AND ALTERNATIVE MINIMUM TAX.—Subsection (c) of section 38 of such Code (relating to limitation based on amount of tax) is amended by adding at the end the following new paragraph:

"(3) SPECIAL RULES FOR STAGE 3 AIRCRAFT MODIFICATION CREDIT.—

"(A) LIABILITY FOR TAX.—In the case of the stage 3 aircraft modification credit, the credit allowable under subsection (a) for any taxable year shall not exceed the excess (if any) of—

"(i) the sum of—

"(I) the taxpayer's tentative minimum tax liability under section 55(b) for such taxable year determined without regard to the stage 3 aircraft modification credit, plus

"(II) the taxpayer's regular tax liability for such taxable year (as defined in section 26(b)), over

"(ii) the sum of the credits allowable against the taxpayer's regular tax liability under part IV (other than section 34 and the stage 3 aircraft modification credit).

"(B) APPLICATION OF THE CREDIT.—Each of the following amounts shall be reduced by the full amount of the credit determined under subparagraph (A):

"(i) the taxpayer's tentative minimum tax under section 55(b) for the taxable year, and

"(ii) the taxpayer's regular tax liability (as defined in section 26(b)) reduced by the sum of the credits allowable under part IV (other than section 34 and the stage 3 aircraft modification credit).

If the amount of the credit determined under subparagraph (A) exceeds the amount described in clause (ii) of subparagraph (B), then the excess shall be deemed to be the adjusted net minimum tax for such taxable year for purposes of section 53."

(d) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 38(c) of such Code is amended by striking "The credit" and inserting "Except as provided in paragraph (3), the credit".

(2) Paragraph (2) of section 55(c) of such Code is amended—

(A) by striking "For provisions" and inserting "(A) For provisions", and

(B) by adding at the end the following new subparagraph:

"(B) For provision allowing the stage 3 aircraft modification credit against the tax imposed by this section, see section 38(c)(3)."

(3) Section 49(a)(1)(C) of such Code is amended by striking "and" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", and", and by adding at the end the following new clause:

"(iv) the basis of any qualified stage 3 aircraft modification property.".

(4)(A) The section heading for section 48 of such Code is amended to read as follows:

"SEC. 48. OTHER CREDITS."

(B) The table of sections for subpart E of part IV of subchapter A of chapter 1 of such Code is amended by striking the item relating to section 48 and inserting the following:

"Sec. 48. Other credits."

(e) EFFECTIVE DATE.—The amendments made by this section apply to stage 3 aircraft modification property completed after December 31, 1991, and placed in service after December 31, 1991, and before January 1, 1997.●

By Mr. ROTH:

S. 747. A bill to suspend temporarily the duty on Pigment Red 254; to the Committee on Finance.

S. 748. A bill to extend the temporary suspension of duty on 7-Acetyl-1,1,3,4,4,6-hexamethyltetrahydronaphthalene; to the Committee on Finance.

S. 749. A bill to suspend temporarily the duty on Pigment Blue 60; to the Committee on Finance.

S. 750. A bill to suspend temporarily the duty on pectin; to the Committee on Finance.

S. 751. A bill to suspend temporarily the duty on 6-Acetyl-1,1,2,3,3,5-hexamethyl Indan; to the Committee on Finance.

DUTY SUSPENSION LEGISLATION

● Mr. ROTH. Mr. President, today I am introducting five miscellaneous duty suspension bills on behalf of two constituent companies in my home State of Delaware. It is my understanding that these bills are noncontroversial. I am introducing them because they will help lower the overall costs of production for the companies involved, which will, in turn, bolster their competitiveness.●

By Mr. BUMPERS:

S. 752. A bill to modify the boundary of Hot Springs National Park, and for other purposes; to the Committee on Energy and Natural Resources.

HOT SPRINGS NATIONAL PARK ACT OF 1993

● Mr. BUMPERS. Mr. President, today I am introducing legislation to modify the boundary of Hot Springs National Park in Hot Springs, AR.

This is a noncontroversial bill that would modify the boundary of Hot Springs National Park by deleting 297.8 acres of privately owned property from the park. The areas proposed for deletion are not necessary for the management and operation of the park and would not affect the park's mission to protect and preserve the famous thermal springs.

The boundary modification will also add approximately 1.7 acres of land to the park. Of this amount 1.67 acres is already owned by the Park Service but falls outside the authorized boundary. The remaining 0.03 acre is part of a larger piece of property already within the park boundary. The addition of these parcels will help protect the critical recharge zone of the hot springs.

This legislation will not only result in a more manageable boundary but will help safeguard the natural resources of the park. This legislation has the support of the city of Hot Springs and National Park Service.

Mr. President, I ask unanimous consent that the text of bill be printed in the RECORD.

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

S. 752

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

(a) The boundary of Hot Springs National Park is modified as depicted on the map entitled "Proposed Boundary Map Hot Springs National Park", numbered 128/80015, and dated August 5, 1985.

(b) Such map shall be on file and available for public inspection in the appropriate offices of the National Park Service, Department of the Interior.●

By Mr. COCHRAN (for himself and Mr. LOTT):

S. 759. A bill to provide for the establishment of the Margaret Walker Alexander National African-American Research Center, and for other purposes; to the Committee on Labor and Human Resources.

MARGARET WALKER ALEXANDER NATIONAL AFRICAN-AMERICAN RESEARCH CENTER ACT OF 1993

• Mr. COCHRAN. Mr. President, today I am introducing legislation to provide for the establishment of the Margaret Walker Alexander National African-American Research Center.

This center will be located at Jackson State University in Jackson, MS. The University's challenges and opportunities include providing effective programs and services to meet the needs of both black and white populations in the Jackson metropolitan area. The research center will provide an opportunity for the university to interpret the African-American experience for all Mississippians and for others from across our Nation.

This national research center will be named in honor of Margaret Walker Alexander, professor emeritus in the department of English at Jackson State University and a noted author and poet. She is perhaps best known for her Civil War novel "Jubilee," her volume of verse "For My People," and for her biography about her novelist friend, "The Daemonic Genius of Richard Wright."

The primary purposes of the center will be the preservation of 20th century African-American materials and archival resources. The facility will serve as a national center for the study, research, and teaching of African-American literature and history and as a repository for papers and memorabilia relating to the life of Margaret Walker Alexander and other individuals noted for their work in African-American literature, history, and the civil rights movement.

Since there is currently no national oral history research facility focusing exclusively on 20th century African-Americans, this center will provide much needed resource materials to inform present and future generations of African-American contributions to our Nation.

Mr. President, I urge other Senators to support the establishment of the Margaret Walker Alexander National African-American Research Center.•

By Mr. WARNER:

S. 760. A bill for the relief of Leteane Monatsi; to the Committee on the Judiciary.

LETEANE MONATSI RELIEF ACT OF 1993

• Mr. WARNER. Mr. President, I introduce an act for the relief of Leteane Monatsi. Leteane, the adopted son of Dr. Robert Edgar, of Virginia, is originally from Lesotho in southern Africa. His natural parents are both deceased. Regrettably, Leteane's circumstances are extreme, and can only be remedied through the extraordinary relief afforded by enactment of a private immigration bill.

Leteane has osteogenesis imperfecta, a debilitating bone disease more commonly known as brittle bones and characterized by multiple fractures during one's early developing years. Because of the lack of medical care available to Leteane while he was growing up in Lesotho, he now has severe and crippling physical disabilities and is permanently confined to a wheelchair. He speaks English well, but functions academically at a third-grade level due to learning disabilities which result from severe early malnutrition.

Dr. Edgar is a distinguished member of the Department of African Studies at Howard University's College of Arts Sciences. He was a Fulbright lecturer in history at the University of Lesotho when he met Leteane and was struck by his plight: the child, then 14 years old, weighed all of 20 pounds. While the two became very close, stringent adoption laws in Lesotho prevented Dr. Edgar from adopting Leteane prior to his return to the United States. However, Dr. Edgar was able to establish guardianship for Leteane. In an effort to provide needed help to the young man, Dr. Edgar obtained a student visa, enabling him to bring Leteane to the United State to attend the Stonewall Jackson Special Education School in Arlington, VA, in 1987. Dr. Edgar also arrange for Leteane to receive needed medical attention, including several surgical procedures at Children's Hospital to correct his crippled limbs. While Leteane experienced some relief, he will never be able to walk.

Dr. Edgar has legally adopted Leteane Monatsi, although the process has not resolved any problems. Lesotho's laws would not permit the adoption to go through until Leteane reached the age of 18. Unfortunately, however, U.S. immigration law does not recognize adoptions which take place after a child reaches age 16. As a result of this contradiction, Leteane Monatsi, now 22 years old, has no legal status in the United States. Dr. Edgar is understandably concerned about his adopted son's future, particularly in the event that something should happen to Dr. Edgar, himself.

My staff and I have spent countless hours exploring possible avenues of administrative relief for Dr. Edgar and his son, but to no avail. Neither the U.S. Immigration and Naturalization Service nor the courts have any remedy available in this unique and tragic situation.

Leteane's options if he were forced to return to Lesotho are very bleak. As stated earlier, both of his parents are deceased; he has no other family capable of caring for him, and it is unlikely he will ever be fully able to care for or support himself. Perhaps most tragic of all, Lesotho's resources for assisting handicapped individuals are virtually nonexistent. To return Leteane to Lesotho would be to condemn him.

I recognize fully well that private relief legislation is not so much the court of last resort, but rather the only resort. It exists to offer relief when absolutely no existing statute or policy can provide remedy. Few cases are quite as singular and atypical as this one, or as demanding of extraordinary solution. Leteane Monatsi was born in a time and place when the help he so desperately needed was, and is, impossible to acquire. Dr. Edgar sought to remedy Leteane's problems and also to provide him with the love of a parent he did not have. After some 8 years together, it is unthinkable that Leteane could be taken from Dr. Edgar due to an unfortunate inconsistency which exists between the law of the United States and that of Lesotho. Dr. Edgar has gone out of his way to abide by the laws of both nations and to provide his adopted son with legal status in this country, in addition to a home and sound care. I believe it is right and appropriate for Congress to exercise its prerogative in the realm of private immigration relief in this very special case. I will work to the best of my ability to see this desperately needed measure enacted successfully and I urge my colleagues to support it at the appropriate time.•

By Mr. STEVENS (for himself and Mr. MURKOWSKI):

S. 761. A bill to amend the "unit of general local government" definition for Federal payments in lieu of taxes to include unorganized boroughs in Alaska; to the Committee on Energy and Natural Resources.

ALASKA FEDERAL LANDS ACT OF 1993

• Mr. STEVENS. Mr. President, Alaska shoulders more than its fair share of the Federal lands. Federal lands are costly to State and local governments.

The local governments can not impose a property tax on the Federal Government.

We are not able to develop the Federal lands to produce jobs and an economy.

Payments in lieu of taxes provide Federal funds to local governments which have tax-exempt Federal lands within their boundaries.

PILT funding is designed to relieve the fiscal burden which Federal lands impose on local governments by severely reducing the property tax base.

The PILT Act directs the Secretary of the Interior to make annual payments to each unit of local government where entitlement lands are located.

Alaska is currently only the 10th highest PILT recipient because:

Only 40 percent of the Federal land in Alaska is included in PILT calculations—those Federal lands within the organized boroughs.

PILT calculations include population statistics so Alaska will never receive as much as some of the Western States with high populations and relatively high Federal acreage.

This bill would amend the definition of "units of local government" for the

purpose of determining PILT payments to include Federal lands which are not within organized boroughs.

Alaska is unique in that 60 percent of the Federal lands are located outside of the organized boroughs—and there are hundreds of villages located within these unorganized boroughs which receive no PILT payments.

This oversight in the act fails to recognize 60 percent of the Federal lands in Alaska for payment in lieu of taxes.

Hundreds of poor rural Alaskan communities surrounded by Federal lands are denied funding through the PILT Program.

This bill will resolve a great injustice. The villages in Alaska that are surrounded by tax-exempt Federal lands should be compensated for loss of property tax revenues and for the inability to use the lands for any development.

Most of these villages lack adequate sewer and water systems and do not have health facilities within 200 or 300 miles.

The increase in Alaskan PILT payments will directly benefit villages which are in desperate need of resources to sustain basic necessities for their remote existence.

The increased amount of funds the State and villages would increase by about $2.5 million. Currently, the local governments in Alaska receives about $4.5 million a year from PILT.

Although $2.5 million a year will only scratch the service in improving the living conditions in the villages—it will help. And it is much needed.

This bill would not increase PILT funding—it will only change the way the PILT fund is divided. It would not reduce any other State's PILT funds by very much.

It is a matter of fairness—60 percent of the Federal lands in Alaska are not included under current PILT calculations.

Alaska is the only State not fully compensated for all of their Federal lands. Even the territories and the District of Columbia are fully compensated.

This legislation would not increase the current entitlement ceiling for PILT. It merely provides a small additional share of the PILT distribution to those Alaskan communities that are outside organized boroughs.

I would appreciate the support of the other Senators to see that Alaska finally receives PILT funds for all of the Federal lands in the State—not just 40 percent of them.•

Mr. MURKOWSKI. Mr. President, I join the senior Senator from Alaska in offering an amendment to the Payment in Lieu of Taxes Act. This act provides payments to local governments which have tax-exempt Federal lands within their borders.

Nearly 70 percent of all the land in Alaska is Federal land. In fact Alaska is so vast and contains so much Federal land that 34 percent of all the Federal lands in the United States are in Alaska.

There are 51 million acres of Park Service land in Alaska. That is 70 percent of all Park Service acreage; 15 percent of land in State.

There are 76 million acres of U.S. Fish and Wildlife Service refuges. That is 85 percent of all Fish and Wildlife Service lands; 21 percent of land in State.

There are 90 million acres of BLM lands. That is 34 percent of all BLM lands; 25 percent of land in State.

And there are 57 million acres of wilderness already designated in Alaska. That is 60 percent of all the wilderness designated in the United States; 16 percent of land in State.

That is more Federal land than any other State, but somehow, Alaska ranks 10th in PILT payments. Why is that? Why should the State with the most Federal land receive less than nine other States?

The reason is that 60 percent of the Federal lands in Alaska are outside of organized boroughs. In Alaska, a borough is an equivalent unit of local government to another State's county. The way that the PILT law is currently written, villages located outside of organized boroughs receive no PILT payments.

Mr. President, Alaska has hundreds of villages outside of boroughs. These villages have desperate needs for funding. The very basic services usually provided by local government are wanting in many of our villages. We struggle to find funding for clean drinking water systems, for sewer systems, and for education and health care services. These villages are often surrounded by Federal land, but the land provides no tax base.

Mr. President, this is a situation that this Congress can and should correct. The current law has simply overlooked the fact that Alaska has so much land outside an organized unit of local government. I suspect this was a simple oversight that came about because no other State has any land outside an organized unit of local government. Members considered their home State and the PILT formula seemed to work correctly. But in Alaska, PILT does not work as it was intended.

If this bill passes, it will not raise the current entitlement ceiling for PILT payments nationwide, but it would send an additional $2.5 million to the villages of Alaska; $2.5 million may not sound like much, but its an important and much-needed $2.5 million when spread into the very poor villages of bush Alaska.

I urge my colleagues to support this small bill that will mean so much to the people in the many remote villages of Alaska.

By Mr. PRYOR (for himself, Mr. BAUCUS, Mr. BOREN, Mr. BREAUX, and Mr. SARBANES):

S. 762. A bill to amend the Internal Revenue Code of 1986 to simplify the pension laws, and for other purposes; to the Committee on Finance.

PENSION SIMPLIFICATION ACT OF 1993

• Mr. PRYOR. Mr. President, during the 102d Congress, I introduced the Employee Benefits Simplification Act, S. 1364, with, then chairman of the Finance Committee, and now Secretary of the Treasury Lloyd Bentsen. We were joined by 32 of our distinguished colleagues who cosponsored this bill.

The pension simplification legislation was included as part of both tax bills passed by Congress in 1992, but was vetoed by President Bush for other stated reasons.

Mr. President, this year, and in this new 103d Congress, support for pension simplification is still strong. House Ways and Means Chairman ROSTENKOWSKI has included pension simplification legislation in his Tax Simplification Act of 1993, H.R. 13, and today I am offering substantially identical legislation in the Senate.

The Pension Simplification Act is a significant first step toward reducing the costs associated with providing pension benefits. The bill achieves this result by eliminating many of the complexities and inconsistencies in the private pension system which will, in turn, promote the establishment of new pension plans by both large and small employers.

Mr. President, included in the bill are changes which would:

Simplify the definition of highly compensated employee;

Allow 501(c)(3) organizations access to cash or deferred arrangements under section 401(k) of the Internal Revenue Code;

Eliminate the need to perform complicated and expensive tests by providing safe harbors for section 401(k) deferred compensation plans;

Repeal the current historically performed test on leased employees and create a control test based on common law;

Clarify the present law treatment of national Voluntary Employee Beneficiary Associations [VEBA's];

Modify the minimum participation requirements to focus rules on the areas where abuses are more likely to occur;

Clarify the manner in which the benefit limit rules apply to State and local government plans;

Clarify that disability benefits will not be adversely affected by the pension limits; and

Increase the number of allowable participants for salary reduction SEP's from 25 to 100 and make the participation rules for SEP's more consistent with the general rules governing pensions.

Mr. President, in addition to these provisions, there are a number of others designed to simplify and improve the consistency of the law.

The bill also takes the next step toward improvement of our Nation's private retirement system by establishing the National Commission on Private Pension Plans to take a comprehensive look at the private pension system. The Commission will conduct studies and public hearings on the status of our Nation's retirement system, and then, report to Congress on September 1, 1994 with recommendations to improve the system. The Commission would disband immediately after its report.

The idea of the Commission was first introduced by Senator Bentsen in 1992. The Commission was appropriated for in the fiscal year 1993 budget, however, because the authorizing legislation, H.R. 11, was vetoed, the Commission was never authorized.

Given the importance and complexities of the issues dealing with our private retirement system, it is of critical importance to call on all available resources to do our homework before taking the critical next step. I believe the Commission will help assure that this next step is in the right direction.

Mr. President, I ask unanimous consent that the bill be included in the RECORD.

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

S. 762

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

SECTION 1. SHORT TITLE; AMENDMENTS OF 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Pension Simplification Act of 1993".

(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.

TITLE I—SIMPLIFIED DISTRIBUTION RULES

SEC. 101. REPEAL OF 5-YEAR INCOME AVERAGING FOR LUMP-SUM DISTRIBUTIONS.

(a) IN GENERAL.—Subsection (d) of section 402 (relating to taxability of beneficiary of employees' trust) is amended to read as follows:

"(d) TAXABILITY OF BENEFICIARY OF CERTAIN FOREIGN SITUS TRUSTS.—For purposes of subsections (a), (b), and (c), a stock bonus, pension, or profit-sharing trust which would qualify for exemption from tax under section 501(a) except for the fact that it is a trust created or organized outside the United States shall be treated as if it were a trust exempt from tax under section 501(a).".

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (D) of section 402(e)(4) (relating to other rules applicable to exempt trusts) is amended to read as follows:

"(D) LUMP-SUM DISTRIBUTION.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'lump sum distribution' means the distribution or payment within one taxable year of the recipient of the balance to the credit of an employee which becomes payable to the recipient—

"(I) on account of the employee's death,

"(II) after the employee attains age 59½,

"(III) on account of the employee's separation from service, or

"(IV) after the employee has become disabled (within the meaning of section 72(m)(7)),

from a trust which forms a part of a plan described in section 401(a) and which is exempt from tax under section 501 or from a plan described in section 403(a). Subclause (III) of this clause shall be applied only with respect to an individual who is an employee without regard to section 401(c)(1), and subclause (IV) shall be applied only with respect to an employee within the meaning of section 401(c)(1). For purposes of this clause, a distribution to two or more trusts shall be treated as a distribution to one recipient. For purposes of this paragraph, the balance to the credit of the employee does not include the accumulated deductible employee contributions under the plan (within the meaning of section 72(o)(5)).

"(ii) AGGREGATION OF CERTAIN TRUSTS AND PLANS.—For purposes of determining the balance to the credit of an employee under clause (i)—

"(I) all trusts which are part of a plan shall be treated as a single trust, all pension plans maintained by the employer shall be treated as a single plan, all profit-sharing plans maintained by the employer shall be treated as a single plan, and all stock bonus plans maintained by the employer shall be treated as a single plan, and

"(II) trusts which are not qualified trusts under section 401(a) and annuity contracts which do not satisfy the requirements of section 404(a)(2) shall not be taken into account.

"(iii) COMMUNITY PROPERTY LAWS.—The provisions of this paragraph shall be applied without regard to community property laws.

"(iv) AMOUNTS SUBJECT TO PENALTY.—This paragraph shall not apply to amounts described in subparagraph (A) of section 72(m)(5) to the extent that section 72(m)(5) applies to such amounts.

"(v) BALANCE TO CREDIT OF EMPLOYEE NOT TO INCLUDE AMOUNTS PAYABLE UNDER QUALIFIED DOMESTIC RELATIONS ORDER.—For purposes of this paragraph, the balance to the credit of an employee shall not include any amount payable to an alternate payee under a qualified domestic relations order (within the meaning of section 414(p)).

"(vi) TRANSFERS TO COST-OF-LIVING ARRANGEMENT NOT TREATED AS DISTRIBUTION.—For purposes of this paragraph, the balance to the credit of an employee under a defined contribution plan shall not include any amount transferred from such defined contribution plan to a qualified cost-of-living arrangement (within the meaning of section 415(k)(2)) under a defined benefit plan.

"(vii) LUMP-SUM DISTRIBUTIONS OF ALTERNATE PAYEES.—If any distribution or payment of the balance to the credit of an employee would be treated as a lump-sum distribution, then, for purposes of this paragraph, the payment under a qualified domestic relations order (within the meaning of section 414(p)) of the balance to the credit of an alternate payee who is the spouse or former spouse of the employee shall be treated as a lump-sum distribution. For purposes of this clause, the balance to the credit of the alternate payee shall not include any amount payable to the employee."

(2) Section 402(c) (relating to rules applicable to rollovers from exempt trusts) is amended by striking paragraph (10).

(3) Paragraph (1) of section 55(c) (defining regular tax) is amended by striking "shall not include any tax imposed by section 402(d) and".

(4) Paragraph (8) of section 62(a) (relating to certain portion of lump-sum distributions from pension plans taxed under section 402(d)) is hereby repealed.

(5) Section 401(a)(28)(B) (relating to coordination with distribution rules) is amended by striking clause (v).

(6) Subparagraph (B)(ii) of section 401(k)(10) (relating to distributions that must be lump-sum distributions) is amended to read as follows:

"(ii) LUMP-SUM DISTRIBUTION.—For purposes of this subparagraph, the term 'lump-sum distribution' means any distribution of the balance to the credit of an employee immediately before the distribution."

(7) Section 406(c) (relating to termination of status as deemed employee not to be treated as separation from service for purposes of limitation of tax) is hereby repealed.

(8) Section 407(c) (relating to termination of status as deemed employee not to be treated as separation from service for purposes of limitation of tax) is hereby repealed.

(9) Section 691(c) (relating to deduction for estate tax) is amended by striking paragraph (5).

(10) Paragraph (1) of section 871(b) (relating to imposition of tax) is amended by striking "section 1, 55, or 402(d)(1)" and inserting "section 1 or 55".

(11) Subsection (b) of section 877 (relating to alternative tax) is amended by striking "section 1, 55, or 402(d)(1)" and inserting "section 1 or 55".

(12) Section 4980A(c)(4) is amended—

(A) by striking "to which an election under section 402(e)(4)(B) applies" and inserting "(as defined in section 402(e)(4)(D)) with respect to which the individual elects to have this paragraph apply",

(B) by adding at the end the following new flush sentence:

"An individual may elect to have this paragraph apply to only one lump-sum distribution.", and

(C) by striking the heading and inserting:

"(4) SPECIAL ONE-TIME ELECTION.—".

(13) Section 402(e) is amended by striking paragraph (5).

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

(2) RETENTION OF CERTAIN TRANSITION RULES.—Notwithstanding any other provision of this section, the amendments made by this section shall not apply to any distribution for which the taxpayer elects the benefits of section 1122 (h)(3) or (h)(5) of the Tax Reform Act of 1986. For purposes of the preceding sentence, the rules of sections 402(c)(10) and 402(d) (as in effect before the amendments made by this Act) shall apply.

SEC. 102. REPEAL OF $5,000 EXCLUSION OF EMPLOYEES' DEATH BENEFITS.

(a) IN GENERAL.—Subsection (b) of section 101 is hereby repealed.

(b) CONFORMING AMENDMENT.—Subsection (c) of section 101 is amended by striking "subsection (a) or (b)" and inserting "subsection (a)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

SEC. 103. SIMPLIFIED METHOD FOR TAXING ANNUITY DISTRIBUTIONS UNDER CERTAIN EMPLOYER PLANS.

(a) GENERAL RULE.—Subsection (d) of section 72 (relating to annuities; certain proceeds of endowment and life insurance contracts) is amended to read as follows:

"(d) SPECIAL RULES FOR QUALIFIED EMPLOYER RETIREMENT PLANS.—

"(1) SIMPLIFIED METHOD OF TAXING ANNUITY PAYMENTS.—

"(A) IN GENERAL.—In the case of any amount received as an annuity under a qualified employer retirement plan—

"(i) subsection (b) shall not apply, and

"(ii) the investment in the contract shall be recovered as provided in this paragraph.

"(B) METHOD OF RECOVERING INVESTMENT IN CONTRACT.—

"(i) IN GENERAL.—Gross income shall not include so much of any monthly annuity payment under a qualified employer retirement plan as does not exceed the amount obtained by dividing—

"(I) the investment in the contract (as of the annuity starting date), by

"(II) the number of anticipated payments determined under the table contained in clause (iii) (or, in the case of a contract to which subsection (c)(3)(B) applies, the number of monthly annuity payments under such contract).

"(ii) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of paragraphs (2) and (3) of subsection (b) shall apply for purposes of this paragraph.

"(iii) NUMBER OF ANTICIPATED PAYMENTS.—

"If the age of the primary annuitant on the annuity starting date is: | The number of anticipated payments is:

Not more than 55	300
More than 55 but not more than 60	260
More than 60 but not more than 65	240
More than 65 but not more than 70	170
More than 70	120

"(C) ADJUSTMENT FOR REFUND FEATURE NOT APPLICABLE.—For purposes of this paragraph, investment in the contract shall be determined under subsection (c)(1) without regard to subsection (c)(2).

"(D) SPECIAL RULE WHERE LUMP SUM PAID IN CONNECTION WITH COMMENCEMENT OF ANNUITY PAYMENTS.—If, in connection with the commencement of annuity payments under any qualified employer retirement plan, the taxpayer receives a lump sum payment—

"(i) such payment shall be taxable under subsection (e) as if received before the annuity starting date, and

"(ii) the investment in the contract for purposes of this paragraph shall be determined as if such payment had been so received.

"(E) EXCEPTION.—This paragraph shall not apply in any case where the primary annuitant has attained age 75 on the annuity starting date unless there are fewer than 5 years of guaranteed payments under the annuity.

"(F) ADJUSTMENT WHERE ANNUITY PAYMENTS NOT ON MONTHLY BASIS.—In any case where the annuity payments are not made on a monthly basis, appropriate adjustments in the application of this paragraph shall be made to take into account the period on the basis of which such payments are made.

"(G) QUALIFIED EMPLOYER RETIREMENT PLAN.—For purposes of this paragraph, the term 'qualified employer retirement plan' means any plan or contract described in paragraph (1), (2), or (3) of section 4974(c).

"(2) TREATMENT OF EMPLOYEE CONTRIBUTIONS UNDER DEFINED CONTRIBUTION PLANS.—For purposes of this section, employee contributions (and any income allocable thereto) under a defined contribution plan may be treated as a separate contract.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply in cases where the annuity starting date is after December 31, 1993.

SEC. 104. REQUIRED DISTRIBUTIONS.

(a) IN GENERAL.—Section 401(a)(9)(C) (defining required beginning date) is amended to read as follows:

"(C) REQUIRED BEGINNING DATE.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'required beginning date' means April 1 of the calendar year following the later of—

"(I) the calendar year in which the employee attains age 70½, or

"(II) the calendar year in which the employee retires.

"(ii) EXCEPTION.—Subclause (II) of clause (i) shall not apply—

"(I) except as provided in section 409(d), in the case of an employee who is a 5-percent owner (as defined in section 416) with respect to the plan year ending in the calendar year in which the employee attains age 70½, or

"(II) for purposes of section 408 (a)(6) or (b)(3).

"(iii) ACTUARIAL ADJUSTMENT.—In the case of an employee to whom clause (i)(II) applies who retires in a calendar year after the calendar year in which the employee attains age 70½, the employee's accrued benefit shall be actuarially increased to take into account the period after age 70½ in which the employee was not receiving any benefits under the plan.

"(iv) EXCEPTION FOR GOVERNMENTAL AND CHURCH PLANS.—Clauses (ii) and (iii) shall not apply in the case of a governmental plan or church plan. For purposes of this clause, the term 'church plan' means a plan maintained by a church for church employees, and the term 'church' means any church (as defined in section 3121(w)(3)(A)) or qualified church-controlled organization (as defined in section 3121(w)(3)(B)).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to years beginning after December 31, 1993.

TITLE II—INCREASED ACCESS TO PENSION PLANS

SEC. 201. MODIFICATIONS OF SIMPLIFIED EMPLOYEE PENSIONS.

(a) INCREASE IN NUMBER OF ALLOWABLE PARTICIPANTS FOR SALARY REDUCTION ARRANGEMENTS.—Section 408(k)(6)(B) is amended by striking "25" each place it appears in the text and heading thereof and inserting "100".

(b) REPEAL OF PARTICIPATION REQUIREMENT.—Section 408(k)(6)(A) is amended by striking clause (ii) and by redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively.

(c) CONFORMING AMENDMENTS.—Clause (ii) of section 408(k)(6)(C) and clause (ii) of section 408(k)(6)(F) are each amended by striking "subparagraph (A)(iii)" and inserting "subparagraph (A)(ii)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1993.

SEC. 202. TAX EXEMPT ORGANIZATIONS ELIGIBLE UNDER SECTION 401(k).

(a) GENERAL RULE.—Subparagraph (B) of section 401(k)(4) is amended to read as follows:

"(B) STATE AND LOCAL GOVERNMENTS NOT ELIGIBLE.—A cash or deferred arrangement shall not be treated as a qualified cash or deferred arrangement if it is part of a plan maintained by a State or local government or political subdivision thereof, or any agency or instrumentality thereof. This subparagraph shall not apply to a rural cooperative plan."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to plan years beginning after December 31, 1993, but shall not apply to any cash or deferred arrangement to which clause (i) of section 1116(f)(2)(B) of the Tax Reform Act of 1986 applies.

SEC. 203. DUTIES OF SPONSORS OF CERTAIN PROTOTYPE PLANS.

(a) IN GENERAL.—The Secretary of the Treasury may, as a condition of sponsorship, prescribe rules defining the duties and responsibilities of sponsors of master and prototype plans, regional prototype plans, and other Internal Revenue Service preapproved plans.

(b) DUTIES RELATING TO PLAN AMENDMENT, NOTIFICATION OF ADOPTERS, AND PLAN ADMINISTRATION.—The duties and responsibilities referred to in subsection (a) may include—

(1) the maintenance of lists of persons adopting the sponsor's plans, including the updating of such lists not less frequently than annually,

(2) the furnishing of notices at least annually to such persons and to the Secretary or his delegate, in such form and at such time as the Secretary shall prescribe,

(3) duties relating to administrative services to such persons in the operation of their plans, and

(4) other duties that the Secretary considers necessary to ensure that—

(A) the master and prototype, regional prototype, and other preapproved plans of adopting employers are timely amended to meet the requirements of the Internal Revenue Code of 1986 or of any rule or regulation of the Secretary, and

(B) adopting employers receive timely notification of amendments and other actions taken by sponsors with respect to their plans.

TITLE III—NONDISCRIMINATION PROVISIONS

SEC. 301. DEFINITION OF HIGHLY COMPENSATED EMPLOYEES.

(a) IN GENERAL.—Paragraph (1) of section 414(q) (defining highly compensated employee) is amended to read as follows:

"(1) IN GENERAL.—The term 'highly compensated employee' means any employee who—

"(A) was a 5-percent owner at any time during the year or the preceding year, or

"(B) had compensation for the preceding year from the employer in excess of $50,000.

The Secretary shall adjust the $50,000 amount under subparagraph (B) at the same time and in the same manner as under section 415(d).".

(b) SPECIAL RULE WHERE NO EMPLOYEES TREATED AS HIGHLY COMPENSATED.—Paragraph (2) of section 414(q) is amended to read as follows:

"(2) SPECIAL RULE IF NO EMPLOYEE DESCRIBED IN PARAGRAPH (1).—

"(A) IN GENERAL.—If no employee is treated as a highly compensated employee under paragraph (1), the officer who has the highest compensation for the year shall be treated as a highly compensated employee.

"(B) EXCEPTION.—This paragraph shall not apply to any organization exempt from tax under this subtitle with respect to a plan if—

"(i) the plan is maintained by more than one employer,

"(ii) either—

"(I) in the case of a plan to which section 410(b)(6)(E) or 403(b) apply, at least 90 percent of the organization's nonexcludable employees are eligible to participate in the plan, or

"(II) in the case of any other plan, a fair cross section of individuals employed by the organization benefit under the plan,

"(iii) all similarly situated participants employed by the organization are eligible on a uniform basis for the same benefits and features under the plan, and

"(iv) the plan was in effect on April 1, 1993, and at all times thereafter, except that in the case of a cash or deferred arrangement adopted by such organization, the date which is 12 months after the date of enactment of this paragraph shall be substituted for April 1, 1993.".

(c) TREATMENT OF FAMILY MEMBERS.—Paragraph (6) of section 414(q) is hereby repealed.

(d) CONFORMING AMENDMENTS.—

(1) Paragraphs (4), (5), (8), and (12) of section 414(q) are hereby repealed.

(2)(A) Section 414(r) is amended by adding at the end thereof the following new paragraph:

"(9) EXCLUDED EMPLOYEES.—For purposes of this subsection, the following employees shall be excluded:

"(A) Employees who have not completed 6 months of service.

"(B) Employees who normally work less than 17½ hours per week.

"(C) Employees who normally work not more than 6 months during any year.

"(D) Employees who have not attained the age of 21.

"(E) Except to the extent provided in regulations, employees who are included in a unit of employees covered by an agreement which the Secretary of Labor finds to be a collective bargaining agreement between employee representatives and the employer.

Except as provided by the Secretary, the employer may elect to apply subparagraph (A), (B), (C), or (D) by substituting a shorter period of service, smaller number of hours or months, or lower age for the period of service, number of hours or months, or age (as the case may be) specified in such subparagraph.".

(B) Subparagraph (A) of section 414(r)(2) is amended by striking "subsection (q)(8)" and inserting "paragraph (9)".

(3) Paragraph (17) of section 401(a) is amended by striking the last sentence.

(4) Subsection (l) of section 404 is amended by striking the last sentence.

(5) Section 1114(c)(4) of the Tax Reform Act of 1986 is amended by adding at the end the following new sentence: "Any reference in this paragraph to section 414(q) shall be treated as a reference to such section as in effect before the Revenue Act of 1992."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1993.

SEC. 302. MODIFICATION OF ADDITIONAL PARTICIPATION REQUIREMENTS.

(a) GENERAL RULE.—Section 401(a)(26)(A) (relating to additional participation requirements) is amended to read as follows:

"(A) IN GENERAL.—In the case of a trust which is a part of a defined benefit plan, such trust shall not constitute a qualified trust under this subsection unless on each day of the plan year such trust benefits at least the lesser of—

"(i) 50 employees of the employer, or

"(ii) the greater of—

"(I) 40 percent of all employees of the employer, or

"(II) 2 employees (or if there is only 1 employee, such employee).".

(b) SEPARATE LINE OF BUSINESS TEST.—Section 401(a)(26)(G) (relating to separate line of business) is amended by striking "paragraph (7)" and inserting "paragraph (2)(A) or (7)".

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 1993.

SEC. 303. NONDISCRIMINATION RULES FOR QUALIFIED CASH OR DEFERRED ARRANGEMENTS AND MATCHING CONTRIBUTIONS.

(a) ALTERNATIVE METHODS OF SATISFYING SECTION 401(k) NONDISCRIMINATION TESTS.—Section 401(k) (relating to cash or deferred arrangements) is amended by adding at the end thereof the following new paragraph:

"(11) ALTERNATIVE METHODS OF MEETING NONDISCRIMINATION REQUIREMENTS.—

"(A) IN GENERAL.—A cash or deferred arrangement shall be treated as meeting the requirements of paragraph (3)(A)(ii) if such arrangement—

"(i) meets the contribution requirements of subparagraph (B) or (C), and

"(ii) meets the notice requirements of subparagraph (D).

"(B) MATCHING CONTRIBUTIONS.—

"(i) IN GENERAL.—The requirements of this subparagraph are met if, under the arrangement, the employer makes matching contributions on behalf of each employee who is not a highly compensated employee in an amount equal to—

"(I) 100 percent of the elective contributions of the employee to the extent such elective contributions do not exceed 3 percent of the employee's compensation, and

"(II) 50 percent of the elective contributions of the employee to the extent that such elective contributions exceed 3 percent but do not exceed 5 percent of the employee's compensation.

"(ii) RATE FOR HIGHLY COMPENSATED EMPLOYEES.—The requirements of this subparagraph are not met if, under the arrangement, the matching contribution with respect to any elective contribution of a highly compensated employee at any level of compensation is greater than that with respect to an employee who is not a highly compensated employee.

"(iii) ALTERNATIVE PLAN DESIGNS.—If the matching contribution with respect to any elective contribution at any specific level of compensation is not equal to the percentage required under clause (i), an arrangement shall not be treated as failing to meet the requirements of clause (i) if—

"(I) the level of an employer's matching contribution does not increase as an employee's elective contributions increase, and

"(II) the aggregate amount of matching contributions with respect to elective contributions not in excess of such level of compensation is at least equal to the amount of matching contributions which would be made if matching contributions were made on the basis of the percentages described in clause (i).

"(C) NONELECTIVE CONTRIBUTIONS.—The requirements of this subparagraph are met if, under the arrangement, the employer is required, without regard to whether the employee makes an elective contribution or employee contribution, to make a contribution to a defined contribution plan on behalf of each employee who is not a highly compensated employee and who is eligible to participate in the arrangement in an amount equal to at least 3 percent of the employee's compensation.

"(D) NOTICE REQUIREMENT.—An arrangement meets the requirements of this paragraph if, under the arrangement, each employee eligible to participate is, within a reasonable period before any year, given written notice of the employee's rights and obligations under the arrangement which—

"(i) is sufficiently accurate and comprehensive to appraise the employee of such rights and obligations, and

"(ii) is written in a manner calculated to be understood by the average employee eligible to participate.

"(E) OTHER REQUIREMENTS.—

"(i) WITHDRAWAL AND VESTING RESTRICTIONS.—An arrangement shall not be treated as meeting the requirements of subparagraph (B) or (C) unless the requirements of subparagraphs (B) and (C) of paragraph (2) are met with respect to all employer contributions (including matching contributions).

"(ii) SOCIAL SECURITY AND SIMILAR CONTRIBUTIONS NOT TAKEN INTO ACCOUNT.—An arrangement shall not be treated as meeting the requirements of subparagraph (B) or (C) unless such requirements are met without regard to subsection (l), and, for purposes of subsection (l), employer contributions under subparagraph (B) or (C) shall not be taken into account.

"(F) OTHER PLANS.—An arrangement shall be treated as meeting the requirements under subparagraph (A)(i) if any other plan maintained by the employer meets such requirements with respect to employees eligible under the arrangement.".

(b) ALTERNATIVE METHODS OF SATISFYING SECTION 401(m) NONDISCRIMINATION TESTS.—Section 401(m) (relating to nondiscrimination test for matching contributions and employee contributions) is amended by redesignating paragraph (10) as paragraph (11) and by adding after paragraph (9) the following new paragraph:

"(10) ALTERNATIVE METHOD OF SATISFYING TESTS.—

"(A) IN GENERAL.—A defined contribution plan shall be treated as meeting the requirements of paragraph (2) with respect to matching contributions if the plan—

"(i) meets the contribution requirements of subparagraph (B) or (C) of subsection (k)(11),

"(ii) meets the notice requirements of subsection (k)(11)(D), and

"(iii) meets the requirements of subparagraph (B).

"(B) LIMITATION ON MATCHING CONTRIBUTIONS.—The requirements of this subparagraph are met if—

"(i) matching contributions on behalf of any employee may not be made with respect to an employee's contributions or elective deferrals in excess of 6 percent of the employee's compensation,

"(ii) the level of an employer's matching contribution does not increase as an employee's contributions or elective deferrals increase, and

"(iii) the matching contribution with respect to any highly compensated employee at a specific level of compensation is not greater than that with respect to an employee who is not a highly compensated employee.".

(c) YEAR FOR COMPUTING NONHIGHLY COMPENSATED EMPLOYEE PERCENTAGE.—

(1) CASH OR DEFERRED ARRANGEMENTS.—Clause (ii) of section 401(k)(3)(A) is amended—

(A) by striking "such year" and inserting "the plan year", and

(B) by striking "for such plan year" and inserting "the preceding plan year".

(2) MATCHING AND EMPLOYEE CONTRIBUTIONS.—Section 401(m)(2)(A) is amended—

(A) by inserting "for such plan year" after "highly compensated employee", and

(B) by inserting "for the preceding plan year" after "eligible employees" each place it appears in clause (i) and clause (ii).

(d) SPECIAL RULE FOR DETERMINING AVERAGE DEFERRAL PERCENTAGE FOR FIRST PLAN YEAR, ETC.—

(1) Paragraph (3) of section 401(k) is amended by adding at the end thereof the following new subparagraph:

"(E) For purposes of this paragraph, in the case of the first plan year of any plan, the amount taken into account as the actual deferral percentage of nonhighly compensated employees for the preceding plan year shall be—

"(i) 3 percent, or

"(ii) if the employer makes an election under this subclause, the actual deferral percentage of nonhighly compensated employees determined for such first plan year."

(2) Paragraph (3) of section 401(m) is amended by adding at the end thereof the following: "Rules similar to the rules of subsection (k)(3)(E) shall apply for purposes of this subsection."

(e) DISTRIBUTION OF EXCESS CONTRIBUTIONS.—

(1) Subparagraph (C) of section 401(k)(8) (relating to arrangement not disqualified if excess contributions distributed) is amended by striking "on the basis of the respective portions of the excess contributions attributable to each of such employees" and inserting "on the basis of the amount of contributions by, or on behalf of, each of such employees".

(2) Subparagraph (C) of section 401(m)(6) (relating to method of distributing excess aggregate contributions) is amended by striking "on the basis of the respective portions of such amounts attributable to each of such employees" and inserting "on the basis of the amount of contributions on behalf of, or by, each such employee".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1993.

TITLE IV—MISCELLANEOUS SIMPLIFICATION

SEC. 401. TREATMENT OF LEASED EMPLOYEES.

(a) GENERAL RULE.—Subparagraph (C) of section 414(n)(2) (defining leased employee) is amended to read as follows:

"(C) such services are performed under significant direction or control by the recipient.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to years beginning after December 31, 1993, but shall not apply to any relationship determined under an Internal Revenue Service ruling issued before the date of the enactment of this Act pursuant to section 414(n)(2)(C) of the Internal Revenue Code of 1986 (as in effect on the day before such date) not to involve a leased employee.

SEC. 402. MODIFICATIONS OF COST-OF-LIVING ADJUSTMENTS.

(a) IN GENERAL.—Section 415(d) (relating to cost-of-living adjustments) is amended to read as follows:

"(d) COST-OF-LIVING ADJUSTMENTS.—

"(1) IN GENERAL.—The Secretary shall adjust annually—

"(A) the $90,000 amount in subsection (b)(1)(A), and

"(B) in the case of a participant who separated from service, the amount taken into account under subsection (b)(1)(B),

for increases in the cost-of-living in accordance with regulations prescribed by the Secretary.

"(2) METHOD.—

"(A) IN GENERAL.—The regulations prescribed under paragraph (1) shall provide for adjustment procedures which are similar to the procedures used to adjust benefit amounts under section 215(i)(2)(A) of the Social Security Act.

"(B) PERIODS FOR ADJUSTMENT OF DOLLAR AMOUNT.—For purposes of paragraph (1)(A)—

"(i) IN GENERAL.—The adjustment with respect to any calendar year shall be based on the increase in the applicable index as of the close of the calendar quarter ending September 30 of the preceding calendar year over such index as of the close of the base period.

"(ii) BASE PERIOD.—For purposes of clause (i), the base period is the calendar quarter beginning October 1, 1986.

"(C) BASE PERIOD FOR SEPARATIONS.—For purposes of paragraph (1)(B), the base period is the last calendar quarter of the calendar year preceding the calendar year in which the participant separated from service.

"(3) ROUNDING.—Any amount determined under paragraph (1) (or by reference to this subsection) shall be rounded to the nearest $1,000, except that the amounts under sections 402(g)(1) and 408(k)(2)(C) shall be rounded to the nearest $100.".

(b) EFFECTIVE DATE.—The amendments made by this section apply to adjustments with respect to calendar years beginning after December 31, 1993.

SEC. 403. PLANS COVERING SELF-EMPLOYED INDIVIDUALS.

(a) AGGREGATION RULES.—Section 401(d) (relating to additional requirements for qualification of trusts and plans benefiting owner-employees) is amended to read as follows:

"(d) CONTRIBUTION LIMIT ON OWNER-EMPLOYEES.—A trust forming part of a pension or profit-sharing plan which provides contributions or benefits for employees some or all of whom are owner-employees shall constitute a qualified trust under this section only if, in addition to meeting the requirements of subsection (a), the plan provides that contributions on behalf of any owner-employee may be made only with respect to the earned income of such owner-employee which is derived from the trade or business with respect to which such plan is established.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1993.

SEC. 404. ELIMINATION OF SPECIAL VESTING RULE FOR MULTIEMPLOYER PLANS.

(a) IN GENERAL.—Paragraph (2) of section 411(a) (relating to minimum vesting standards) is amended—

(1) by striking "subparagraph (A), (B), or (C)" and inserting "subparagraph (A) or (B)"; and

(2) by striking subparagraph (C).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning on or after the earlier of—

(1) the later of—

(A) January 1, 1994, or

(B) the date on which the last of the collective bargaining agreements pursuant to which the plan is maintained terminates (determined without regard to any extension thereof after the date of the enactment of this Act), or

(2) January 1, 1996.

Such amendments shall not apply to any individual who does not have more than 1 hour of service under the plan on or after the 1st day of the 1st plan year to which such amendments apply.

SEC. 405. FULL-FUNDING LIMITATION OF MULTIEMPLOYER PLANS.

(a) FULL-FUNDING LIMITATION.—Section 412(c)(7)(C) (relating to full-funding limitation) is amended—

(1) by inserting "or in the case of a multiemployer plan," after "paragraph (6)(B),", and

(2) by inserting "AND MULTIEMPLOYER PLANS" after "PARAGRAPH (6)(B)" in the heading thereof.

(b) VALUATION.—Section 412(c)(9) is amended—

(1) by inserting "(3 years in the case of a multiemployer plan)" after "year", and

(2) by striking "ANNUAL VALUATION" in the heading and inserting "VALUATION".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1993.

SEC. 406. ALTERNATIVE FULL-FUNDING LIMITATION.

(a) IN GENERAL.—Subsection (c) of section 412 (relating to minimum funding standards) is amended by redesignating paragraphs (8) through (11) as paragraphs (9) through (12), respectively, and by adding after paragraph (7) the following new paragraph:

"(8) ALTERNATIVE FULL-FUNDING LIMITATION.—

"(A) GENERAL RULE.—An employer may elect the full-funding limitation under this paragraph with respect to any defined benefit plan of the employer in lieu of the full-funding limitation determined under paragraph (7) if the requirements of subparagraphs (C) and (D) are met.

"(B) ALTERNATIVE FULL-FUNDING LIMITATION.—The full-funding limitation under this paragraph is the full-funding limitation determined under paragraph (7) without regard to subparagraph (A)(i)(I) thereof.

"(C) REQUIREMENTS RELATING TO PLAN ELIGIBILITY.—

"(i) IN GENERAL.—The requirements of this subparagraph are met with respect to a defined benefit plan if—

"(I) as of the 1st day of the election period, the average accrued liability of participants accruing benefits under the plan for the 5 immediately preceding plan years is at least 80 percent of the plan's total accrued liability,

"(II) the plan is not a top-heavy plan (as defined in section 416(g)) for the 1st plan year of the election period or either of the 2 preceding plan years, and

"(III) each defined benefit plan of the employer (and each defined benefit plan of each employer who is a member of any controlled group which includes such employer) meets the requirements of subclauses (I) and (II).

"(ii) FAILURE TO CONTINUE TO MEET REQUIREMENTS.—

"(I) If any plan fails to meet the requirement of clause (i)(I) for any plan year during an election period, the benefits of the election under this paragraph shall be phased out under regulations prescribed by the Secretary.

"(II) If any plan fails to meet the requirement of clause (i)(II) for any plan year during an election period, such plan shall be treated as not meeting the requirements of clause (i) for the remainder of the election period.

If there is a failure described in subclause (I) or (II) with respect to any plan, such plan (and each plan described in clause (i)(III) with respect to such plan) shall be treated as not meeting the requirements of clause (i) for any of the 10 plan years beginning after the election period.

"(D) REQUIREMENTS RELATING TO ELECTION.—

"(i) IN GENERAL.—The requirements of this subparagraph are met with respect to an election if—

"(I) FILING DATE.—Notice of such election is filed with the Secretary (in such form and manner and containing such information as the Secretary may provide) by January 1 of any calendar year, and is effective as of the 1st day of the election period beginning on or after January 1 of the following calendar year.

"(II) CONSISTENT ELECTION.—Such an election is made for all defined benefit plans maintained by the employer or by any member of a controlled group which includes the employer.

"(ii) TRANSITION PERIOD.—In the case of any election period beginning on or after July 1, 1993, and before January 1, 1994, the requirements of clause (i) shall not apply and the requirements of this subparagraph are met with respect to such election period if—

"(I) FILING DATE.—Notice of election is filed with the Secretary by October 1, 1993.

"(II) INFORMATION.—The notice sets forth the name and tax identification number of the plan sponsor, the names and tax identification numbers of the plans to which the election applies, the limitation under paragraph (7) (determined with and without regard to this paragraph), and a signed certification by an officer of the employer stating that the requirements of this paragraph have been met.

"(iii) REVENUE OFFSET PROCEDURES.—The Secretary shall, by January 1, 1994, notify defined benefit plans that have not made an election under this paragraph for the transition period described in clause (ii) of the adjustment required by subparagraph (H). The revenue offset for the transition period shall apply to plan years beginning on or after July 1, 1993, and before January 1, 1994.

"(iv) EXCESS CONTRIBUTIONS MADE BY NONELECTING PLANS.—To the extent a defined benefit plan sponsor makes a contribution to a defined benefit plan with respect to the transition period described in clause (ii) which exceeds the limitation of paragraph (7), as adjusted by the Secretary for the transition period, the sponsor shall offset the excess contribution against allowable contributions to the plan in subsequent quarters in the taxable year of the sponsor. If no subsequent contributions may be made for the taxable year, the trustee of the defined benefit plan shall return the excess contribution to the sponsor in that taxable year or the following taxable year. Notwithstanding any other provision of this title, no deduction shall be allowed for any contribution made in excess of the limitation of paragraph (7), as adjusted by the Secretary for the transition period, and no penalty shall apply with respect to contributions made in excess of such limitation to the extent such excess contributions are either used to offset subsequent contributions, or returned to the plan sponsor, as provided in this clause.

"(E) TERM OF ELECTION.—Any election made under this paragraph shall apply for the election period.

"(F) OTHER CONSEQUENCES OF ELECTION.—

"(i) NO FUNDING WAIVERS.—In the case of a plan with respect to which an election is made under this paragraph, no waiver may be granted under subsection (d) for any plan year beginning after the date the election was made and ending at the close of the election period with respect thereto.

"(ii) FAILURE TO MAKE SUCCESSIVE ELECTIONS.—If an election is made under this paragraph with respect to any plan and such an election does not apply for each successive plan year of such plan, such plan shall be treated as not meeting the requirements of subparagraph (C) for the period of 10 plan years beginning after the close of the last election period for such plan.

"(G) DEFINITIONS.—For purposes of this paragraph—

"(i) ELECTION PERIOD.—The term 'election period' means the period of 5 consecutive plan years beginning with the 1st plan year for which the election is made.

"(ii) CONTROLLED GROUP.—The term 'controlled group' means all persons who are treated as a single employer under subsection (b), (c), (m), or (o) of section 414.

"(H) PROCEDURES IF ALTERNATIVE FUNDING LIMITATION REDUCES NET FEDERAL REVENUES.—

"(i) IN GENERAL.—At least once with respect to each fiscal year, the Secretary shall estimate whether the application of this paragraph will result in a net reduction in Federal revenues for such fiscal year.

"(ii) ADJUSTMENT OF FULL-FUNDING LIMITATION IF REVENUE SHORTFALL.—If the Secretary estimates that the application of this paragraph will result in a more than insubstantial net reduction in Federal revenues for any fiscal year, the Secretary—

"(I) shall make the adjustment described in clause (iii), and

"(II) to the extent such adjustment is not sufficient to reduce such reduction to an insubstantial amount, shall make the adjustment described in clause (iv).

Such adjustments shall apply only to defined benefit plans with respect to which an election under this paragraph is not in effect.

"(iii) REDUCTION IN LIMITATION BASED ON 150 PERCENT OF CURRENT LIABILITY.—The adjustment described in this clause is an adjustment which substitutes a percentage (not lower than 140 percent) for the percentage described in paragraph (7)(A)(i)(I) determined by reducing the percentage of current liability taken into account with respect to participants who are not accruing benefits under the plan.

"(iv) REDUCTION IN LIMITATION BASED ON ACCRUED LIABILITY.—The adjustment described in this clause is an adjustment which reduces the percentage of accrued liability taken into account under paragraph (7)(A)(i)(II). In no event may the amount of accrued liability taken into account under such paragraph after the adjustment be less than 140 percent of current liability.".

(b) ALTERATION OF DISCRETIONARY REGULATORY AUTHORITY.—Subparagraph (D) of section 412(c)(7) is amended by striking "provide—" and all that follows through "(iii) for" and inserting "provide for".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1993.

SEC. 407. DISTRIBUTIONS UNDER RURAL COOPERATIVE PLANS.

(a) DISTRIBUTIONS AFTER CERTAIN AGE.—Section 401(k)(7) is amended by adding at the end thereof the following new subparagraph:

"(C) SPECIAL RULE FOR CERTAIN DISTRIBUTIONS.—A rural cooperative plan which includes a qualified cash or deferred arrangement shall not be treated as violating the requirements of section 401(a) merely by reason of a distribution to a participant after attainment of age 59½.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after the date of the enactment of this Act.

SEC. 408. TREATMENT OF GOVERNMENTAL PLANS UNDER SECTION 415.

(a) DEFINITION OF COMPENSATION.—Subsection (k) of section 415 (regarding limitations on benefits and contributions under qualified plans) is amended by adding immediately after paragraph (2) thereof the following new paragraph:

"(3) DEFINITION OF COMPENSATION FOR GOVERNMENTAL PLANS.—For purposes of this section, in the case of a governmental plan (as defined in section 414(d)), the term 'compensation' includes, in addition to the amounts described in subsection (c)(3),—

"(A) any elective deferral (as defined in section 402(g)(3)), and

"(B) any amount which is contributed by the employer at the election of the employee and which is not includible in the gross income of an employee under section 125 or 457."

(b) COMPENSATION LIMIT.—Subsection (b) of section 415 is amended by adding immediately after paragraph (10) the following new paragraph:

"(11) SPECIAL LIMITATION RULE FOR GOVERNMENTAL PLANS.—In the case of a governmental plan (as defined in section 414(d)), subparagraph (B) of paragraph (1) shall not apply.".

(c) TREATMENT OF CERTAIN EXCESS BENEFIT PLANS.—

(1) IN GENERAL.—Section 415 is amended by adding at the end thereof the following new subsection:

"(m) TREATMENT OF QUALIFIED GOVERNMENTAL EXCESS BENEFIT ARRANGEMENTS.—

"(1) GOVERNMENTAL PLAN NOT AFFECTED.—In determining whether a governmental plan (as defined in section 414(d)) meets the requirements of this section, benefits provided under a qualified governmental excess benefit arrangement shall not be taken into account. Income accruing to a governmental plan (or to a trust that is maintained solely for the purpose of providing benefits under a qualified governmental excess benefit arrangement) in respect of a qualified governmental excess benefit arrangement shall constitute income derived from the exercise of an essential governmental function upon which such governmental plan (or trust) shall be exempt from tax under section 115.

"(2) TAXATION OF PARTICIPANT.—For purposes of this chapter—

"(A) the taxable year or years for which amounts in respect of a qualified governmental excess benefit arrangement are includible in gross income by a participant, and

"(B) the treatment of such amounts when so includible by the participant,

shall be determined as if such qualified governmental excess benefit arrangement were treated as a plan for the deferral of compensation which is maintained by a corporation not exempt from tax under this chapter and which does not meet the requirements for qualification under section 401.

"(3) QUALIFIED GOVERNMENTAL EXCESS BENEFIT ARRANGEMENT.—For purposes of this subsection, the term 'qualified governmental excess benefit arrangement' means a portion of a governmental plan if—

"(A) such portion is maintained solely for the purpose of providing to participants in the plan that part of the participant's annual benefit otherwise payable under the terms of the plan that exceeds the limitations on benefits imposed by this section,

"(B) under such portion no election is provided at any time to the participant (directly or indirectly) to defer compensation, and

"(C) benefits described in subparagraph (A) are not paid from a trust forming a part of such governmental plan unless such trust is maintained solely for the purpose of providing such benefits.".

(2) COORDINATION WITH SECTION 457.—Subsection (e) of section 457 is amended by adding at the end thereof the following new paragraph:

"(15) TREATMENT OF QUALIFIED GOVERNMENTAL EXCESS BENEFIT ARRANGEMENTS.—Subsections (b)(2) and (c)(1) shall not apply to any qualified governmental excess benefit arrangement (as defined in section 415(m)(3)), and benefits provided under such an arrangement shall not be taken into account in determining whether any other plan is an eligible deferred compensation plan.".

(3) CONFORMING AMENDMENT.—Paragraph (2) of section 457(f) is amended by striking the word "and" at the end of subparagraph (C), by striking the period after subparagraph (D) and inserting the words ", and", and by inserting immediately thereafter the following new subparagraph:

"(E) a qualified governmental excess benefit arrangement described in section 415(m)."

(d) EXEMPTION FOR SURVIVOR AND DISABILITY BENEFITS.—Paragraph (2) of section 415(b) is amended by adding at the end thereof the following new subparagraph:

"(I) EXEMPTION FOR SURVIVOR AND DISABILITY BENEFITS PROVIDED UNDER GOVERNMENTAL PLANS.—Subparagraph (B) of paragraph (1), subparagraph (C) of this paragraph, and paragraph (5) shall not apply to—

"(i) income received from a governmental plan (as defined in section 414(d)) as a pension, annuity, or similar allowance as the result of the recipient becoming disabled by reason of personal injuries or sickness, or

"(ii) amounts received from a governmental plan by the beneficiaries, survivors, or the estate of an employee as the result of the death of the employee.".

(e) REVOCATION OF GRANDFATHER ELECTION.—Subparagraph (C) of section 415(b)(10) is amended by adding at the end thereof the following new sentence: "An election made pursuant to the preceding sentence to have the provisions of this paragraph applied to the plan may be revoked not later than the last day of the 3rd plan year beginning after the date of enactment with respect to all plan years as to which such election has been applicable and all subsequent plan years; provided that any amount paid by the plan in a taxable year ending after revocation of such election in respect of benefits attributable to a taxable year during which such election was in effect shall be includible in income by the recipient in accordance with the rules of this chapter in the taxable year in which such amount is received (except that such amount shall be treated as received for purposes of the limitations imposed by this section in the earlier taxable year or years to which such amount is attributable)."

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsections (a), (b), (c), and (d) shall apply to taxable years beginning on or after the date of the enactment of this Act. The amendments made by subsection (e) shall apply with respect to election revocations adopted after the date of the enactment of this Act.

(2) TREATMENT FOR YEARS BEGINNING BEFORE DATE OF ENACTMENT.—In the case of a governmental plan (as defined in section 414(d) of the Internal Revenue Code of 1986), such plan shall be treated as satisfying the requirements of section 415 of such Code for all taxable years beginning before the date of the enactment of this Act.

SEC. 409. UNIFORM RETIREMENT AGE.

(a) DISCRIMINATION TESTING.—Paragraph (5) of section 401(a) (relating to special rules relating to nondiscrimination requirements) is amended by adding at the end thereof the following new subparagraph:

"(F) SOCIAL SECURITY RETIREMENT AGE.—For purposes of testing for discrimination under paragraph (4)—

"(i) the social security retirement age (as defined in section 415(b)(8)) shall be treated as a uniform retirement age, and

"(ii) subsidized early retirement benefits and joint and survivor annuities shall not be treated as being unavailable to employees on the same terms merely because such benefits or annuities are based in whole or in part on an employee's social security retirement age (as so defined).".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1993.

SEC. 410. UNIFORM PENALTY PROVISIONS TO APPLY TO CERTAIN PENSION REPORTING REQUIREMENTS.

(a) IN GENERAL.—

(1) Paragraph (1) of section 6724(d) is amended by striking "and" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ", and", and by inserting after subparagraph (B) the following new subparagraph:

"(C) any statement of the amount of payments to another person required to be made to the Secretary under—

"(i) section 408(i) (relating to reports with respect to individual retirement accounts or annuities), or

"(ii) section 6047(d) (relating to reports by employers, plan administrators, etc.).".

(2) Paragraph (2) of section 6724(d) is amended by striking "or" at the end of subparagraph (R), by striking the period at the end of subparagraph (S) and inserting a comma, and by inserting after subparagraph (S) the following new subparagraphs:

"(T) section 408(i) (relating to reports with respect to individual retirement plans) to any person other than the Secretary with respect to the amount of payments made to such person, or

"(U) section 6047(d) (relating to reports by plan administrators) to any person other than the Secretary with respect to the amount of payments made to such person.".

(b) MODIFICATION OF REPORTABLE DESIGNATED DISTRIBUTIONS.—

(1) SECTION 408.—Subsection (i) of section 408 (relating to individual retirement account reports) is amended by inserting "aggregating $10 or more in any calendar year" after "distributions".

(2) SECTION 6047.—Paragraph (1) of section 6047(d) (relating to reports by employers, plan administrators, etc.) is amended by adding at the end thereof the following new sentence: "No return or report may be required under the preceding sentence with respect to distributions to any person during any year unless such distributions aggregate $10 or more."

(c) QUALIFYING ROLLOVER DISTRIBUTIONS.—Section 6652(i) is amended—

(1) by striking "the $10" and inserting "$100", and

(2) by striking "$5,000" and inserting "$50,000".

(d) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 6047(f) is amended to read as follows:

"(1) For provisions relating to penalties for failures to file returns and reports required under this section, see sections 6652(e), 6721, and 6722.".

(2) Subsection (e) of section 6652 is amended by adding at the end thereof the following new sentence: "This subsection shall not apply to any return or statement which is an information return described in section 6724(d)(1)(C)(ii) or a payee statement described in section 6724(d)(2)(U)."

(3) Subsection (a) of section 6693 is amended by adding at the end thereof the following new sentence: "This subsection shall not apply to any report which is an information return described in section 6724(d)(1)(C)(i) or a payee statement described in section 6724(d)(2)(T)."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to returns, reports, and other statements the due date for which (determined without regard to extensions) is after December 31, 1993.

SEC. 411. CONTRIBUTIONS ON BEHALF OF DISABLED EMPLOYEES.

(a) ALL DISABLED PARTICIPANTS RECEIVING CONTRIBUTIONS.—Section 415(c)(3)(C) is amended by adding at the end thereof the following: "If a defined contribution plan provides for the continuation of contributions on behalf of all participants described in clause (i) for a fixed or determinable period, this subparagraph shall be applied without regard to clauses (ii) and (iii)."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1993.

SEC. 412. AFFILIATED EMPLOYERS.

(a) IN GENERAL.—For purposes of Treasury Regulations section 1.501(c)(9)-2(a)(1), a group of employers shall be deemed to be affiliated if they are substantially all section 501(c)(12) organizations which perform services (or with respect to which their members perform services) which are the same or are directly related to each other.

(b) SECTION 501(c)(12) ORGANIZATION.—For purposes of this section, the term "section 501(c)(12) organization" means—

(1) any organization described in section 501(c)(12) of the Internal Revenue Code of 1986,

(2) any organization providing a service which is the same as a service which is (or could be) provided by an organization described in paragraph (1),

(3) any organization described in paragraph (4) or (6) of section 501(c) of such Code, but only if at least 80 percent of the members of the organization are organizations described in paragraph (1) or (2), and

(4) any organization which is a national association of organizations described in paragraph (1), (2), or (3).

An organization described in paragraph (2) (but not in paragraph (1)) shall not be treated as a section 501(c)(12) organization with respect to a voluntary employees' beneficiary association unless a substantial number of employers maintaining such association are described in paragraph (1).

(c) EFFECTIVE DATE.—The provisions of this section shall apply to years beginning after December 31, 1993.

SEC. 413. SPECIAL RULES FOR PLANS COVERING PILOTS.

(a) GENERAL RULE.—

(1) Subparagraph (B) of section 410(b)(3) is amended to read as follows:

"(B) in the case of a plan established or maintained by one or more employers to provide contributions or benefits for air pilots employed by one or more common carriers engaged in interstate or foreign commerce or air pilots employed by carriers transporting mail for or under contract with the United States Government, all employees who are not air pilots."

(2) Paragraph (3) of section 410(b) is amended by striking the last sentence and inserting the following new sentence: "Subparagraph (B) shall not apply in the case of a

plan which provides contributions or benefits for employees who are not air pilots or for air pilots whose principal duties are not customarily performed aboard aircraft in flight."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to years beginning after December 31, 1993.

SEC. 414. TREATMENT OF DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.

(a) SPECIAL RULES FOR PLAN DISTRIBUTIONS.—Paragraph (9) of section 457(e) (relating to other definitions and special rules) is amended to read as follows:

"(9) BENEFITS NOT TREATED AS MADE AVAILABLE BY REASON OF CERTAIN ELECTIONS, ETC.—

"(A) TOTAL AMOUNT PAYABLE IS $3,500 OR LESS.—The total amount payable to a participant under the plan shall not be treated as made available merely because the participant may elect to receive such amount (or the plan may distribute such amount without the participant's consent) if—

"(i) such amount does not exceed $3,500, and

"(ii) such amount may be distributed only if—

"(I) no amount has been deferred under the plan with respect to such participant during the 2-year period ending on the date of the distribution, and

"(II) there has been no prior distribution under the plan to such participant to which this subparagraph applied.

A plan shall not be treated as failing to meet the distribution requirements of subsection (d) by reason of a distribution to which this subparagraph applies.

"(B) ELECTION TO DEFER COMMENCEMENT OF DISTRIBUTIONS.—The total amount payable to a participant under the plan shall not be treated as made available merely because the participant may elect to defer commencement of distributions under the plan if—

"(i) such election is made after amounts may be available under the plan in accordance with subsection (d)(1)(A) and before commencement of such distributions, and

"(ii) the participant may make only 1 such election.".

(b) COST-OF-LIVING ADJUSTMENT OF MAXIMUM DEFERRAL AMOUNT.—Subsection (e) of section 457 is amended by adding at the end thereof the following new paragraph:

"(14) COST-OF-LIVING ADJUSTMENT OF MAXIMUM DEFERRAL AMOUNT.—The Secretary shall adjust the $7,500 amount specified in subsections (b)(2) and (c)(1) at the same time and in the same manner as under section 415(d), except that the base year in applying such section for purposes of this paragraph shall be 1993.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 415. TREATMENT OF EMPLOYER REVERSIONS REQUIRED BY CONTRACT TO BE PAID TO THE UNITED STATES.

(a) IN GENERAL.—Subparagraph (B) of section 4980(c)(2) (defining employer reversion) is amended by striking "or" at the end of clause (i), by striking the period at the end of clause (ii) and inserting ", or", and by adding at the end thereof the following new clause:

"(iii) any distribution to the employer to the extent that the distribution is paid within a reasonable period to the United States in satisfaction of a Federal claim for an equitable share of the plan's surplus assets, as determined pursuant to Federal contracting regulations."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to reversions on or after the date of the enactment of this Act.

SEC. 416. CONTINUATION HEALTH COVERAGE FOR EMPLOYEES OF FAILED FINANCIAL INSTITUTIONS.

(a) ENFORCEMENT OF CONTINUATION OF HEALTH PLAN REQUIREMENTS OF ACQUIRERS OF FAILED DEPOSITORY INSTITUTIONS.—Subsection (f) of section 4980B (relating to continuation of coverage requirements of group health plans) is amended by adding at the end thereof the following new paragraph:

"(9) SPECIAL RULES FOR ACQUIRERS OF FAILED DEPOSITORY INSTITUTIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), any acquirer of a failed depository institution—

"(i) shall have the same obligation to provide a group health plan meeting the requirements of this subsection with respect to qualified individuals of such institution as the failed depository institution would have had but for its failure, and

"(ii) shall be treated as the employer of such qualified individuals for purposes of this section.

"(B) TAX NOT TO APPLY IF FDIC OR RTC PROVIDE CONTINUATION COVERAGE.—No person shall be subject to any liability under this section by reason of being an acquirer of a failed depository institution if the Federal Deposit Insurance Corporation or the Resolution Trust Corporation elects to relieve such acquirer from its obligations under subparagraph (A). In any such case, the requirements of subparagraph (A) shall apply to the Federal Deposit Insurance Corporation or the Resolution Trust Corporation, as the case may be.

"(C) ACQUIRER.—For purposes of this paragraph, an entity is an acquirer of a failed depository institution during any period if—

"(i) such entity holds substantially all of the assets or liabilities of such institution, and

"(ii)(I) such entity is a bridge bank, or

"(II) such entity acquired such assets or liabilities from the Federal Deposit Insurance Corporation, the Resolution Trust Corporation, or a bridge bank.

"(D) FAILED DEPOSITORY INSTITUTION.—For purposes of this section, the term 'failed depository institution' means any depository institution (as defined in section 3(c) of the Federal Deposit Insurance Act) for which a receiver or conservator has been appointed.

"(E) QUALIFIED INDIVIDUAL.—For purposes of this section, the term 'qualified individual' means—

"(i) any individual who was, on the day before the date of the appointment of the receiver or conservator, provided coverage under a group health plan of the failed depository institution by reason of the performance of services for such institution, and

"(ii) any individual who was, on such day, a beneficiary under such plan as the spouse or dependent child of the individual described in clause (i).".

(b) TREATMENT OF DEPOSITORY INSTITUTION FAILURES AS QUALIFYING EVENTS FOR RETIREES OF SUCH INSTITUTIONS.—

(1) IN GENERAL.—Subparagraph (B) of section 4980B(f)(3) is amended—

(A) by striking "The termination" and inserting "(i) The termination",

(B) by striking the period at the end and inserting ", or", and

(C) by inserting after clause (i) the following new clause:

"(ii) the appointment of a receiver or conservator for a failed depository institution from whose employment the covered employee retired at any time.".

(2) CONFORMING AMENDMENT.—Subclause (I) of section 4980B(f)(2)(B)(i) is amended by striking "AND REDUCED HOURS" and inserting ", REDUCED HOURS, AND FAILURES OF DEPOSITORY INSTITUTIONS".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply as if included in section 451 of the Federal Deposit Insurance Corporation Improvement Act of 1991 as of the date of the enactment of such Act.

(2) LIABILITY OF FDIC.—In the case of the Federal Deposit Insurance Corporation or any acquirer from such Corporation, the amendments made by this section shall apply only to failed depository institutions for which the receiver or conservator is appointed after the date of the enactment of this Act.

(3) SPECIAL RULE FOR COVERAGE UNDER FDIC PLAN.—Effective as of the date of the enactment of the Federal Deposit Insurance Corporation Improvement Act of 1991, coverage under the health care continuation plan maintained by the Federal Deposit Insurance Corporation on June 25, 1992, and any other substantially similar plan maintained by such Corporation, shall be deemed to satisfy the obligations of the Federal Deposit Insurance Corporation (and any acquirer from such Corporation) under section 4980B(f) of the Internal Revenue Code of 1986 and section 451 of the Federal Deposit Insurance Corporation Improvement Act of 1991 with respect to qualified individuals of failed depository institutions.

SEC. 417. NATIONAL COMMISSION ON PRIVATE PENSION PLANS.

(a) IN GENERAL.—Chapter 77 is amended by adding at the end the following new section:

"SEC. 7524. NATIONAL COMMISSION ON PRIVATE PENSION PLANS.

"(a) ESTABLISHMENT.—There is hereby established a commission to be known as the National Commission on Private Pension Plans (in this section referred to as the 'Commission').

"(b) MEMBERSHIP.—

"(1) The Commission shall consist of—

"(A) 6 members to be appointed by the President;

"(B) 6 members to be appointed by the Speaker of the House of Representatives; and

"(C) 6 members to be appointed by the Majority Leader of the Senate.

"(2) The appointments made pursuant to subparagraphs (B) and (C) of paragraph (1) shall be made in consultation with the chairmen of the committees of the House of Representatives and the Senate, respectively, having jurisdiction over relevant Federal pension programs.

"(c) DUTIES AND FUNCTIONS OF COMMISSION; PUBLIC HEARINGS IN DIFFERENT GEOGRAPHICAL AREAS; BROAD SPECTRUM OF WITNESSES AND TESTIMONY.—

"(1) It shall be the duty and function of the Commission to conduct the studies and issue the report required by subsection (d).

"(2) The Commission (and any committees that it may form) may conduct public hearings in order to receive the views of a broad spectrum of the public on the status of the Nation's private retirement system.

"(d) REPORT TO THE PRESIDENT AND CONGRESS; RECOMMENDATIONS.—The Commission shall submit to the President, to the Majority Leader and the Minority Leader of the Senate, and to the Majority Leader and the

Minority Leader of the House of Representatives a report no later than September 1, 1994, reviewing existing Federal incentives and programs that encourage and protect private retirement savings. The final report shall also set forth recommendations where appropriate for increasing the level and security of private retirement savings.

"(e) TIME OF APPOINTMENT OF MEMBERS; VACANCIES; ELECTION OF CHAIRMAN; QUORUM; CALLING OF MEETINGS; NUMBER OF MEETINGS; VOTING; COMPENSATION AND EXPENSES.—

"(1)(A) Members of the Commission shall be appointed during the period for terms ending on September 1, 1994.

"(B) A vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the vacant position was first filled.

"(2) The Commission shall elect 1 of its members to serve as Chairman of the Commission.

"(3) A majority of the members of the Commission shall constitute a quorum for the transaction of business.

"(4) The Commission shall meet at the call of the Chairman.

"(5) Decisions of the Commission shall be according to the vote of a simple majority of those present and voting at a properly called meeting.

"(6) Members of the Commission shall serve without compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of their duties as members of the Commission.

"(f) EXECUTIVE DIRECTOR AND ADDITIONAL PERSONNEL; APPOINTMENT AND COMPENSATION; CONSULTANTS.—

"(1) The Commission shall appoint an Executive Director of the Commission. In addition to the Executive Director, the Commission may appoint and fix the compensation of such personnel as it deems advisable. Such appointments and compensation may be made without regard to the provisions of title 5, United States Code, that govern appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title that relate to classifications and the General Schedule pay rates.

"(2) The Commission may procure such temporary and intermittent services of consultants under section 3109(b) of title 5, United States Code, as the Commission determines to be necessary to carry out the duties of the Commission.

"(g) TIME AND PLACE OF HEARINGS AND NATURE OF TESTIMONY AUTHORIZED.—In carrying out its duties, the Commission, or any duly organized committee thereof, is authorized to hold such hearings, sit and act at such times and places, and take such testimony, with respect to matters for which it has a responsibility under this section, as the Commission or committee may deem advisable.

"(h) DATA AND INFORMATION FROM OTHER AGENCIES AND DEPARTMENTS.—

"(1) The Commission may secure directly from any department or agency of the United States such data and information as may be necessary to carry out its responsibilities.

"(2) Upon request of the Commission, any such department or agency shall furnish any such data or information.

"(i) SUPPORT SERVICES BY GENERAL SERVICES ADMINISTRATION.—The General Services Administration shall provide to the Commission, on a reimbursable basis, such administrative support services as the Commission may request.

"(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each of fiscal years 1993 and 1994, such sums as may be necessary to carry out this section.

"(k) DONATIONS ACCEPTED AND DEPOSITED IN TREASURY IN SEPARATE FUND; EXPENDITURES.—

"(1) The Commission is authorized to accept donations of money, property, or personal services. Funds received from donations shall be deposited in the Treasury in a separate fund created for this purpose. Funds appropriated for the Commission and donated funds may be expended for such purposes as official reception and representation expenses, public surveys, public service announcements, preparation of special papers, analyses, and documentaries, and for such other purposes as determined by the Commission to be in furtherance of its mission to review national issues affecting private pension plans.

"(2) Expenditures of appropriated and donated funds shall be subject to such rules and regulations as may be adopted by the Commission and shall not be subject to Federal procurement requirements.

"(l) PUBLIC SURVEYS.—The Commission is authorized to conduct such public surveys as it deems necessary in support of its review of national issues affecting private pension plans and, in conducting such surveys, the Commission shall not be deemed to be an "agency" for the purpose of section 3502 of title 44, United States Code.".

(b) CONFORMING AMENDMENT.—The table of sections for chapter 77 is amended by adding at the end the following new item:

"Sec. 7524. National Commission on Private Pension Plans.".

SEC. 418. DATE FOR ADOPTION OF PLAN AMENDMENTS.

If any amendment made by this Act requires an amendment to any plan, such plan amendment shall not be required to be made before the first day of the first plan year beginning on or after January 1, 1995, if—

(1) during the period after such amendment takes effect and before such first plan year, the plan is operated in accordance with the requirements of such amendment, and

(2) such plan amendment applies retroactively to such period.•

By Mr. DURENBERGER:

S. 763. A bill to amend section 1729 of title 38 United States Code, to improve the Department of Veterans Affairs medical care cost-recovery program; to the Committee on Veterans Affairs.

LEGISLATION REGARDING THE VETERANS MEDICAL CARE COST RECOVERY PROGRAM

• Mr. DURENBERGER. Mr. President, it is of great concern to me and the veterans of the State of Minnesota that steps be taken to remove the burden placed on Veterans' Administration medical centers [VAMC] throughout the United States.

I have been at the business of addressing the problems of this Nation's health care system since I came to the Senate in 1978. I commend the President for continuing to focus his attention on the health care crisis in America. However, I can't help but notice that there is not much discussion regarding how the Veterans' Administration will fit in to the final picture. I understand Secretary Brown is eager to reform the VA system and increase access to the system for more veterans. I trust that he will elevate health reform discussions to also focus on the VA health care delivery system.

Mr. President, we all agree that the underlying problem with the VA health system is funding levels. Today, the Veterans' health care system is short of money, staff, and equipment. Rising medical costs and Federal budget constraints have tightened the VA's budget and restrained the health care delivery system, thereby affecting this country's promise to provide medical care to our veterans.

However, the Veterans' system differs from the other Government-supported health programs in that facilities stand alone. When funding falls short of demand, there is no means to shift costs. Congress must consider the effect of funding on access and quality. Current demand in the VA system is high. The average age of World War II veterans is 70 years. The average age of Korean veterans is 62 years. In other words, the VA serves a large veteran population with multiple illnesses. This stresses the delivery system.

The best way to improve the delivery system is to make sure that the buyers make demands on the system. We in Congress are the buyers of health care for the 26 million veterans through the Veterans Affairs Health Administration. Despite our best efforts to date, we have failed to provide adequate funding levels to ensure that all veterans have access to quality care.

It's time we get to the true source of the problem—funding levels. I rise today, Mr. President, to introduce legislation that will provide VA medical centers with the funds they have given up for the past 6 years. From 1987 to 1992, $1.1 billion has been collected through the Medical Care Cost Recovery Program. The Minneapolis VA Medical Center led the Nation in recoveries, collecting $8,575,487 in fiscal year 1992.

The 171 Veterans' hospitals in our Nation have the authority to collect payments from third-party payers when veterans are covered under their own insurance policies, such as workers' compensation, no-fault automobile insurance, or a health insurance plan. This authority sunsets on August 1, 1994. My bill will permanently extend the Government's authority to collect from third-party payers. However, current law demands that the FA medical centers collect from these third-party payers, and send the entire payment to the U.S. Treasury. Not only must these medical centers provide the health care, but they also must provide the staff to collect and process all third-party claims. Although the facilities are funded for staff to collect these funds, all additional staffing expenditures come out of the facilities' budgets. All of this effort, and the VA

doesn't even get to keep any of the revenue it collects.

My bill would provide VA medical centers with an additional revenue source to enable the centers to expand services and treat more veterans. This change is important for three distinct reasons: choice, equity, and productivity.

First, veterans make a choice to have third-party insurance coverage, and they have the choice of where to receive health care services. This is why it is important that patients have confidence in the system. If the VA system does not compete with other hospitals to deliver quality care, those with third-party payers can walk out the door. However, most veterans associate themselves with the VAMC environment and prefer to be treated within the VA health system. Therefore, it is only right that the facility be able to keep the funds it is paid for treating an individual with private insurance, and reserve Federal funds for the uninsured veterans that are now turned away due to inadequate appropriations. In other words, retaining collected third-party payments should not be viewed as paying for care already appropriated by the Federal Government. Rather, it should provide funds to expand access to care and bring more veterans into the system. In addition, our goal to achieve universal coverage through health reform will further level the playing field by equalizing the medical centers' access to third-party payers. In 1987, almost 80 percent of all veterans were covered by private health insurance.

Second, the current veterans' health care delivery system is inequitable. Minnesota has a strong health care delivery system that enhances the VA system. Cooperation between the Minnesota medical community and the Minneapolis and St. Cloud VA Medical Centers allows for superior quality of care to Minnesota veterans. In addition, these facilities are serving veterans nationwide. The Minneapolis VAMC is a referral facility for a number of specialty care procedures, including cardiac, chemical dependency, gastrointestinal, emphysema, and neurology. However, the money does not necessarily follow the patient to the referral facility. Unfortunately, the Minneapolis VAMC is operating at a deficit.

Currently, the VA medical centers receive funding through the Federal appropriations process. The fiscal year 1993 VA medical care appropriation is $14.64 billion, an increase of 7.7 percent. The Minneapolis VAMC's fiscal year 1993 budget is $192 million, an increase of just 0.7 percent over fiscal year 1992. Yet, the center has to absorb cost-of-living increases as well as the usual inflation of medical supply costs. Therefore, it only seems correct that the collected funds remain with the collecting facility. This would provide an incentive and the means to expand underfunded care.

Third, the VA health system is more productive than the civilian system. Productivity simply means that we get better access to quality care for fewer Federal dollars. Statistics prove that Veterans' health facilities deliver care at a lower cost than other hospitals. One way or another, the third-party payer is liable for reimbursement under current law. Therefore, it is more cost-efficient to the Nation's health care delivery system to encourage that care be delivered through the VA center.

In addition, we can encourage greater productivity in the Veterans' system. Currently, under the VA system, patient care is directed toward inpatient services even though outpatient care is proven more cost-effective. The infusion of additional funds, collected from third-party payers, can provide funding for additional outpatient care.

Mr. President, this legislation was borne from constituent meetings with various Minnesota veterans groups highlighting the budgetary problems experienced by the medical centers in Minnesota. The 1.4 million members of the Minnesota and National Disabled American Veterans strongly support this bill. In addition, the Minnesota Veterans of Foreign Wars, the American Legion, and the Jewish War Veterans have conveyed their support for allowing VA medical centers to keep a major portion of the funds collected. I have no doubt that allowing medical facilities to keep the funds they collect from third-party payers will increase the quality of care and provide access to the system for a greater number of veterans.

Mr. President, this proposal makes sense. It will provide some much needed relief to the financially strapped veterans' hospitals. The Veterans Affairs Health Administration can be a leader in the health care reform process. The introduction of my bill will bring us closer to identifying the problems in the current VA health care delivery system. Hopefully, Congress and the administration will be persuaded to refocus our efforts toward debating the solution.

I ask unanimous consent that this bill and a section-by-section summary of the legislation be printed in the RECORD.

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

S. 763

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

SECTION 1. PERMANENT AUTHORITY TO RECOVER COSTS FOR CARE PROVIDED TO CERTAIN VETERANS WITH SERVICE-CONNECTED DISABILITIES.

Section 1729(a)(2)(E) of title 38, United States Code, is amended by striking out "August 1, 1994,".

SEC. 2. CREDITING OF THIRD-PARTY PAYMENTS RECEIVED BY DEPARTMENT OF VETERANS AFFAIRS.

Paragraph (4) of section 1729(g) of title 38, United States Code, is amended to read as follows:

"(4)(A)—The unobligated balance remaining in the Fund at the close of business on September 30 of any fiscal year which is in excess of any part of such balance that the Secretary determines is necessary in order to enable the Secretary to defray, during the next fiscal year, the expenses, payments, and costs described in paragraph (3) shall, not later than January 1 of the next fiscal year, be deposited to the credit of appropriations available for the operation of Department medical centers, to be allocated to each medical center in proportion to the amounts credited to the Fund during the previous fiscal year that were attributable to care and services furnished through each such medical center.

"(B) Amounts credited under subparagraph (A) may not be offset by reductions in amounts otherwise available to the centers referred to in that subparagraph or in the total amount of funds to be made available to the Department for health care and medical services.".

SECTION-BY-SECTION OF THE VETERANS' HEALTH CARE PROPOSAL

SECTION 1. PERMANENT AUTHORITY TO RECOVER COSTS FOR CARE PROVIDED TO CERTAIN VETERANS WITH SERVICE-CONNECTED DISABILITIES

This provision would remove the current sunset provision in the statute with respect to recoveries from health insurance of veterans with service-connected disabilities when they are treated for their nonservice-connected conditions. The sunset provision was included in the authority to pursue these recoveries as part of the Omnibus Budget Reconciliation Act of 1990 and amended by the Veterans' Benefits Act of 1992. The Medical Care Cost Recovery program was established in P.L. 99-272 (COBRA).

The Office of Management and Budget (OMB) estimates that this proposal will raise $46 million in fiscal year 1994 and $1.17 billion over four years. However, the Administration cites a sunset date of October 1, 1993. The sunset date was amended to August 1, 1994 (sec. 604, P.L. 102-568).

SECTION 2. CREDITING OF THIRD-PARTY PAYMENTS RECEIVED BY DEPARTMENT OF VETERANS AFFAIRS

(A) Revises the rules relating to crediting of third-party reimbursements received by the United States for the costs of medical services and hospital care furnished by the Department of Veterans Affairs. This provision allows the balance of funds to be returned to each medical center in proportion to the amounts collected.

(B) This provision prohibits any amounts credited to medical centers from being offset by reductions in amounts otherwise available to such facility or in the total amount of funds made available to the Department for health care and medical services.•

By Mr. WOFFORD:

S. 764. A bill to exclude service of election officials and election workers from the Social Security payroll tax; to the Committee on Finance.

SECURITY TAX WITHHOLDING AND ELECTION WORKERS ACT OF 1993

• Mr. WOFFORD. Mr. President, the collection of Social Security taxes is

harming local governments' ability to retain the people we need to run fair elections. Today I am introducing legislation to remedy this problem.

Most election officials serve out of a sense of civic duty. Indeed the registration commissioners of Lancaster County, PA, well described election workers when they wrote:

The payments for their services are minimal in comparison to the dedication they give to responsibilities in providing service to thousands of voters. These individuals are the true backbone of our election process.

Many communities often find it hard to recruit election officials. But the withholding of Social Security taxes is making that task more difficult. It is causing people to not work on election day. In fact, some are just up and quitting their posts.

In addition, the paperwork costs associated with collecting Social Security taxes from election workers unnecessarily burdens our local officials. The amount of money from each person is so small—I wouldn't be surprised if local governments spent more to process the withholding than they collected.

Very simply, the legislation I am introducing would exempt election workers, who make less than $500 annually, from the Social Security payroll tax. Similar legislation was passed last year as part of H.R. 11, which failed to become law.

Mr. President, I urge my colleagues to support this legislation and I ask unanimous consent that its full text appear following my remarks.

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

S. 764

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

SEC. 1. EXPANSION OF STATE OPTION TO EXCLUDE SERVICE OF ELECTION OFFICIALS OR ELECTION WORKERS FROM COVERAGE.

(a) LIMITATION ON MANDATORY COVERAGE OF STATE ELECTION OFFICIALS AND ELECTION WORKERS WITHOUT STATE RETIREMENT SYSTEM.—

(1) AMENDMENT TO SOCIAL SECURITY ACT.—Section 210(a)(7)(F)(iv) of the Social Security Act (42 U.S.C. 410(a)(7)(F)(iv)) (as amended by section 11332(a) of the Omnibus Budget Reconciliation Act of 1990) is amended by striking "$100" and inserting "$500 with respect to service performed during 1994, and the exempt remuneration amount determined under section 218(c)(8)(B) with respect to service performed thereafter".

(2) AMENDMENT TO FICA.—Section 3121(b)(7) of the Internal Revenue Code of 1986 (as amended by section 11332(b) of the Omnibus Budget Reconciliation Act of 1990) is amended by striking "$100" and inserting "$500" with respect to service performed during 1993, and the exempt remuneration amount determined under section 218(c)(8)(B) of the Social Security Act with respect to service performed thereafter".

(b) CONFORMING AMENDMENTS RELATING TO MEDICARE QUALIFIED GOVERNMENT EMPLOYMENT.—

(1) AMENDMENT TO SOCIAL SECURITY ACT.—Section 210(p)(2)(E) of the Social Security Act (42 U.S.C. 410(p)(2)(E)) is amended by striking "$100" and inserting "$500 with respect to service performed during 1993, and the exempt remuneration amount determined under section 218(c)(8)(B) with respect to service performed thereafter".

(2) AMENDMENT TO FICA.—Section 3121(u)(2)(B)(ii)(V) of the Internal Revenue Code of 1986 is amended by striking "$100" and inserting "$500 with respect to service performed during 1993, and the exempt remuneration amount determined under section 218(e)(8)(B) of the Social Security Act with respect to service performed thereafter".

(c) AUTHORITY FOR STATES TO MODIFY COVERAGE AGREEMENTS WITH RESPECT TO ELECTION OFFICIALS AND ELECTION WORKERS.—Section 218(c)(8) of the Social Security Act (42 U.S.C. 418(c)(8)) is amended—

(1) by striking "on or after January 1, 1968," and inserting "at any time";

(2) by striking "$100" and inserting "$500 with respect to service performed during 1994, and the exempt remuneration amount determined under subparagraph (B) with respect to service performed thereafter"; and

(3) by striking the last sentence and inserting the following new sentence: "Any modification of an agreement pursuant to this paragraph shall be effective with respect to services performed in and after the calendar year in which the modification is mailed or delivered by other means to the Secretary.".

(d) INDEXATION OF EXEMPT REMUNERATION AMOUNT.—

(1) IN GENERAL.—Section 218(c)(8) of the Social Security Act (as amended by subsection (c)) is further amended—

(A) by inserting "(A)" after "(8)"; and

(B) by adding at the end the following new subparagraphs:

"(B) The Secretary shall, on or before November 1 of 1993 and of every year thereafter, determine and publish in the Federal Register the exempt remuneration amount which shall be effective with respect to service performed during the following calendar year.

"(C) The exempt remuneration amount determined under subparagraph (B) shall be the larger of—

"(i) the dollar amount in effect under subparagraph (A) with respect to service performed during the calendar year in which the determination under subparagraph (B) is made, or

"(ii) the product of—

"(I) $500, and

"(II) the indexing ratio described in subparagraph (D).

"(D) For purposes of subparagraph (C)(ii)(II), the indexing ratio is the ratio of—

"(i) the deemed average total wages (as defined in section 209(k)(1)) for the calendar year before the calendar year in which the determination under subparagraph (B) is made, to

"(ii) the average of the total wage (as defined in regulations of the Secretary and computed without regard to the limitations specified in section 209(a)(1)) reported to the Secretary of the Treasury or his delegate for 1991 (as published in the Federal Register in accordance with section 215(a)(1)(D)),

with such product, if not a multiple of $100, being rounded to the next higher multiple of $100 where such product is a multiple of $50 but not of $100 and to the nearest multiple of $100 in any other case.".

(2) CONFORMING AMENDMENT.—Section 209(k)(1) of such Act (42 U.S.C. 409(k)(1)) is amended by inserting "218(c)(8)(D)(i)," after "215(b)(3)(A)(ii),".

(e) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall apply with respect to service performed on or after January 1, 1993.●

By Mrs. BOXER (for herself, Mr. DECONCINI, and Mr. FEINGOLD):

S. 765. A bill to amend title I of the Employee Retirement Income Security Act of 1974 to improve protection of benefits under group health plans, to provide for adequate notice of adoption of material coverage restrictions under such plans, and to provide for effective remedies for violations of such title with respect to such plans; to the Committee on Labor and Human Resources.

HEALTH INSURANCE PROTECTION ACT OF 1993

● Mrs. BOXER. Mr. President, I introduce the Health Insurance Protection Act of 1993 with my colleagues, Senators DECONCINI and FEINGOLD.

This bill is based upon what—this Senator thinks—is a very fair and basic principle: If a working man or woman relies upon his or her employer for insurance protection—that employer cannot pull the rug out from that individual when they become seriously ill.

It is that simple.

The bill I introduce today amends ERISA [the Employee Retirement Income Security Act of 1974] by:

Making it unlawful to cancel or reduce benefits for a person in a group health plan because the person suffers from one or more particular diseases or medical conditions;

Making it unlawful for a group health plan to discriminate among diseases or medical conditions with respect to the maximum benefits an individual may receive in his or her lifetime;

Requiring that any significant change in a person's insurance coverage may not take effect without giving the affected person 60 days notice of the proposed change in language which is easily understood by him or her; and

Providing that where health benefits are given under a self-insured plan—a plan where employers, rather than buying an insurance policy choose to pay medical costs for employees out of company funds—the plan description and summary will contain a statement which indicates that it is a self-insured plan and not a policy of insurance and therefore the employee may be responsible for some part of the medical care.

This bill is partially in answer to a shameful practice that has arisen and been sanctioned by our courts, Mr. President. Namely, the fifth circuit court in the H&H Music case found that an individual, once covered by a very generous group health insurance plan, could be retroactively terminated from that plan after contracting AIDS.

Imagine, Mr. President, if you or someone you care about contracted a serious life-threatening disease or illness—only to find out that your employer—whom you counted on to be

there when you needed them most—unilaterally shut you out of the very insurance you were relying upon to help you make it through a painful illness.

I daresay the betrayal would be difficult, costly, and in any case painful.

Accordingly, this bill makes clear that if an individual has taken a job, and that job offers health insurance, and that person gets seriously ill and files a claim under the company insurance policy and the employer decides that the employee, once presumably a valued asset, is now a liability—that employee could not be dropped from the company insurance policy without serious repercussions.

Likewise, this bill provides that lifetime benefits caps cannot be lowered for a specific disease or illness. What this means, Mr. President, is that a company cannot unilaterally decide that a given disease or illness will have a lower lifetime cap than other diseases or illnesses.

With respect to this particular provision, however, this bill specifically provides an out if the participants are covered by a collective bargaining agreement which addresses the issue otherwise or the sponsor of the group health plan demonstrates to the Secretary of Labor that the plan will be unable to continue unless it is allowed to lower its caps.

To put teeth into these changes and hopefully dissuade employers from discriminating against sick employees, this bill has a strong damages section. An individual who proves injury under this legislation could receive actual, consequential, and punitive damages.

In closing, Mr. President, I want to make clear that this Senator realizes that the issue my colleagues and I address today is but a small part of the total health care crisis. I realize that not all employers are motivated by bad faith. But the sad fact of the matter is that without adequate deterrence, employers may—faced with more costly health insurance—be tempted to turn their backs on employees who, through an accident of chance, become seriously ill.

I hope my colleagues will take a close look at this legislation and strongly consider joining Senator DECONCINI, Senator FEINGOLD, and me seeking to rectify the unconscionable situation created by the courts.●

By Mr. NICKLES:

S. 767. A bill to amend title XIV of the Public Health Service Act—commonly known as the Safe Drinking Water Act—to redirect and extend Federal and State activities to protect public water supplies in the United States, and for other purposes; to the Committee on Environment and Public Works.

WATER SUPPLY PROTECTION ACT OF 1993

● Mr. NICKLES. Mr. President, today I am introducing legislation entitled the "Water Supply Protection Act of 1993," a bill to reform the EPA drinking water and ground water protection program.

There has been a clear and loud call for dramatic reform of the Federal drinking water program. Thousands of letters have been sent to members of Congress asking for a moratorium on various drinking water regulations. The Nation's consumer advocates have called for greater reliance on risk management by EPA. The National Governor's Association and the Governors' Forum on Environmental Management have called for fundamental changes in drinking water legislation and a rebalancing of the State-Federal drinking water partnership. It is widely recognized that under no reasonable circumstances can they implement the current program. In addition, water suppliers and their national organizations have also recommended significant changes to the current Safe Drinking Water Act.

Last year, Senators DOMENICI, BROWN, and myself, led an effort to restore some common sense and reasonableness into the regulation of drinking water. We sought a 2-year moratorium on the implementation of additional drinking water regulations during which time EPA would conduct an in-depth study to determine among other things, whether the costs of these regulations are justified by the benefits to the public. Unfortunately, our efforts failed on a 43 to 53 vote.

The bill I introduce today is a comprehensive proposal intended to spur serious consideration of a variety of basic changes to the drinking water program. Upon review of the current EPA drinking water program, it is apparent that EPA has addressed the problems which motivated the passage of the 1974 Safe Drinking Water Act and it is time for a redirection of the program. Over 220,000 water systems are now under the direct supervision of the States, as compared to just 25,000 before passage of the act. Nearly all States have adopted the Federal program, up from only 14 before passage of the act. Well over 95 percent of water systems are in compliance with drinking water standards, up from less than 15 percent before the act. And, EPA has documented basic health information on over 100 potential drinking water contaminants, up from just 15 prior to passage of the act.

The current law, however, does not direct EPA attention to the fundamental elements of pollution prevention and use of risk management principles when developing its regulations. In fact, if the current drinking water regulations are not changed, a family in small town America will see the costs of their water go through the roof. There are cases where increased costs are justified because of real risks to health. But for the vast majority of regulations, the current act is forcing the public to pay to remove risks that are smaller than natural background risks which we all accept as a normal fact of life. A Nation entering a great debate on how to ensure health care for all citizens must also recognize and amend laws which would force expenditures of very scarce health resources on meaningless risks.

Since the 1974 act was passed, and the subsequent 1986 amendments, there has been significant growth in development and use of pollution prevention methods which may be more effective and less costly to implement than treating or cleaning up the water after contamination. There are cases where pollution prevention requirements may be even more effective than drinking water regulation. Further, there are cases where EPA regulations require communities to analyze for pesticides not even used within their state.

I have also found that States, communities, citizens and even foreign nations have asked for more and better technical information on the health and aesthetic effect of contaminants and on the means for contaminant removal. There is an especially loud call for information on low-cost technology useful in small communities and in developing nations. In addition, there is a growing interest in pollution prevention practices that can be used to protect sources of drinking water.

This bill redirects Federal attention to this new generation of problems. It addresses most of the issues raised in the last Congress and proposes a rebalancing of the Federal-State partnership that will guarantee responsible protection of the Nation's water supply and the health of our citizens.

I urge my colleagues to closely examine the proposals made in this bill, and to discuss them with the leadership of communities large and small throughout your States. It is critically important that the currently unimplementable program be redefined. The American public deserves to have a Federal drinking water program that is stable, well ordered and takes into account the best use of scarce resources in our States and communities.●

By Mr. ROCKEFELLER (for himself and Mr. MURKOWSKI):

S. 768. A bill to amend the Japan-United States Friendship Act to recapitalize the friendship trust fund, to broaden investment authority, and to strengthen criteria for membership on the Japan-United States Friendship Commission; to the Committee on Foreign Relations.

JAPAN-UNITED STATES FRIENDSHIP ACT AMENDMENT OF 1993

● Mr. ROCKEFELLER. Mr. President, I am today introducing legislation to update the authorization for the Japan-United States Friendship Commission,

on which I have been privileged to serve since 1991. Joining me in sponsoring this bill is the Senator from Alaska [Mr. MURKOWSKI], who has just joined the Commission. Senator MURKOWSKI's appointment is particularly apt, Mr. President, in view of his interest in and experience with the United States-Japan relationship. I am looking forward to working with him on the Commission to improve our two countries' understanding of each other, which is the Commission's mandate.

The Commission was created in 1975 out of funds provided by the Japanese Government following the Okinawa reversion. Congress believed that a United States-led effort to improve communication, understanding, and knowledge between Americans and Japanese was important to the health of our bilateral relationship, a relationship that was expected to grow in importance, and the funds were set aside for grants to projects intended to promote that understanding.

In its submission this year to the Appropriations Committees, the Commission clearly defined its mission:

1. To promote understanding and respect between the Japanese and American peoples by providing grants to support scholarly, cultural, artistic and public educational activities between Japan and the United States, as authorized by the Japan-United States Friendship Act (Public Law 94-118, as amended);

2. To help prepare Americans to better meet the challenges and opportunities presented by the emergence of Japan in international affairs by providing focused information on the Japanese political economy in its particulars and by training Americans in all spheres and communities to use such information in a purposeful way to meet these challenges and opportunities;

3. To use the influence and example of the Commission to encourage other organizations and individuals, both governmental and private, in both countries, to develop programs of their own to further mutual understanding and respect and to offer financing for such purposes.

The Commission has carried out numerous projects with a national scope to fulfill its mandate to promote mutual understanding between the peoples of the United States and Japan. For example, in the past several years, the Commission has been instrumental in the establishment of a new coordinating committee to determine needs for Japanese-language research materials on a national scale and to help coordinate available financial and human resources to acquire and catalog those materials for easy access from anywhere in the United States.

As Japanese sources of funding begin to diminish during the current recession in Japan and in light of the policy of re-Asianization, the Commission has played a pivotal role in the continued intellectual vitality and financial health of the Interuniversity Center of Yokohama, the premier Japanese language training center for Americans and a truly national institution.

In the past year, the Commission has funded research on numerous topics with significant implications for American policymakers in such diverse subjects as the deregulation of Japanese financial markets, land use policy in Japan, the political context of Japanese secondary school curriculum development and other equally useful subjects. In order to assure that the results of such research reach those for whom it is important, the Commission continues to cooperate with such Washington-based organizations as the Congressional Economic Leadership Institute and the George Washington University Elliot School of International Affairs to help organize discussions of the results for Members of Congress and their staff, as well as to provide these key figures in Japan relations with the opportunity to engage their Japanese legislative counterparts in frank and open discussions.

In reaching out to a broader spectrum of the American public, the Commission works closely with the media to help provide its members with the training and opportunities to report on Japan professionally. One example is the masters degree program the Commission supports at Columbia University School of Journalism to train emerging journalists in the language and background necessary to carry out reporting on the Japanese political economy from Japan through direct reporting and interviews, without intercession of Japanese intermediaries. The Commission has provided significant funding for a three-part series on a comparison of the political economies of Germany, Japan, and the United States to be produced by Mr. Hedrick Smith, a veteran observer of foreign affairs with a well-established reputation for the quality of his documentaries. The show will be broadcast on PBS stations across the United States in late 1993. Through the efforts of its own staff, the Commission has produced "On the Record," the first directory specifically for members of the American media to experts on issues and subjects in Japan from the arts to economic and political policy.

These represent only a few of the numerous projects the Commission supports through its funds and its own staff work to carry out its mandate. This is the only focused effort in the United States to carry out the work of educating both experts and the general American public to work more effectively on the many issues and problems that face the United States-Japan relationship. If the Commission did not exist, it would have to be invented, given the seriousness of the issues it is asked to address.

As these examples demonstrate, the Commission addresses them effectively and purposefully. But that effort does not come cheaply. The Commission was established in 1975 by Congress with an endowment of $18 million and the yen equivalent of approximately the same amount. Congress requires that the Commission appear before the Appropriations Committee annually to seek permission to spend the interest its principal earns, but it also has given the Commission permanent authority to spend up to 5 percent of its principal annually, without regard to action by Congress.

Over the years, the Commission has spent down its dollar fund, which now stands at just under $15 million. In 1990, the Commission adopted a policy, with Congress' approval, of limiting expenditure to interest earnings only, a policy it now rigorously enforces. Nevertheless, given the diminution of its principal, the effects of inflation, and the low interest rates that will continue into the foreseeable future, the Commission's earnings now enjoy only one quarter of the purchasing power they had at the time of its establishment. Moreover, even with a stable portfolio, the Commission will earn progressively less each year, as old bonds mature and new bonds must be purchased with lower rates of return. The returns will drop from a projected $1.277 million in fiscal 1994 to $1.069 million in fiscal 1998.

The predicament facing the Commission is clear. The ever increasing importance of its mission—to establish the expertise and understanding in the American public to work effectively with Japan—is equally clear. Thus, the Commission needs relief in two forms. The first is to seek authority to expand the scope of its investments, currently limited by Treasury Department policy to Treasury instruments. With the ability to invest its funds in all forms of public debt, the Commission's financial adviser has estimated that it can increase its returns by at least 1½ points.

Second, and most important, the Commission needs to be recapitalized. At the rate of return that prudent advice now projects for the foreseeable future—6.6 percent, the Commission requires an additional $50 million if it is to regain the financing power that Congress originally intended it to have in 1975. One appropriate schedule for such recapitalization is to spread the funding over 5 years at $10 million annually. As with the current funding mechanism, these additional amounts would be added to existing principal. Only the additional interest would be used for Commission programs.

I am asking the Commission to submit a model budget of how the interest earned from these new funds would be used to build new programs critical in our capacity to deal effectively with Japan. Moreover, given that the bulk of those new funds would be used to train Americans in the language and cultural skills needed to understand the Japanese in their own right, the

Commission believes firmly that these funds should be taken from new funds made available for the training and retooling of the American work force, not from those set aside for foreign affairs.

The third change in this bill to bring the Commission up to date is a change in the criteria for appointment of the public members that places greater emphasis on knowledge and experience in Japan issues and the United States-Japan bilateral relationship. This has not been sufficiently taken into account as a specific criterion in the past, and, as the Commission is restored to financial health, it is also important to make sure that members of the Commission are fully and adequately prepared for their responsibilities, including consideration of grant requests.

Mr. President, these changes in the Commission's status will better equip it to play a more active role in increasing bilateral understanding, which will become increasingly important in the future. I hope that as the Foreign Relations Committee considers United States-Japan relations and how to improve them, that it will review this bill favorably.

I ask unanimous consent 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. 768

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

SECTION 1. RECAPITALIZING THE FRIENDSHIP TRUST FUND.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 3 of the Japan-United States Friendship Act (22 U.S.C. 2902) is amended—

(1) by adding at the end the following new subsection:

"(f)(1) There are authorized to be appropriated to the Fund $10,000,000, plus any amount described in paragraph (2), for each of the fiscal years 1994 through 1998.

"(2) Any unappropriated portion of the amount authorized to be appropriated by paragraph (1) may be appropriated in any subsequent fiscal year.".

(b) CONFORMING AMENDMENTS.—Section 7 of the Japan-United States Friendship Act (22 U.S.C. 2906) is amended—

(1) in subsection (a)(1), by striking "sections 3 (d) and (e)(1) of this Act" and inserting "subsections (d), (e)(1), and (f) of section 3"; and

(2) in subsection (b), by striking in the second sentence "section 3(d) of this Act" and inserting "subsections (d) and (f) of section 3".

SEC. 2. UNITED STATES PANEL OF THE JOINT COMMITTEE ON UNITED STATES-JAPAN CULTURAL AND EDUCATIONAL COOPERATION.

Section 4 of the Japan-United States Friendship Act (22 U.S.C. 2903) is amended by adding at the end the following new subsection:

"(d) The membership of the United States Panel of the Joint Committee on United States-Japan Cultural and Educational Cooperation shall be drawn from among individuals who are deeply familiar with Japan and United States-Japan relations, as demonstrated in their professional careers, and who have performed distinguished service in—

"(1) law, business, or finances;

"(2) education, training, or research at postsecondary levels;

"(3) the media or publishing;

"(4) foundation or philanthropic activity;

"(5) the American arts, culture, or the humanities; or

"(6) other aspects of American public life.

SEC. 3. BROADENING INVESTMENT AUTHORITY.

Section 7 of the Japan-United States Friendship Act (22 U.S.C. 2906) is amended—

(1) in subsection (b)—

(A) in the first sentence, by inserting ", at the direction of the Chairman of the Commission," after "'Secretary')"; and

(B) in the second sentence, by striking "in interest bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States" and inserting "in instruments of public debt with maturities suitable to the needs of the Fund"; and

(2) in subsection (c), by inserting ", at the direction of the Chairman of the Commission," after "sold".●

By Mr. DANFORTH (for himself, Mr. MURKOWSKI, Mr. STEVENS, Mr. HATCH, Mr. GORTON, and Mr. MCCAIN):

S. 769. A bill to prohibit any increase in the tax on the sale of certain aviation fuel, and to prohibit any tax on such fuel or on the energy content of petroleum or petroleum products used in the production of such fuel; to the Committee on Finance.

By Mr. DANFORTH:

S. 770. A bill to amend the Federal Aviation Act of 1958 to authorize the Secretary of Transportation to prevent U.S. air carriers from engaging in predatory pricing; to the Committee on Commerce, Science, and Transportation.

S. 771. A bill to provide a limited exception to the restriction on foreign ownership and control of the voting interest in U.S. air carriers; to the Committee on Commerce, Science, and Transportation.

AVIATION LEGISLATION

● Mr. DANFORTH. Mr. President, 15 years ago, we radically changed our aviation policy with the enactment of the Airline Deregulation Act. The act establishes the principle that vigorous competition is essential to protect the interests of the traveling public. The purpose of the act is to secure a safe aviation system with a "variety of adequate, economic, efficient, and low-price services." The act also states that we must avoid "unreasonable industry concentration, excessive market domination, and monopoly power." The act emphasizes the importance of providing employment in the industry "at fair wages and [with] equitable working conditions."

Market share statistics, numerous bankruptcies and declining employment demonstrate that we have failed to meet these goals. In the last decade, the combined market share of the top three U.S. airlines has expaned from 38 percent to 60 percent. Braniff, Eastern, Frontier, Midway, Pan Am, and Peple Express are gone. America West, Continental, and TWA are in bankruptcy. The remaining carriers have reported record losses. Here is some of the red ink for 1992: USAir—$1.23 billion, Northwest—$1.06 billion, United—$957 million, American—$935 million, and Delta—$822 million. If this trend continues, there may be only two or three major U.S. airlines left. This will obviously reduce consumer choice. These losses have had a devastating impact on those working in the aviation field. Since 1990, the Air Transport Association [ATA] reports a net loss of 13,000 airline jobs. Moreover, as airlines have cancelled aircraft orders, the major airframe manufacturers, McDonnell Douglas and Boeing, and Pratt & Whitney, a leading aircraft engine maker, have announced layoffs that may exceed 45,000 employees.

After 15 years, it is time to reevaluate and revamp these policies. Today I am introducing three pieces of legislation designed to improve the health of the aviation industry. If enacted, this legislation could help this nation meet these goals by improving the financial performance of our faltering airlines and aerospace companies, stabilizing employment levels in these industries, and attracting much needed capital to the aviation sector. We do this by cotrolling predatory pricing, allowing greater foreign investment in U.S. carriers in exchange for achieving open skies agreements with the investors' home countries, and preventing a massive tax increase on an industry that is experiencing record losses.

AIRLINE PREDATORY PRICING PREVENTION ACT OF 1993

At the time of deregulation, economists argued that the airline industry would flourish under competition. For a time, it did. The argument was that this industry lacked economies of scale or barriers to entry. A theory of contestable markets was developed under which any airline seeking to charge supracompetitive fares would be challenged by another carrier who would simply shift planes to that market. The theory of market contestability appeared to work. Aggressive carriers such as People Express sought to use their cost advantage to challenge larger, well established carriers. There were ominous signs that this market was not functioning well, however. For example, when People Express attempted to compete with Northwest Airlines in the Minneapolis market, Northwest lowered its prices far below its cost and expanded its capacity. This strategy forced People Express out of the market.

We now see that this is an industry with many barriers to entry in the

major markets. An airline cannot start or increase operations at four of our busiest airports, Chicago O'Hare, Kennedy, and LaGuardia in New York, and Washington National, without landing and takeoff slots. Even if an airline is willing to sell slots, these slots cost more than $1 million each. In addition, international routes are limited under bilateral treaties and, although they are government granted privileges, they have been sold for hundreds of millions of dollars. Gate space at major hub airports is also scarce.

Computer reservation systems also provide a well-documented edge to the major carriers through sophisticated yield management schemes. The larger carriers use their computers to keep tabs on every seat on every flight for months before its departure and adjust the price depending on demand. Ticket prices paid by travelers sitting beside each other vary by hundreds of dollars. This sophisticated management can also allow a dominant carrier to offer enough discounted seats in a market to deter potential low-fare carriers.

Ronald Allen, CEO of Delta, attributes last year's red ink to "the half-price fare sale and American's four-tier fare structure." Last April, American Airlines announced a new four-tier fare structure which dramatically reduced most airfares. Full-fare coach fares were reduced by nearly 40 percent and first class by 20 to 50 percent. American said it was doing this, not as a temporary promotion, but rather as an attempt to reduce prices over the long run.

The next month, Northwest Airlines offered a special discount fare allowing a person over 12 to travel free if accompanied by a child paying the normal excursion fare. Northwest argued that this was a routine summer discount. The next day, American slashed its discount restricted fare 50 percent across the board. American also dropped the advance purchase requirements from 14 to 7 days, making it easier for business travelers to qualify for those fares, and allowed the trade-in of previously purchased higher fare tickets.

Three of the weaker airlines, American West, Continental and Northwest, have filed suit against American over its pricing conduct last summer. In Continental's complaint against American, Continental described the events of last year:

> American implemented a program in April 1992 intended to further its goal of eliminating competition by establishing industry price levels that would result in ruinous losses to weaken and destroy competitors. American intended to recoup its extremely heavy losses by raising its prices to supracompetitive levels once those airlines and perhaps others were driven out of business or were sufficiently weakened so that they would not offer effective competition.

As would be expected, American argues the price wars were the product of aggressive pricing by carriers in chapter 11 bankruptcy. Last fall, on "This Week with David Brinkley," American's president, Robert Crandall, stated:

> What we tried to do was to reduce the number of fares, reduce the level of fares, and simplify the fare structure. It has been a failure in the sense that various of our competitors chose to undercut it and to proliferate the number of fares and so we are back to a complex fare structure once again. . . . In the long run, this industry and every industry has to make a profit if we are going to invest the capital in new airplanes, provide health care benefits for our employees, and provide income security.

Regardless of who is the culprit, it is clear that the red ink has reached record proportions. Moreover, the airlines' financial problems are negatively affecting the economy. As Mr. Crandall pointed out, the airlines must earn profits if they are to replace their fleets. The recent order cancellations have prompted 45,000 aerospace manufacturing layoffs. Another point of agreement is the fact that consumers need more than two or three major airlines. As the commercial goes, "You can pay me now or you can pay me later." If another major fare war erupts, there is no doubt the weaker carriers will go the way of Eastern, Midway and Pan Am. Given the industry's substantial barriers to entry, those carriers left standing will finally be in a position to recoup their losses. Consumers' options will be severely limited and fares will skyrocket. In a 1990 study, the General Accounting Office [GAO] found, that airlines operating at concentrated airports—that is one carrier with 60 percent or two carriers with 80 percent of the traffic—charged over 20 percent more than carriers flying comparable routes that did not involve such an airport. GAO will update its study in the near future with numbers indicating that this concentrated airport premium is as much as 34 percent.

The traditional remedy for challenging pricing is to file a complaint in federal district court. Unfortunately, these suits usually drag on for years. By the time a complaining airline gets an answer, it is likely to be out of business. Moreover, in recent years, the tests applied to determine whether there is predatory pricing have made it virtually impossible to prevail. In Matsushita Electric Industrial Co. versus Zenith Radio Corp., the Supreme Court concluded that courts should only find predatory pricing when certain conditions are met, such as a market with a dominant firm and high barriers of entry. The Matsushita decision has led courts to be more willing to grant summary judgment in predatory pricing cases.

During the Presidential campaign, Bill Clinton said he intended to step up antitrust enforcement. The airline industry is in desperate need of such enforcement. A remedy is meaningful only if it comes before a complaining airline is put out of business. That is why I am introducing the Airline Predatory Pricing Act of 1993 to provide Department of Transportation [DOT] review of such complaints under section 411 of the Federal Aviation Act. Such a change, would mean that, for the first time since the 1978 Deregulation Act, the Department is enforcing its responsibility to prevent what the act called unfair, predatory, or anticompetitive practices in air transportation.

Within 7 days of the filing of a complaint, DOT must determine whether there is a significant likelihood that an airline has been engaging in predatory pricing and, if it has, DOT shall order the carrier to temporarily cease and desist from charging that fare. DOT then has 90 days to reach a final determination and, if it finds predatory pricing, must issue a permanent cease and desist order. If DOT chooses not to issue a cease and desist order, it must publish its reasons in the Federal Register.

In addition, in reviewing such complaints, DOT will presume a carrier has violated the law if its fare actions fail either of two tests. First, the legislation will prevent airlines from engaging in excessively low pricing by prohibiting an air carrier from pricing below its direct operating costs. Direct operating costs are the costs sustained by an airline in making a flight, and are comprised of both station expenses and aircraft operating expenses. Station expenses include sales or travel agents' compensation, landing fees, in-flight food and beverage expenses, and liability insurance. Aircraft operating expenses include flight crew compensation, fuel and oil, hull insurance, all direct and overhead costs of maintenance, and the prorated amount of the rental charge or depreciation of the airplane. This provision will prevent pricing designed to provide only a minimal cash flow to meet current expenses, without regard to long-term profitability. The two cases most often cited as examples of this sort of pricing conduct are the actions of Eastern Airlines and Pan Am, immediately before they collapsed. This type of pricing conduct is destructive because it forces healthy carriers to match unrealistic fares, leading to losses.

Second, the bill prohibits an airline from reducing prices in a market significantly below ordinary seasonal price drops when all airlines in that market are losing money because of a sustained downward trend in fares. In making this determination, DOT shall take into account the costs of the carrier, including the repayment of debt and reasonable capital outlays, and pricing levels in comparable markets. This provision will prevent a recurrence of the disastrous fare war which occurred last summer.

If we act quickly and the DOT acts quickly, we can prevent further con-

solidation of the airline industry. Moreover, the industry will be financially healthy enough to order planes. We cannot afford to wait. The Nation is watching and the future of two of our most important industries hangs in the balance. I urge my colleagues to support this important legislation.

THE AIRLINE INVESTMENT ACT OF 1993

One factor contributing to the present troubles of the U.S. airline industry is DOT's focus on international issues to the exclusion of domestic concerns. This focus has led to the approval of international route system with little concern about their domestic impact. We need one basic principle to guide aviation policy. That principle is the encouragement of competition in the domestic marketplace. I believe it is more important for there to be competitive service in the St. Louis to New York market than in the St. Louis to Paris market.

If we keep this guiding principle of vigorous domestic competition in mind, we need to take steps to prevent the disappearance of all but three major airlines. The three largest airlines American, Delta, and United Airline now control almost 60 percent of the air travel market. GAO's studies indicate this increasing concentration in the airline industry will limit consumer options and increase fares.

We can take measures to reverse this trend. The most critical step is the identification of major sources of capital for airlines. During the remainder of this decade, ATA has estimated that airlines will need $130 billion to convert their fleets to quieter, stage 3 aircraft. Attracting this capital will be difficult because ATA also says that profit margins in the U.S. airline industry have been about half those of the average U.S. company over the past decade.

There are four potential sources for these capital needs: internal cash reserves, mortgage or sale of assets, government subsidies, and outside investments. Except for the top three U.S. airlines, internal cash reserves are low, and most assets have been sold or previously used to secure debts. Furthermore, a subsidy will increase the Federal budget deficit, unless taxes are increased or budget cuts are made elsewhere.

The last source of capital is outside investment. In recent years, domestic investors have demonstrated little interest in troubled carriers because of high debt loads and historically low rates of return. Moreover, on March 11, Standard and Poor's downgraded the debt of the three biggest airlines to noninvestment junk grade. Many institutional investors are precluded from buying junk bonds.

There is interest from foreign investors, but this capital infusion has been limited by the citizenship tests of current Federal law. These tests require that one cannot operate an U.S. airline unless at least 75 percent of an airline's voting stock is held by U.S. citizens. DOT has interpreted the law as allowing a foreign investor to hold as much as 49 percent of an airline's total equity, as long as foreign investment does not violate the statutory limit on voting stock. In addition, an airline's president and at least two-thirds of its key management officials must be U.S. citizens. Moreover, although the statute is completely silent on such a test, DOT has interpreted the law as requiring effective control of an airline by U.S. citizens.

Encouraging foreign investment will make a difference. European Community [EC] countries permit up to 49 percent voting stock interest by noncitizens. A recent GAO report entitled "Airline Competition, Impact of Changing Foreign Investment and Control Limits on U.S. Airlines" found that relaxing statutory limits on foreign investment to match the level permitted by EC countries "could potentially give U.S. airlines, particularly those in financial difficulty, greater access to needed capital, thus enhancing their domestic competitive position."

There has been considerable debate about whether approval of such an investment must be conditioned on the liberalization of our bilateral aviation treaties with countries wishing to invest. I do not believe we should link our interest in open skies agreements to investment permitted under the current statute, if it means standing idly by while more U.S. carriers liquidate. Literally tens of thousands of jobs are at stake. We have watched while proud industry pioneers, Eastern and Pan Am, and promising newcomers, such as Midway and People Express, have vanished. Rather, I believe that raising foreign investment caps can be used as a carrot to encourage open skies agreements. I am proposing that when the United States has achieved an open skies agreement with a foreign government, its citizens should be allowed to acquire up to 49 percent voting stock interest in an U.S. airline. In its report, GAO noted that this change could benefit U.S. airlines.

Foreign airlines are the most likely source of investment because they can benefit from integrating their international service with that of U.S. airlines. However, unless foreign investors can exercise control commensurate with the amount of voting stock held, they may not want to invest in U.S. airlines.

On March 15, DOT approved the first phase of a three-phase British Air investment in USAir. Under this phase of the agreement, British Air obtained a 19.9 percent voting stock interest in USAir for $300 million. British Air would like to own as much as 44 percent of USAir's voting stock if permitted by U.S. law, but must comply with the current 25 percent limit if it remains in place. In granting limited approval of the British Air/USAir proposal, Mr. Pena stated that the existing bilateral does not allow U.S. carriers sufficient access to the British market and announced his intention to pursue a new agreement. For Mr. Pena to be successful in these negotiations, he will need a number of bargaining chips. One such chip would be higher permissible investment levels in U.S. carriers. During negotiations on last year's British Air/USAir proposal, John MacGregor, the British Transport Secretary, said the major stumbling block to agreement on greater United States access to London's Heathrow Airport was the United Kingdom's demand that United States law be changed to permit non-United States airlines to own up to 49 percent of voting rights in a United States airline.

Under my legislation, a qualifying open skies agreement would include the elements established in the August 1992 DOT order and were the basis for the aviation treaty negotiated with the Netherlands in 1992. Such an agreement would include open entry, without restrictions on capacity or frequency, between any two points in the United States and the other country, as well as permitting service to intermediate and beyond points.

We should not sit idly by while more airlines fail. TWA has 25,000 employees; 13,000 of them work in Missouri. If these jobs are lost, they will be difficult to replace. Other major airlines are in similar situations. We must take steps to ensure their survival. Improving the opportunity for foreign capital infusions into these carriers in exchange for freer international air commerce is a good way to slow the tide of airline liquidations. I urge my colleagues to support the Airline Investment Act of 1993.

AIRLINE TAX STABILIZATION ACT OF 1993

As legislators, we should take note of the Hippocratic Oath which instructs physicians to "abstain from whatever is deleterious and mischievous." In other words, a responsibility "to do no harm." Throughout the campaign, President Clinton emphasized the need to foster high-technology, high-skilled jobs in key industries. His tax proposal delivers a body blow to one of these industries—our airlines. The February 19 edition of USA Today states:

President Clinton says he wants to help them, but airlines and aerospace companies see little evidence so far. A day after Clinton unveiled his economic plan, stocks of most leading companies in both industries plunged on Wall Street Thursday.

I ask unanimous consent that this article be reprinted in the RECORD at this point.

One of the most damaging aspects of this plan is its impact on jet fuel prices. According to the ATA, each 1 cent increase in jet fuel costs the industry $150 million a year. ATA esti-

mates that, when fully implemented, Clinton's proposed energy taxes will cost airlines $1.4 to $2.1 billion a year. The airlines simply cannot afford this added tax burden. U.S. carriers have lost $8 billion over the last 3 years. During the best year in their history, 1988, the airlines earned only $1.7 billion.

On February 22, the Journal of Commerce editorialized against the jet fuel tax increase. It noted, "There's nothing like $2 billion in higher operating costs to revitalize a depressed industry." I ask unanimous consent that this editorial be reprinted in the RECORD. In an article from the February 21, St. Louis Post-Dispatch titled, "Ailing Airlines Fear Increase in Fuel Price," the President of the Air Transport Association, James Landry, said:

> In recent months, the carriers have been going through a painful cost-cutting process—laying off employees, cancelling aircraft orders, and reducing service to customers. This tax will only be a setback to these efforts [to return to profitability].

I ask unanimous consent that this article be printed in the RECORD at this point.

The ATA estimates that the airlines would have to increase ticket prices by 3 percent in order to cover the costs associated with the Btu tax. Airlines will not be able to recoup this additional cost from their passengers because the demand for air travel is too low. In 1991, the load factor for U.S. airlines was 62.7 percent. During the fare wars of 1992, the airlines lost a record $4.7 billion, but the average load factor only increased by 1 percent to 63.7 percent. The airlines will once again look to their employees for wage and benefit cuts to cover these increased costs. It is misguided to believe that an industry in a $8 to $10 billion hole can dig itself out solely through employee givebacks.

Mr. President, I am introducing the Airline Tax Stabilization Act of 1993 to ensure that we do not increase airlines' jet fuel taxes during this critical period. This industry has been concentrating rapidly. If we greatly increase taxes on the industry, we will push a number of the weaker carriers into liquidation.

I am pleased that Senators MURKOWSKI, STEVENS, HATCH, and GORTON are cosponsoring this legislation. I urge my colleagues to join us in supporting this important effort to ensure that airlines are no worse off under the President's proposed economic legislative package. At least we can fulfill our obligation to do no harm.

Mr. President, I ask unanimous consent that the text of these three bills be printed immediately after my remarks.

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

S. 769

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

SECTION 1. PROHIBITION.

Notwithstanding any other law, there shall be—

(1) no increase in the tax under section 4091 of the Internal Revenue Code of 1986 (26 U.S.C. 4091), as in effect on January 1, 1993, on the sale of—

(A) jet aviation fuel, when such fuel is sold to a registered commercial aircraft operator which uses it to transport passengers or cargo; or

(B) non-jet aviation fuel; and

(2) no direct or indirect tax on—

(A) jet aviation fuel, or the energy content of petroleum or petroleum products used in the production of jet aviation fuel, when such fuel is sold to a registered commercial aircraft operator which utilizes it to transport passengers or cargo; or

(B) non-jet aviation fuel or the energy content of petroleum or petroleum used in the production of non-jet aviation fuel.

SEC. 2. RIGHT TO RECLAIM.

If a registered commercial aircraft operator purchases aviation fuel on which a Federal excise or energy tax was paid by a prior owner of such fuel, or the petroleum from which such aviation fuel was produced, such commercial aircraft operator shall be permitted to reclaim any excise or energy tax attributable to such fuel if such fuel is used to transport passengers or cargo.

SEC. 3. DEFINITION.

In this Act—

(1) The term "jet aviation fuel" means any aviation fuel within the meaning of section 4092(a)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 4092(a)(3)), as in effect on January 1, 1993, that is suitable for use as a fuel in a jet aircraft.

(2) The term "non-jet aviation fuel" means any aviation fuel within the meaning of such section 4092(a)(3) that is not jet aviation fuel.

(3) The term "registered commercial aircraft operator" means any operator of aircraft used in a business of transporting persons or property for compensation or hire by air which is registered with the Secretary of the Treasury pursuant to sections 4101(a) and 4093(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 4101(a) and 4093(c)(3)), as in effect on January 1, 1993.

S. 770

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Airline Predatory Pricing Prevention Act of 1993".

SEC. 2. AUTHORITY TO ISSUE CEASE AND DESIST ORDERS.

(a) IN GENERAL.—Section 411 of the Federal Aviation Act of 1958 (49 App. U.S.C. 1381) is amended by adding at the end the following new subsection:

"(1) PRELIMINARY INVESTIGATION AND CEASE AND DESIST ORDER.—

"(A) INVESTIGATION.—Within 7 days after receiving a written complaint of sufficient particularity by any person that any air carrier has been engaging in predatory pricing in the provision of air transportation in a city-pair market, the Secretary of Transportation shall conduct a preliminary investigation into the allegations made in the complaint.

"(B) CEASE AND DESIST ORDER.—If as a result of the preliminary investigation the Secretary finds that there is a significant likelihood that one of the two indicators of predatory pricing specified in paragraph (4) exists, the Secretary shall order such air carrier to cease and desist from engaging in the alleged predatory pricing until the conclusion of a full investigation under paragraph (2) or the elapse of 90 days following the date of such order, whichever occurs first.

"(C) NEGATIVE FINDING.—If as a result of the preliminary investigation the Secretary finds that there is not such a significant likelihood, the Secretary shall publish in the Federal Register an explanation of the reasons for that finding.

"(2) FULL INVESTIGATION AND PERMANENT CEASE AND DESIST ORDER.—

"(A) INVESTIGATION.—If the Secretary of Transportation makes the finding described in paragraph (1)(B), the Secretary shall conduct a full investigation into the alleged predatory pricing. The Secretary shall, in the course of such full investigation, provide interested parties with an opportunity to furnish information that the Secretary considers important.

"(B) PERMANENT CEASE AND DESIST ORDER.—If after conducting a full investigation under subparagraph (A) the Secretary finds that an air carrier has been engaging in predatory pricing, the Secretary shall order such air carrier to cease and desist from engaging in such predatory pricing.

"(C) REBUTTABLE PRESUMPTION.—In a full investigation under this paragraph, an air carrier is presumed to be engaging in predatory pricing in a city-pair market if any of the two indicators of predatory pricing specified in paragraph (4) is shown to exist. This presumption may be rebutted by clear and convincing evidence.

"(3) PENALTIES.—Any person who knowingly fails to obey a cease and desist order under paragraph (1) or (2) shall be subject to a civil penalty of $10,000 for each offense, and each day during which such offense continues is deemed a separate offense.

"(4) INDICATORS OF PREDATORY PRICING.—The two indicators of predatory pricing referred to in paragraphs (1)(B) and (2)(C) are as follows:

"(A) The pricing by the air carrier for air transportation in the city-pair market at issue is below the direct operating costs of the air carrier in providing such transportation.

"(B) Decreases in the pricing by the air carrier for such air transportation are occurring when market forces have led to sustained downward development of air fares deviating significantly from ordinary seasonal pricing movements and resulting in widespread losses among all air carriers for providing such air transportation, taking into account—

"(i) the level of pricing for air transportation in comparable city-pair markets;

"(ii) the revenue levels that were at the time of the transportation adequate under honest, economical, and efficient management to cover total operating expenses and to provide each such carrier with a flow of net income, plus depreciation, adequate to support prudent capital outlays, assure the repayment of a reasonable level of debt, permit the raising of needed equity capital, and take into account reasonable estimated or foreseeable future costs.

"(5) DIRECT OPERATING COSTS DEFINED.—In this subsection, the term direct 'operating costs' means the costs sustained by an air carrier in the preparation and execution of a single flight of an aircraft in a city-pair market, including—

"(A) expenses related to the aircraft, including flight crew compensation, landing fees, fuel and oil, hull insurance, all direct and overhead costs of maintenance, and the prorated amount of the rental charge or purchase amount of the aircraft; and

"(B) expenses related to passengers and freight, including sales or travel agents' compensation, in-flight food and beverage expenses, and liability insurance.".

(b) CONFORMING AMENDMENT.—In the table of contents of the Federal Aviation Act of 1958, the item relating to section 411 is amended by adding at the end the following: "(c) Predatory pricing.".

S. 771

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Airline Investment Act of 1993".

SEC. 2. FOREIGN INVESTMENT IN AIR CARRIERS.

(a) DEFINITION OF CITIZEN OF THE UNITED STATES.—Section 101(16) of Federal Aviation Act of 1958 (49 App. 1301(16)) is amended by striking "and in which" and all that follows and inserting in lieu thereof "and to which either of the following apply:

"(i) at least 75 percent of the voting interest of the corporation or association is owned or controlled by persons who are citizens of the United States or of one of its possessions; or

"(ii) at least 51 percent of the voting interest of the corporation or association is owned or controlled by persons who are citizens of the United States or of one of its possessions, and the country of nationality of each non-United States citizen who owns or controls any voting interest of the corporation or association implements, through its laws and enforcement, an open skies agreement with the United States.".

(b) DEFINITION OF OPEN SKIES AGREEMENT.—Section 101 of the Federal Aviation Act of 1958 (49 App. U.S.C. 1301) is amended by inserting immediately after paragraph (30) the following new paragraph:

"(30A) 'Open skies agreement with the United States' means an agreement between the United States and one or more other countries in which each such other country guarantees to the corporate and other citizens of the United States the following:

"(A) Open entry for air carriers of the United States on all air transportation routes to and from such country.

"(B) Unrestricted capacity and frequency for air carriers of the United States on all such routes.

"(C) Unrestricted air transportation route and traffic rights for air carriers of the United States between any point in the United States and any point in such country, including no restrictions as to intermediate points and points beyond, change of gauge, routing flexibility, coterminalization, or the right to carry Fifth Freedom traffic.

"(D) Double-disapproval pricing for air carriers of the United States providing Third and Fourth Freedom transportation to and from such country.

"(E) Liberal arrangements for charter air carriers of the United States that are at least as unrestricted as arrangements for the charter air carriers of any other country, regardless of the origin of the flight.

"(F) Liberal cargo arrangements, using criteria that are at least as comprehensive for all-cargo air service of the United States as those provided for any air carrier that carries persons and also property or mail.

"(G) Earnings conversion and remittance arrangements under which air carriers of the United States can convert earnings in such country into the hard currency of any other country and remit to the United States promptly and without restriction.

"(H) Open opportunities for air carriers of the United States to share flight codes with air carriers of such country.

"(I) The right of air carriers of the United States to perform and control their airport functions in such country that support their air transportation operations to, from, or between points within such country.

"(J) Procompetitive provisions on commercial opportunities, user charges, fair competition, and intermodal rights.

"(K) Nondiscriminatory operation of and access for computer reservation systems, guaranteed by the country's explicit commitment.

"(L) Equivalent rights to financial investment in the air carriers that fly such country's flag.".

[From USA Today, Feb. 19, 1993]

PLAN SLAMS AIRLINES, AEROSPACE FIRMS

(By Doug Carroll)

President Clinton says he wants to help them, but airlines and aerospace companies see little evidence so far.

A day after Clinton unveiled his economic plan, stocks of most leading companies in both industries plunged on Wall Street Thursday.

Adding to the bad news, Boeing announced it will eliminate 23,000 jobs this year and another 5,000 by mid-1994. The cuts, representing almost 20% of its workforce, stem from declining orders for its commercial jets and downsizing at its Defense & Space Group.

Boeing's stock rose Thursday, to $33⅞ a share, up ⅛. But analysts pointed out the stock also had lost more ground on a percentage basis than other aerospace companies this year. The cutbacks had been expected, too.

Boeing's announcement underscores how weak the airline and aerospace businesses are. Airlines have lost more than $8 billion since 1989 and have canceled dozens of orders for aircraft. Aerospace firms cut 117,000 jobs last year—38,000 in civil aircraft production—and are expected to shed more than 47,000 jobs this year.

Airlines are howling about Clinton's plans to boost energy taxes, a move their trade association says will raise the industry's jet fuel costs between $1.4 billion and $2.1 billion a year. Jet fuel is the airlines' second biggest expense, after labor. Each one-cent increase in jet fuel raises the industry's costs by $150 million a year. In a weak travel market, airlines worry that raising airfares will keep travelers home.

"The carriers have been going through a painful cost-cutting process—laying off employees, canceling aircraft orders and reducing service to customers. This tax will only be a setback to those efforts to reduce costs," says James Landry, president of the Air Transport Association.

The Aerospace Industries Association, which represents manufacturers, says Clinton's investment tax credit proposal might help its members, but any benefit could be offset by his plan to raise corporate income taxes.

Tax credits might not help airlines much at all. "It only helps if you have earnings," says Herbert Lanese, McDonnell Douglas senior vice president of finance.

He's not happy about what higher fuel taxes might mean for airlines that buy McDonnell Douglas jets, either.

"I get very nervous about that. I don't know where the revenues are going to come from to pay for (fuel taxes)," he says.

He also questions Clinton's move to spend $30 billion over two years on public works projects to stimulate the economy.

"It makes no sense to destroy the aerospace industry and lose high-tech, high-skilled jobs and build up the construction industry by building highways and bridges," Lanese says. "The president makes a serious mistake if he goes after low-tech jobs instead of high-tech jobs."

[From the Journal of Commerce, Feb. 22, 1993]

GIVING AND TAKING

Many business leaders supported candidate Bill Clinton because he promised to end 12 years of laissez-faire government. Most thought that would be a good thing. Many are now wondering.

Mr. Clinton's brand of government activism promised more attention to industry's problems. That meant more government spending in their sectors, more federal research and development and tougher enforcement of "unfair" trading laws. As companies are quickly learning, however, activist government isn't all it's cracked up to be.

Take the airline industry. Last Tuesday, the Clinton administration proposed creation of a high-level government panel to recommend ways to revitalize the airlines, which have lost $8 billion during the last three years. A day later, however, Mr. Clinton proposed an energy tax that will raise the cost of jet fuel 15 cents a gallon.

There's nothing like $2 billion in higher operating costs to revitalize a depressed industry.

[From the St. Louis Post-Dispatch, Feb. 21, 1993]

AILING AIRLINES FEAR INCREASE IN FUEL PRICE

(By Christopher Carey)

The nation's airlines, battered by billions of dollars in losses over the past three years, have been looking for opportunities to raise fares.

But an increase in fuel prices, which would follow from President Clinton's proposed energy tax, is hardly what they had in mind.

The airlines fear that the added costs—absent offsetting cuts in other taxes or fees—will make it harder for them to return to profitability.

"In recent months, the carriers have been going through a painful cost-cutting process—laying off employees, cancelling aircraft orders and reducing service to customers," said James Landry, president of the Air Transport Association in Washington, D.C. "This tax will only be a setback to those efforts," . . .

Clinton wants to tax fuel on the basis of its energy content as measured in British thermal units or BTUs.

Although the airlines were resigned to some form of new tax on fuel, the option Clinton chose could prove disastrous, Landry said.

"The initial thought of a fair, equitable, across-the-board energy tax has been replaced by one which socks it to petroleum users," he said. "It is now clear that the airlines are being asked to shoulder a disproportionate share of the tax, which at a minimum will ultimately cost U.S. airlines $1.4 billion per year."

To pass along those costs, the airlines would have to raise ticket prices by at least 2 percent.

Such an increase, if implemented now, would boost the unrestricted round-trip fare from St. Louis to New York by $9, to $445, and boost the advance-purchase fare to Orlando, Fla., by $7, to $337.

The added cost, coupled with any other increases the airlines impose, could hurt the industry and the economy by reducing demand for travel.

When fares rise too sharply, U.S. companies cut back on employee trips to stay within their budgets, said John Hintz, president of the National Business Travel Association.

"If prices go up 10 to 15 percent, then you have to cut your travel by the same amount," said Hintz, who works for Price Waterhouse, a major accounting firm.

Airlines, however, will have an equally hard time absorbing the extra costs.

Fuel accounts for at least 15 percent of each carrier's operating expenses, said Tim Neale, an ATA spokesman.

"It's the second biggest cost item for the industry, after labor," he said.

The ATA based its economic impact figure on an increase of 10 cents to 15 cents a gallon in the price of jet fuel.

The ATA got that estimate from the American Petroleum Institute. That trade group warned last week that refineries, which will have to pay the energy tax, will be unable to pass along the cost to all customers in equal proportion.

The petroleum group says that power plants, factories and other users of residual oil might balk at paying their full share, because they can switch to coal or natural gas.

Thus, the burden will fall more heavily on auto owners and airlines, which have no practical alternatives.

Airlines are now paying about 68 cents a gallon for fuel.

The ATA's statistics suggest that if airlines pay an extra 10 cents a gallon for fuel, they will have to boost ticket prices by more than 2 percent to cover the added cost.

The increase in fuel prices would run counter to industry trends, Landry said.

The scheduled passenger and cargo airlines in the United States lost $4.5 billion last year, pushing their collective deficit for the past three years to more than $10 billion.

However, $2 billion of the loss for 1992 was caused by one-time charges to account for the cost of retiree health care and other benefits.

Some people in the industry are predicting that the airlines will break even this year if the economy picks up and demand for air travel improves.●

By Mr. DECONCINI:

S. 772. A bill to amend the Internal Revenue Code of 1986 to provide a simplified tax on all income, and for other purposes; to the Committee on Finance.

SIMPLIFIED TAX ACT

● Mr. DECONCINI. Mr. President, I am reintroducing a bill today to restore fairness and simplicity to our tax system. Anyone who has filed, or attempted to file, a tax return knows how incomprehensible the regulations, instructions, and interpretations of the Tax Code can be.

My bill will make the Tax Code fair to all taxpayers—middle-income families and business tycoons alike. It removes loopholes, tax shelters, tax subsidies, tax credits, and tax deductions currently in the Tax Code. We will be assured that the wealthy will not avoid paying taxes by utilizing loopholes which, though unfair, are currently legal. We will be further assured that people will not fail to file or inaccurately file their tax returns due to the complexity of both the forms and the instructions.

This bill will not only save the American taxpayers the headache involved in pouring through complex instructions and forms, but also save them the tens of millions of dollars spent each year to hire expert tax advice. In addition, my bill will save our country a great deal in taxpayer dollars by reducing the IRS budget that has become necessary to issue regulations and enforce compliance with this complicated system. Perhaps most important, this bill will aid our economy by assuring that individual and corporate decisions are made on sound economic judgment, not on the basis of a tax advantage.

Under my bill, personal income taxes would be subject to two rates. A single filer would pay 15 percent on the first $50,000 of income and 25 percent on income above $50,000. Couples filing jointly would pay 15 percent on the first $100,000 of income and 25 percent on income in excess of that amount. Determining taxable income would no longer require confusing calculations. I have also included a large personal exemption of $4,000 per person because I believe a family of four can hardly survive on $16,000 per year. A family only making that amount would not have to pay any taxes. Under my bill, income tax returns would be simple enough to fit on a post card.

I consistently hear complaints from Arizonans that the tax system we have is too complicated, too confusing, and unfair. It is impossible to argue with them when one sees the thousands of pages of regulations, interpretations, and opinions which have been issued on the current Tax Code. My bill offers the chance to reassert fairness and equity in our tax system. In this tax season, that is something which all Americans can embrace.

Mr. President, I ask unanimous consent that the text of my bill be printed in the CONGRESSIONAL RECORD.

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

S. 772

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

SECTION 1. SIMPLIFIED TAX.

(a) IN GENERAL.—Subtitle A of the Internal Revenue Code of 1986 is amended to read as follows:

"Subtitle A—Income Taxes

"CHAPTER 1—COMPUTATION OF TAXABLE INCOME

"SEC. 101. NONBUSINESS TAXABLE INCOME DEFINED.

"(a) IN GENERAL.—For purposes of this title, the term 'nonbusiness taxable income' means—

"(1) all compensation, and

"(2) any income other than compensation from whatever source derived.

"(b) COMPENSATION.—Compensation means all cash amounts paid by an employer or received by an employee, including wages, salaries, pensions, bonuses, prizes, and awards.

"(c) CERTAIN ITEMS INCLUDED.—Compensation includes—

"(1) the cash equivalent of any financial instrument conveyed to an employee, measured as market value at the time of conveyance; and

"(2) workman's compensation and other payments for injuries or other compensation for damages.

"(d) CERTAIN ITEMS EXCLUDED.—

"(1) COMPENSATION.—Compensation excludes—

"(A) reimbursements to a taxpayer by an employer for business expenses paid by the taxpayer in connection with performance of services as an employee;

"(B) goods and services provided to employees by employers, including but not limited to medical benefits, insurance, meals, housing, recreational facilities, and other fringe benefits; and

"(C) wages, salaries, and other payments for services performed outside the United States.

"(2) OTHER INCOME.—No gain from the sale or exchange of the principal residence of a taxpayer shall be included in income described in subsection (a)(2).

"SEC. 102. BUSINESS RECEIPTS DEFINED.

"Business receipts are the receipts of a business from the sale or exchange of products or services produced in or passing through the United States. Business receipts include—

"(1) gross revenue, excluding sales and excise taxes, from the sale or exchange of goods and services;

"(2) fees, commissions, and similar receipts, if not reported as compensation;

"(3) gross rents;

"(4) royalties;

"(5) gross receipts from the sale of plant, equipment, and land;

"(6) the market value of goods, services, plant, equipment, or land provided to its owners or employees;

"(7) the market value of goods, services, and equipment delivered from the United States to points outside the United States, if not included in sales; and

"(8) the market value of goods and services provided to depositors, insurance policyholders, and others with a financial claim upon the business, if not included in sales.

"SEC. 103. COST OF BUSINESS INPUTS DEFINED.

"(a) IN GENERAL.—The cost of business inputs is the cost of purchases of goods, services, and materials required for business purposes.

"(b) CERTAIN ITEMS INCLUDED.—The cost of business inputs includes—

"(1) the actual amount paid for goods, services, and materials, whether or not resold during the year;

"(2) the market value of business inputs brought into the United States; and

"(3) the actual cost, if reasonable, of travel and entertainment expenses for business purposes.

"(c) CERTAIN ITEMS EXCLUDED.—The cost of business inputs excludes purchases of goods and services provided to employees or owners, unless these are included in business receipts.

"SEC. 104. COST OF CAPITAL EQUIPMENT, STRUCTURES, AND LAND DEFINED.

"The cost of capital equipment, structures, and land includes any purchases of these items for business purposes. In the case of equipment brought into the United States, the cost is the market value at time of entry into the United States.

"SEC. 105. BUSINESS TAXABLE INCOME DEFINED.

"Business taxable income is business receipts less the cost of business inputs, less compensation paid to employees, and less the cost of capital equipment, structures, and land.

"CHAPTER 2—DETERMINATION OF TAX LIABILITY

"Sec. 201. Personal allowance.
"Sec. 202. Nonbusiness tax.
"Sec. 203. Business tax.

"SEC. 201. PERSONAL ALLOWANCE.

"(a) IN GENERAL.—The personal allowance of a taxpayer for any taxable year is an amount equal to the sum of the allowance amounts for the taxpayer, the spouse of the taxpayer if filing jointly, and each dependent of the taxpayer.

"(b) ALLOWANCE AMOUNT.—The allowance amount for any individual is $4,000. Each year the allowance amount for taxable years beginning in such year shall be the amount in effect for the preceding year, increased by the proportional increase during the preceding year in the Consumer Price Index.

"(c) SPECIAL RULES.—For purposes of this chapter—

"(1) a taxpayer is considered married if he was married at the end of the year or if the taxpayer's spouse died during the year,

"(2) a taxpayer is a head of a household if the taxpayer is not married at the end of the year, and maintains as the taxpayer's home a household which is the principal home of a dependent of the taxpayer, and

"(3) a dependent is a son, stepson, daughter, stepdaughter, mother, or father of the taxpayer, for whom the taxpayer provides more than half support for a taxable year.

"SEC. 202. NONBUSINESS TAX.

"(a) IN GENERAL.—There is hereby imposed a tax on the nonbusiness taxable income of every person for each taxable year (reduced by the amount of the personal allowance under section 201) a tax equal to—

"(1) 15 percent of so much of such income as does not exceed the limit, plus

"(2) 25 percent of so much of such income as exceeds the limit.

"(b) LIMIT.—For purposes of subsection (a)—

"(1) the limit for married taxpayers filing jointly, heads of household, and surviving spouses is $100,000, and

"(2) the limit for any other taxpayer is $50,000.

"SEC. 203. BUSINESS TAX.

"(a) BUSINESS DEFINED.—Each sole proprietorship, partnership, and corporation constitutes a business. Any organization or individual not specifically exempt under chapter 3, with business receipts, is a business.

"(b) COMPUTATION OF TAX.—Each business will pay a tax of 19 percent of its business taxable income, or zero if business taxable income is negative.

"(c) FILING UNITS.—A business may file any number of business tax returns for its various subsidiaries or other units, provided that all business receipts are reported in the aggregate, and provided that each expenditure for business inputs is reported on no more than one return.

"(d) CARRYFORWARD OF LOSSES.—When business taxable income is negative, the negative amount may be used to offset positive taxes in future years. The amount carried forward from one year to the next is augmented according to an interest rate equal to the average daily yield on 3-month Treasury Bills during the first year. There is no limit to the amount or the duration of the carryforward.

"CHAPTER 3—EXEMPT ORGANIZATIONS

"Sec. 301. Exempt organizations.

"SEC. 301. EXEMPT ORGANIZATIONS.

"Organizations exempt from the business tax are—

"(1) State and local governments, and their subsidiary units; and

"(2) educational, religious, charitable, philanthropic, cultural, and community service organizations that do not return income to individual or corporate owners.

"CHAPTER 4—WITHHOLDING

"SEC. 401. Withholding.

"SEC. 401. WITHHOLDING.

"Each employer, including exempt organizations, will withhold from the wages, salaries, and pensions of its employees, and remit to the Internal Revenue Service, an amount computed in the manner prescribed in tables published by the Secretary. Every employee will receive a credit against tax for the amount withheld.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1993.•

By Mr. LAUTENBERG (for himself and Mr. BRADLEY):

S.J. Res. 79. A joint resolution to designate June 19, 1993, as "National Baseball Day"; to the Committee on the Judiciary.

NATIONAL BASEBALL DAY

• Mr. LAUTENBERG. Mr. President, I rise on behalf of myself and Senator BRADLEY to introduce legislation to designate June 19 as National Baseball Day.

This bill will commemorate June 19 as a historic day in the evolution of baseball. On that day, one of baseball's earliest and most influential teams—the Knickerbocker's—invited a group known as the New York Club to join them in a game of ball under a unique set of written rules which they had recently improvised. That game took place in 1846 on Elysian Fields in Hoboken, NJ.

As the game spread throughout the country, it became known as the New York game. Today, we know it simply as baseball—a game which unlike any other has had a profound influence on the American experience.

Baseball holds a special place in the memories of millions of Americans. It rhythms reassure in a way no other sport can—guiding us from season to season, from generation to generation. At its heart baseball is a communal experience and its memories are those we inevitably share.

To commemorate this game and the cultural tradition of baseball, we hope our colleagues will join with us in supporting this resolution. This day will give anyone who has ever enjoyed a game of ball the opportunity to celebrate an important part of their heritage that traces its roots to a field in New Jersey.

Mr. President, I ask unanimous consent that this joint resolution be printed in the RECORD.

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

S.J. RES. 79

Whereas the seeds of modern baseball were planted on the Elysian Fields of Hoboken, New Jersey, on the warm spring afternoon of June 19, 1846;

Whereas, on that historic date, one of baseball's earliest and most influential teams, the Knickerbockers, invited a group known as the New York Club to join them for a "game of ball" under a unique set of rules that the Knickerbockers had recently devised;

Whereas the game the Knickerbockers conceived so excited and captivated the imagination of sports enthusiasts that other "base ball clubs" soon began to assemble;

Whereas these early clubs organized and modeled themselves on the example set by the Knickerbockers, and adopted their written "Rules of Play";

Whereas in the months and years that followed, many of these early clubs joined the Knickerbockers for "regular play" at the Elysian Fields and at other locations in and around New York City, New York;

Whereas these men and teams were "amateurs" in the noblest sense of the word, since they played for the sheer joy they found in this new and captivating game;

Whereas, over the next decade, the Elysian Fields grew into the first great center of baseball activity in the United States, and began to attract players and spectators from across the Nation;

Whereas Alexander Joy Cartwright, Jr. was the guiding force behind the Knickerbockers, and is the American who, perhaps, best deserves the title of "Father of Modern Baseball";

Whereas as the game of baseball spread north and south along the east coast of the United States it became known as the "New York Game";

Whereas today this game is known simply as "baseball", a game which, unlike any other, has had a profound influence on generation after generation of Americans;

Whereas for millions of Americans, baseball is part of their earliest childhood memories, including the crack of a bat, the smell of a glove, and the endless summers spent on sandlots in every community across this great Nation in a uniquely American rite of passage;

Whereas, for many Americans, their first real heroes wore pinstriped baseball uniforms, and these heroes taught generations of young Americans important values and inspired their first dreams of glory;

Whereas, in every American generation since 1846, baseball has been an important bond between millions of parents and their children who have shared countless afternoons at the ballpark;

Whereas today, baseball binds one generation of Americans to the next through a shared experience which has become central to our cultural identity as a Nation;

Whereas it is often said that to understand America, one must first understand the game of baseball; and

Whereas the designation of a "National Baseball Day" will provide an opportunity to celebrate America's "national pastime" and to reflect upon a game that has become a metaphor for our Nation's values and a living symbol of our cultural heritage: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in recognition of the fundamental role that the game of baseball has played in shaping our American experience, and as a tribute to those who first pioneered the game, June 19, 1993, is hereby designated as "National Baseball Day". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.●

ADDITIONAL COSPONSORS

S. 51

At the request of Mr. FEINGOLD, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 51, a bill to consolidate overseas broadcasting services of the U.S. Government, and for other purposes.

S. 211

At the request of Mr. MCCAIN, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 211, a bill to amend the Internal Revenue Code of 1986 to provide tax credits for Indian investment and employment, and for other purposes.

S. 293

At the request of Mr. MCCAIN, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 293, a bill to provide for a National Native American Veterans' Memorial.

S. 295

At the request of Mr. DURENBERGER, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 295, a bill to amend title 23, United States Code, to remove the penalties for States that do not have in effect safety belt and motorcycle helmet traffic safety programs, and for other purposes.

S. 297

At the request of Mr. STEVENS, the names of the Senator from Oregon [Mr. HATFIELD], the Senator from Colorado [Mr. BROWN], and the Senator from South Dakota [Mr. DASCHLE] were added as cosponsors of S. 297, a bill to authorize the Air Force Memorial Foundation to establish a memorial in the District of Columbia or its environs.

S. 439

At the request of Mr. COATS, the name of the Senator from North Dakota [Mr. DORGAN] was added as a cosponsor of S. 439, a bill to amend the Solid Waste Disposal Act to permit Governors to limit the disposal of out-of-State solid waste in their States, and for other purposes.

S. 474

At the request of Mr. COATS, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 474, a bill to amend the Internal Revenue Code of 1986 to increase the amount of the exemption for dependent children under age 18 to $3,500, and for other purposes.

S. 477

At the request of Mr. FEINGOLD, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 477, a bill to eliminate the price support program for wool and mohair, and for other purposes.

S. 487

At the request of Mr. MITCHELL, the names of the Senator from Massachusetts [Mr. KENNEDY], the Senator from Connecticut [Mr. LIEBERMAN], and the Senator from Wisconsin [Mr. KOHL] were added as cosponsors of S. 487, a bill to amend the Internal Revenue Code of 1986 to permanently extend and modify the low-income housing tax credit.

S. 503

At the request of Mr. D'AMATO, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 503, a bill to amend the Immigration and Nationality Act to provide that members of Hamas—commonly known as the Islamic Resistance Movement—be considered to be engaged in a terrorist activity and ineligible to receive visas and excluded from admission into the United States.

S. 513

At the request of Mr. BRADLEY, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 513, a bill to amend the Internal Revenue Code of 1986 to increase the excise taxes on tobacco products, and to use the resulting revenues to fund a trust fund for health care reform, and for other purposes.

S. 545

At the request of Mr. BOREN, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 545, a bill to amend the Internal Revenue Code of 1986 to allow farmers' cooperatives to elect to include gains or losses from certain dispositions in the determination of net earnings, and for other purposes.

S. 568

At the request of Mr. BURNS, his name was added as a cosponsor of S. 568, a bill to strengthen the authority of the Federal Trade Commission regarding fraud committed in connection with sales made with a telephone, and for other purposes.

S. 570

At the request of Mr. GRASSLEY, the name of the Senator from Wisconsin [Mr. FEINGOLD] was added as a cosponsor of S. 570, 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. 573

At the request of Mr. BREAUX, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 573, a bill to amend the Internal Revenue Code of 1986 to provide for a credit for the portion of employer social security taxes paid with respect to employee cash tips.

S. 591

At the request of Mr. D'AMATO, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 591, a bill to authorize the President to suspend the application of laws and regulations that impede economic revitalization and growth.

S. 729

At the request of Mr. REID, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of S. 729, a bill to amend the Toxic Substances Control Act to reduce the levels of lead in the environment, and for other purposes.

S. 732

At the request of Mr. KENNEDY, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 732, a bill to provide for the immunization of all children in the United States against vaccine-preventable diseases, and for other purposes.

SENATE JOINT RESOLUTION 43

At the request of Mr. LIEBERMAN, the names of the Senator from Nebraska [Mr. EXON] and the Senator from Utah [Mr. HATCH] were added as cosponsors of Senate Joint Resolution 43, a joint resolution designating the week beginning June 6, 1993, and June 5, 1994, as "Lyme Disease Awareness Week."

SENATE JOINT RESOLUTION 44

At the request of Mr. LIEBERMAN, the names of the Senator from Montana [Mr. BAUCUS], the Senator from New Jersey [Mr. BRADLEY], the Senator from Colorado [Mr. BROWN], the Senator from Arkansas [Mr. BUMPERS], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Indiana [Mr. COATS], the Senator from Nebraska [Mr. EXON], the Senator from California [Mrs. FEINSTEIN], the Senator from Ohio [Mr. GLENN], the Senator from Iowa [Mr. GRASSLEY], the Senator from Utah [Mr. HATCH], the Senator from Alabama [Mr. HEFLIN], the Senator from Hawaii [Mr. INOUYE], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Michigan [Mr. LEVIN], the Senator from Nevada [Mr. REID], the Senator from Tennessee [Mr. SASSER], the Senator from Alabama [Mr. SHELBY], the Senator from Virginia [Mr. WARNER], the Senator from Minnesota [Mr.

WELLSTONE], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Ohio [Mr. METZENBAUM], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Arkansas [Mr. PRYOR], the Senator from West Virginia [Mr. BYRD], and the Senator from Pennsylvania [Mr. WOFFORD] were added as cosponsors of Senate Joint Resolution 44, a joint resolution designating the week beginning April 18, 1993, as "Primary Immune Deficiency Awareness Week."

SENATE JOINT RESOLUTION 66

At the request of Mr. THURMOND, the names of the Senator from South Dakota [Mr. PRESSLER], the Senator from California [Mrs. FEINSTEIN], the Senator from Texas [Mr. KRUEGER], the Senator from Utah [Mr. BENNETT], the Senator from Delaware [Mr. BIDEN], the Senator from California [Mrs. BOXER], the Senator from Louisiana [Mr. BREAUX], the Senator from Colorado [Mr. BROWN], the Senator from Montana [Mr. BURNS], the Senator from Indiana [Mr. COATS], the Senator from Mississippi [Mr. COCHRAN], the Senator from Maine [Mr. COHEN], the Senator from North Dakota [Mr. CONRAD], the Senator from Idaho [Mr. CRAIG], the Senator from South Dakota [Mr. DASCHLE], the Senator from Kansas [Mr. DOLE], the Senator from Minnesota [Mr. DURENBERGER], the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from Washington [Mr. GORTON], the Senator from Texas [Mr. GRAMM], the Senator from Iowa [Mr. GRASSLEY], the Senator from Utah [Mr. HATCH], the Senator from Alabama [Mr. HEFLIN], the Senator from Hawaii [Mr. INOUYE], the Senator from Idaho [Mr. KEMPTHORNE], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Vermont [Mr. LEAHY], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Mississippi [Mr. LOTT], the Senator from Florida [Mr. MACK], the Senator from Arizona [Mr. MCCAIN], the Senator from Kentucky [Mr. MCCONNELL], the Senator from Oklahoma [Mr. NICKLES], the Senator from Georgia [Mr. NUNN], the Senator from Oregon [Mr. PACKWOOD], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Maryland [Mr. SARBANES], the Senator from Tennessee [Mr. SASSER], the Senator from Wyoming [Mr. SIMPSON], the Senator from New Hampshire [Mr. SMITH], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Minnesota [Mr. WELLSTONE], and the Senator from Missouri [Mr. BOND] were added as cosponsors of Senate Joint Resolution 66, a joint resolution to designate the weeks beginning April 18, 1993, and April 17, 1994, each as "National Organ and Tissue Donor Awareness Week."

SENATE JOINT RESOLUTION 71

At the request of Mr. BROWN, the names of the Senator from Colorado [Mr. CAMPBELL], the Senator from Alaska [Mr. STEVENS], the Senator from New Mexico [Mr. DOMENICI], the Senator from South Dakota [Mr. PRESSLER], the Senator from Indiana [Mr. COATS], the Senator from Mississippi [Mr. COCHRAN], and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of Senate Joint Resolution 71, a joint resolution to designate June 5, 1993, as "National Trails Day."

SENATE JOINT RESOLUTION 78

At the request of Mr. MURKOWSKI, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of Senate Joint Resolution 78, a joint resolution designating the beach at 53 degrees 53'51"N, 166 degrees 34'15"W to 53 degrees 53'48"N, 166 degrees 34'21"W on Hog Island, which lies in the Northeast Bay of Unalaska, Alaska as "Arkansas Beach" in commemoration of the 206th regiment of the National Guard, who served during the Japanese attack on Dutch Harbor, Unalaska on June 3 and 4, 1942.

SENATE RESOLUTION 70

At the request of Mr. BRADLEY, the names of the Senator from Kansas [Mr. DOLE] and the Senator from Florida [Mr. GRAHAM] were added as cosponsors of Senate Resolution 70, a resolution expressing the sense of the Senate regarding the need for the President to seek the advice and consent of the Senate to the ratification of the United Nations Convention on the Rights of the Child.

SENATE CONCURRENT RESOLUTION 22—RELATIVE TO CHILDREN IN ROMANIA

Mr. GRAMM submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 22

Whereas there are approximately 190 children and youths at the Romanian Institution for the Unsalvageables at Sighetu Marmatiei who are in desperate need of humanitarian assistance, including proper medical attention and treatment;

Whereas a private, nonprofit organization known as the Chalcedon Foundation of Vallecito, California, in coordination with EPIC Healthcare Group of Dallas, Texas, has committed to facilitating such assistance through the provision of medical attention and treatment and housing for such children and youths in the United States;

Whereas the Chalcedon Foundation has guaranteed that once these children and youths arrive in the United States they will not become a public charge or burden on the taxpayer; and

Whereas increased cooperation among the United States Government, the Government of Romania, and interested individuals and humanitarian organizations is needed if these children and youths are to be saved: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress calls upon—

(1) the Government of Romania to allow the approximately 190 children and youths at the Romanian Institution for the Unsalvageables at Sighetu Marmatiei to come to the United States for humanitarian assistance, including proper medical attention and treatment; and

(2) the Secretary of State to facilitate this process by granting these children and youths entry into the United States with the immediacy that their intolerable situation demands.

Mr. GRAMM. Mr. President, today I would like to join my colleague in the House, Congressman RICHARD POMBO from California, in his important efforts to help 190 abandoned Romanian orphans. I applaud his leadership and am proud to introduce the companion resolution to House Concurrent Resolution 68 in the Senate.

This resolution, like Mr. POMBO's, calls upon the Romanian Government to allow privately financed relief efforts on behalf of these suffering children to continue, and for the Secretary of State to move quickly to arrange to let these children into the United States so they can receive care. The plight of these children requires the immediate attention of our two governments to lower the bureaucratic barriers that prevent this vital assistance from being provided.

I would also like to express my appreciation to the two groups which have taken a leading role in helping these orphans, the Chalcedon Foundation of California and Epic Healthcare Group of Dallas. Their efforts show the important role private relief efforts play in helping people all over the world.

SENATE RESOLUTION 91—TO REFER S. 745 ENTITLED "A BILL FOR THE RELIEF OF HARDWICK, INC.," TO THE CHIEF JUDGE OF THE U.S. COURT OF FEDERAL CLAIMS

Mr. SIMON submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 91

Resolved, That the bill 745 entitled "A Bill for the Relief of Hardwick, Inc." now pending in the Senate, together with all accompanying papers, is referred to the Chief Judge of the United States Court of Federal Claims. The Chief Judge shall proceed with consideration of such case in accordance with the provisions of sections 1492 and 2509 of title 28, United States Code (notwithstanding any other appeal, statute, case law, or regulations, including section 1500 of title 28, United States Code, that may limit in any way the jurisdiction or authority of the court), and report thereon to the Senate at the earliest practicable date giving findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable against the United States, and the amount, if any, legally or equitably due to the claimants from the United States.

SENATE RESOLUTION 92—RELATING TO NORTH KOREA'S PROPOSED WITHDRAWAL FROM THE TREATY ON THE NON-PROLIFERATION OF NUCLEAR WEAPONS

Mr. ROBB (for himself, Mr. D'AMATO, Mr. BIDEN, Mr. HELMS, and Mr. MURKOWSKI) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 92

Whereas North Korea stated its intention on March 12, 1993, to withdraw from the Treaty on the Non-Proliferation of Nuclear Weapons, done on July 1, 1968;

Whereas North Korea remains obligated under the Treaty for a 90-day period;

Whereas no other country has ever formally withdrawn from the Treaty on the Non-Proliferation of Nuclear Weapons;

Whereas no other country has ever compelled the International Atomic Energy Agency (IAEA) to request a special inspection of its nuclear facilities;

Whereas North Korea refuses to allow a special inspection of suspected nuclear waste sites in violation of the Treaty on the Non-Proliferation of Nuclear Weapons;

Whereas representatives from 35 countries make up the IAEA Board of Governors allowing the Agency to act in an impartial manner;

Whereas the United States withdrew all tactical nuclear weapons from the Korean peninsula in 1991; and

Whereas annual Team Spirit U.S.-Republic of Korea exercises are conducted for defensive purposes are not a provocative act of war: Now, therefore, be it

Resolved, That (a) the Senate hereby condemns North Korea for its stated intention to withdraw from the Treaty on the Non-Proliferation of Nuclear Weapons.

(b) It is the sense of the Senate that the United States and its international partners should take measured steps to compel North Korea to remain a party to the Treaty and to allow unconditional special inspections of apparent nuclear waste sites and other areas suspected of harboring a nuclear weapons-building program.

Mr. ROBB. Mr. President, I rise today to introduce a resolution condemning North Korea for its stated intention to withdraw from the Nuclear Non-Proliferation Treaty [NPT].

Senators BIDEN, HELMS, and MURKOWSKI join me as original cosponsors.

Mr. President, North Korea's decision to opt out of the treaty suggests that President Kim Il-song and heir apparent Kim Chong-Il have adopted a go-for-broke strategy to develop a nuclear weapons capability.

Besides threatening the security of Northeast Asia, Pyongyang's move may provoke other rogue nations to follow suit—that is, leave the NPT—and critically undermine United States attempts to stem the proliferation of nuclear weapons.

To avoid that outcome, I believe the United States must respond with measured steps to compel North Korea to remain a party to the treaty, and to allow unconditional special inspections of areas suspected of harboring a nuclear-weapons building program.

Let me outline what I envision those steps to be.

Initially, Mr. President, I advocate a full-court diplomatic press, between now and the mid-June date, when the North's withdrawal from the treaty becomes effective, to promote dialog and communication with the North Korean leadership.

Our discussions at the counselor level in Beijing with the North, direct North-South talks, and interventions from other members of the international community, specifically China, are all means to persuade Kim Il-song and Kim Chong-Il of abiding by nonproliferation regime guidelines and permitting inspections.

A go slow approach is called for, Mr. President, where all voices are heard and listened to.

Simultaneous to the entreaties, this matter merits the consideration of the U.N. Security Council, notwithstanding official Chinese statements that "the PRC is opposed to North Korea's nuclear issues being referred to the United Nations."

Mr. President, the Democratic People's Republic of Korea's actions are grave and serious.

It is the first country, among 155 signatories, to accede to the NPT and then withdraw, and reject repeated IAEA requests for a special inspection.

In light of this United Nations affiliated agency's inability to enforce its own mandate, it is appropriate and necessary for the parent body to formally address the issue.

I was pleased to see the IAEA board of governors take this course of action yesterday when it approved referring North Korea's rejection of inspection requests to the United Nations.

Mr. President, while China's blocking of a March 12 attempt at the United Nations to initially condemn North Korea signifies reluctance to punish an old ally, the international community should not be deterred by these tactics.

In fact, to the degree that we do not lose sight of our objective of denying North Korea a nuclear weapons capability, there is ample incentive to work in tandem with China given Beijing's influence with Pyongyang.

Mr. President, should North Korean noncompliance continue through the spring months, a special U.N. envoy should be tasked to compel North Korea to rethink its decision, while resolutions of disapproval are adopted by the Security Council to build international consensus.

To add further pressure, a list of punitive sanctions should be crafted between now and mid-June.

The list should be shared with Kim Il-song and Kim Chong-Il so they understand the import of thumbing their noses at the international community.

Sanctions on oil would be particularly important, and agricultural products, military supplies, heavy machinery, and other strategic items should be targeted.

Along these lines, suspending Japanese investment in North Korea would be a key element of a general economic embargo.

Estimates of two way trade between the two countries range from $200 and $500 million.

While Chinese acquiescence on sanctions may be difficult to obtain, it should be pursued.

In 1991, North Korea reportedly received 1.1 million tons of oil from China, 1 million tons from Iran, and 40,000 tons from Libya.

The oil is North Korea's lifeline, and the mere threat of cutting it off could quickly change minds in Pyongyang.

Russia, too, has a role to play. Along with the other constituent Republics of the former Soviet Union, oil exports to North Korea last year totaled 340,000 tons, and there were noteworthy bilateral sales of Russian military equipment.

A multilateral embargo should attempt to zero out such trade.

Among our own limited options, the United States should lay the groundwork for halting its food shipments to North Korea. License authority presently exists for U.S. commercial sales of up to $1.2 billion.

Mr. President, the noose around North Korea's neck can be tightened further through military enforcement of sanctions, and it is not an option that I rule out. Failing eventual North Korean concessions, we have the capability to block North Korean shores from the import of Iranian and Libyan oil.

Mr. President, I have spent considerable time in the last month with United States intelligence and State Department officials, including just this morning, who confirm that North Korea is actively attempting to disguise its nuclear weapons program. It is a program that is alive, well, and speeding toward the ability to construct an atomic device.

Mr. President, I am not prepared to welcome North Korea into the nuclear club. I emphasize a route of dialog and communication to prevent that from occuring. Beyond diplomacy, I favor measured steps to bring this rogue nation into line.

Mr. President, I thank the Chair. I thank the majority leader and the Republican leader, and I yield the floor.

SENATE RESOLUTION 93—RELATIVE TO UNITED STATES EX REL. TAXPAYERS AGAINST FRAUD, ET AL. v. GENERAL ELECTRIC COMPANY

Mr. MITCHELL submitted the following resolution; which was considered and agreed to:

S. RES. 93

Whereas, in the case of United States ex rel. Taxpayers Against Fraud, et al. v. Gen-

eral Electric Company, Nos. 92-4283 and 93-3015, pending in the United States Court of Appeals for the Sixth Circuit, the constitutionality of the qui tam provisions of the False Claims Act, as amended by the False Claims Amendments Act of 1986, Pub. L. No. 99-562, 100 Stat. 3153 (1986), 31 U.S.C. 3729, et seq. (1988), have been placed in issue;

Whereas, pursuant to sections 703(c), 706(a), and 713(a) of the Ethics in Government Act of 1978, 2 U.S.C. 288b(c), 288e(a), and 2881(a) (1988), the Senate may direct its counsel to appear as amicus curiae in the name of the Senate in any legal action in which the powers and responsibilities of Congress under the Constitution are placed in issue: Now, therefore, be it *Resolved*, That the Senate Legal Counsel is directed to appear as amicus curiae on behalf of the Senate in the case of United States ex rel. Taxpayers Against Fraud, et al. v. General Electric Company to defend the constitutionality of the qui tam provisions of the False Claims Act.

AMENDMENTS SUBMITTED

EMERGENCY SUPPLEMENTAL APPROPRIATIONS

COHEN AMENDMENT NO. 296

(Ordered to lie on the table.)

Mr. COHEN submitted an amendment intended to be proposed by him to amendment No. 283 to the bill (H.R. 1335) making emergency supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes, as follows:

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

SEC. . (a) The Congress finds that—

(1) the Federal Government owns over 400,000 buildings that cost the taxpayers hundreds of billions of dollars;

(2) the Federal Government is the largest single tenant and builder of office space in the United States;

(3) the Federal Government currently has $11,400,000,000 of construction in the works which, when completed, will add approximately 23,000,000 square feet of office space;

(4) the Federal Government is constructing, or entering into long-term leases for buildings constructed expressly for the Federal Government, in areas with building vacancy rates as high as 30 percent;

(5) significant budget savings can be achieved if, before considering new construction, Federal agencies aggressively explore the possibilities of purchasing or leasing suitable office buildings available in the market or acquiring suitable real estate under the control of the Federal Deposit Insurance Corporation or Resolution Trust Corporation;

(6) the physical space requirements of Federal agencies and the Judiciary are too often overstated and inflexible and, therefore, do not permit the acquisition or lease of existing properties which may be suitable and cost-effective;

(7) current scorekeeping rules may be discouraging agencies from entering into the most responsible arrangements for securing office space (for example, in some cases, a lease/purchase agreement may be most cost-effective but current scorekeeping rules require that the budget authority and outlays for the entire obligation, paid over a period of years, be scored in the year the contract is signed); and

(8) the Federal Buildings Fund, established in 1972 as a revolving fund to cover the General Services Administration's cost of rent, repairs, renovations, and to pay for the construction of new Federal buildings, and funded by the rent agencies pay to the General Services Administration, has failed to be self-sustaining and has required billions in appropriations to finance new construction.

(b)(1) The Director of the Office of Management and Budget shall conduct a comprehensive review of Federal property management policies and procedures and make recommendations to promote better coordination between Government agencies, maximize efficiency, and encourage flexibility to make decisions which are in the best interest of the Federal Government.

(2) The review required by this section shall include—

(A) recommendations requiring the General Services Administration, the Department of Defense, the Postal Service and all other Federal agencies and the Judiciary, when appropriate, to develop or modify existing building requirements in such a way as to allow for—

(i) the purchase, lease, lease/purchase of existing buildings at market rates; and

(ii) the purchase of Resolution Trust Corporation-owned and Federal Deposit Insurance Corporation-owned real estate rather than new construction of buildings;

(B) in conjunction with the Director of the Congressional Budget Office, developing recommendations to revise scorekeeping rules for Federal property leasing, lease/purchase, construction, and acquisition to encourage flexibility and decisions which are in the best interest of the Federal Government; and

(C) recommendations on whether the Federal Buildings Fund should be maintained, alternatives for meeting the Fund's objectives, and changes to the Fund that will enable it to meet its objectives and become self-sustaining.

(3) Not later than July 1, 1993, the Director of the Office of Management and Budget shall report the recommendations developed pursuant to this section to—

(A) the Senate Committees on Governmental Affairs, Appropriations, and Environment and Public Works; and

(B) the House of Representatives Committees on Government Operations, Appropriations, and Public Works and Transportation.

NOTICES OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

Mr. FORD. Mr. President, I wish to announce that the Committee on Rules and Administration will meet on Thursday, April 22, 1993, at 9:30 a.m., in SR-301, Russell Senate Office Building, to receive testimony from the members of the Federal Election Commission on their fiscal year 1994 budget authorization request.

For further information on this authorization hearing, please contact Jack Sousa, Chief Counsel of the Rules Committee, on 202-224-5647.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be authorized to meet during the session of the Senate on Friday, April 2, beginning at 10:30 a.m., to mark up section 112 of S. 171, legislation to abolish the Council on Environmental Quality.

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

COMMITTEE ON REGULATION AND GOVERNMENT INFORMATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Governmental Affairs Subcommittee on Regulation and Government Information be authorized to meet during the session of the Senate on Friday, April 2, 1993, at 9:30 a.m. to hold hearings on the loss of hundreds of millions of dollars through incorrect Medicare payments.

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

ADDITIONAL STATEMENTS

CENTER STAGE CELEBRATES 30TH ANNIVERSARY

• Mr. SARBANES. Mr. President, I am pleased to join my fellow Marylanders in celebrating the 30th anniversary season of Center Stage, one of our State's most distinguished cultural resources.

Center Stage has, over three decades, grown to become one of the premier resident professional theaters in the United States. Center Stage has been honored as the State Theater of Maryland, seen its productions praised in national and international publications and attained important national recognition as the recipient of prestigious awards.

I believe that Center Stage's most important recognition comes from the accolades and support from the community. Through creative interpretations of classics, the offering of new works and the consistent high quality of all productions, Center Stage has earned the support and affection of the entire community.

Over the years, Center Stage has undergone tremendous transformation and growth. Originally located in a converted gymnasium, it soon outgrew this location and moved to North Avenue where it stayed for 10 years. In 1975, the present theater opened on North Calvert Street with the broad-based support of the community.

Today, Center Stage looks toward the future dedicated to expanding the network of artists associated with the theatre. Increasing its commitment to presenting dramas that reflect the generational and cultural diversity in its community, utilizing its two theaters more fully with a wider range of performance and educational activities, and nurturing new playwrights.

I am sure Center Stage will meet these goals and continue to present the people of Maryland with unsurpassed

theater. The artists, officials, and trustees of Center Stage deserve much credit for leading this community-based theater and its audience by continually challenging, educating, and informing us.

Since ancient times, theater has been an essential element in explaining and ennobling the human experience, and I join in saluting Center Stage's first 30 years.●

THE PRIVATE VOUCHER REVOLUTION

● Mr. COATS. Mr. President, our Nation's education system is in crisis. This unfortunate fact has become a truism echoed repeatedly by educators, parents, local and State officials, our Nation's Governors, and elected officials on both sides of the political aisle. Our schools are spending more and teaching less. Test scores continue to slide, despite increased education funding.

The diagnosis clear. Our education system is stagnant.

The challenge, of course, lies in shoring up the resolve to act boldly and decisively to reverse these trends. For bold action will contest the status quo, defy the notion that the answer simply lies in spending new money, and shake up entrenched bureaucracies and advocacy groups.

The American people are far ahead of the Federal Government in terms of education reform. There is a lot of talk in Washington about breaking the mold and providing educational choice for parents, but States like my home State of Indiana are doing more than talking about change—they are leading the way.

In fact, Indiana is home to an educational choice program which has started a national trend. In 1991, J. Patrick Rooney, the CEO of Golden Rule Insurance Co., announced that the company would give $1.2 million to test an education voucher program. In conjunction with other Indiana-based firms, such as Eli Lilly, Golden Rule's CHOICE Charitable Trust provides low-income families with educational vouchers to enable them to send their children to private schools.

CHOICE has received national recognition. The Wall Street Journal lauded the plan as, "a breakthrough in corporate support for educational choice." In 1992–93, this program served almost 950 students—with a waiting list of over 400 children.

The Golden Rule Program has inspired other corporations and charitable organizations to create similar initiatives. I recently came across an interesting article by Patricia Farnan, director of the American Legislative Exchange Council, which details how this private voucher revolution is going on throughout our Nation, and I ask that it be included in the RECORD in its entirety.

The article follows:

A CHOICE FOR ETTA WALLACE—THE PRIVATE VOUCHER REVOLUTION IN URBAN SCHOOLS

(By Patricia Farnan)

The school-choice debate is about to be transformed by a quiet revolution that is sweeping American urban education.

Across the United States—from Indianapolis to Milwaukee, from San Antonio to Atlanta—business leaders and other citizens are starting privately funded voucher programs that enable low-income parents to send their children to religious and other private schools. Most of the participating families are black and Hispanic, and their overwhelming response to the private vouchers suggests that inner-city parents are deeply unhappy with the education their children are receiving in public schools. Private voucher programs thus promise to change the political dynamics of the choice debate.

Taxpayer funding for school vouchers has so far been defeated almost everywhere it has been proposed. Powerful teachers' unions have mobilized to defeat such measures, and they have been joined by leading black and Hispanic civil rights organizations, which see public school employment as a major avenue of upward mobility for their constituencies. The American Civil Liberties Union and other organizations have also opposed voucher plans on separation of church and state grounds; even where limited publicly funded voucher plans have been approved, as in Milwaukee, they have been used only for secular private schools, not religious ones.

The new privately funded vouchers overcome these political obstacles. They can go to denominational schools without raising any question of church-state entanglement. They avoid the dangers of government interference in the affairs of private schools. They require no large coalition activity to initiate. Moreover, by concentrating on low-income families in the inner city, they can quickly make an immediate difference in the lives of the children who would benefit most from school choice.

THE INDIANAPOLIS 900

Privately funded vouchers have been discussed for some time, but the first business leader to make a major commitment to the idea was Patrick Rooney, CEO of the Golden Rule Insurance Company in Indianapolis. In August 1991, he established the CHOICE Charitable Trust, donating $1.2 million for vouchers enabling low-income children in Indianapolis to attend the private school of their parents' choice. The voucher covers half the tuition of any elementary student who qualifies for the federal free lunch program, with parents paying the remainder. The total amount of the voucher is capped at $800, one-half of the $1,600 that most private schools in Indianapolis charge for tuition. Parents who already send their children to private school are eligible if they meet the income criteria.

The response of low-income families has been overwhelming. CHOICE cautiously had anticipated that 100 to 200 students would participate in the 1991–1992 school year. But in the first three days after the announcement, 621 families requested applications. In the first year, CHOICE awarded 744 vouchers to eligible children, enough to fill every available space in the city's private schools. Other corporate leaders in Indianapolis soon joined Mr. Rooney in supporting CHOICE, and the number of vouchers rose to 944 in 1992–1993. Mr. Rooney hopes that private schools will expand, and that new ones will open, to meet the demand of the hundreds of parents on the voucher program's waiting list.

THE CHOICE THAT MADE MILWAUKEE FAMOUS

Business leaders in other cities quickly followed Mr. Rooney's example, and received a similarly enthusiastic response from low-income families. The Bradley Foundation and corporate donors are financing Partners Advancing Values in Education (PAVE) in Milwaukee, which provides half-tuition vouchers to 2,146 students, with about 900 students on the waiting list. The participating students are taking their vouchers to 78 elementary and seven secondary schools, including Catholic, Lutheran, evangelical Christian, Jewish, and independent private schools. By contrast, Polly William's much-acclaimed plan provides about 600 vouchers per year for use in eight schools.

Since publishing its first application in mid-April 1992, the Children's Educational Opportunity (CEO) Foundation in San Antonio has processed more than 2,300 applications, awarded 929 scholarships to students attending 73 different schools, and placed more than 1,000 students on the waiting list.

The Children's Education Foundation in Atlanta received 5,500 applications within nine days of offering its voucher program. Last fall, it offered 179 vouchers to cover one-half of private school tuition, with a cap of $3,000.

Even Bill Clinton's Little Rock now has a private voucher program. The Free to Choose Charitable Trust supports 18 low-income students attending private schools in Little Rock, with the hope of increasing this number to 50 in the next academic year. According to local businessman Blant Hurt, who founded the program, three times this many children applied for the voucher despite almost no publicity about its availability. New programs are being set up in Arizona, California, Florida, Maryland, upstate New York, and Washington, D.C., to name but a few. By fall 1993, it is expected that there will be at least 15 privately funded voucher programs across the country.

A HELPING HAND, NOT A HANDOUT

The half-tuition principle is an important feature of the private voucher programs. By providing one-half the tuition, resources can be spread over a greater number of children. Even more important, the programs aim to provide "a helping hand, not a handout." One reason private schools do a better job than public schools in educating low-income children is that parents often must sacrifice to send their children to these schools, and they therefore pay more attention to the children's schoolwork. Children are also more likely to apply themselves to their lessons when they know their parents have sacrificed for their sake. Requiring families to pay half-tuition gives both parents and children a greater stake in education. It encourages parental involvement and student responsibility.

It is a horrible indictment of public education that so many low-income parents will make the half-tuition sacrifice. According to Timothy Ehrgott, executive director of the CHOICE Charitable Trust, a third of the families in the Indianapolis voucher program earn less than $10,000 a year. These families still manage to pay their share of school tuition. "Sending my kids to Baptist Academy takes every penny I make," says Marsha Keys, mother of Renee and Randy. "We could have nice furniture. We could have a new car. But to have my children have an edu-

cation, and know that people care about them, that's what counts. And my children know that Mom does care when I put them in this school." The Baptist Academy enrolls 250 low-income children; 39 of its students participate in Mr. Rooney's program.

School principals are full of stories describing the superhuman effort of parents working two or three jobs, cutting corners at home to manage their meager budgets, doing whatever possible to give their children the gift made possible by the CHOICE voucher. Sister Gerry O'Laughlin is principal of Holy Angels Catholic School in Indianapolis, with 175 kindergarten to sixth-grade students, all of them African-American. CHOICE "makes our school a viable option for our children. Without it, many of our families would be forced to leave because of financial difficulties."

CHOOSING AGAINST BRUISING

The beauty of the privately sponsored voucher programs is their simplicity. Grants are awarded on a first-come-first-served basis. There are no long, complicated forms to fill out. No academic test is administered. Parents can select any school that meets their child's needs, and that admits the child. Where a family lives does not determine where the child goes to school.

Safety, a strong emphasis on teaching values, and proximity to home are the most often-cited reasons parents give for participating in the voucher program. Reverent Charles Barcus, principal of Calvary Christian School in Indianapolis, says a fear of violence is a major reason low-income parents want to take their children out of public schools. According to Reverend Barcus, "A typical child who transfers from the public school to Calvary Christian has grown so fearful of physical harm and other threatening conditions that he has literally shut down his desire to learn. Parents come to me desperate to put their child back on an academic track. In many cases the risks are high, for the students are literally failing out of the public school. Nothing could be more rewarding than watching them blossom again into happy children with a strong curiosity to learn." Calvary Christian School enrolls mostly low-income children. One-third of the 105 students in the school participate in Mr. Rooney's voucher program.

Etta Wallace, mother of three boys now attending St. Mary Magdalene school in San Antonio, explained that she was tired of her children being attacked and beaten by gang members at the public school. "When I tried to transfer the children the school blamed my boys for the trouble. After many incidents, they finally transferred them to a school far from my home with the same gang problems as the school they just left. When I learned about the CEO Foundation program I was so relieved. Now they attend St. Mary Magdalene school and I have yet to be called for a single incident. The boys' grades are improving, and they are much happier in their new school."

Parents also come to the private schools seeking discipline and an emphasis on teaching values. "The values they teach in a private school are to respect other people, to respect the teachers and your elders no matter if the children think something is wrong or not. This training is very important to my child and our family, because we're a Christian family. And, for her to go to a school where she receives the same values that she's getting at home, it keeps her from being confused as far as what we're teaching her and what she's learning in the world," explains Debbie McClung, whose daughter Ashlee attends Capital City Seventh-Day Adventist School in Indianapolis. This school of 80 inner-city, minority students currently enrolls 43 voucher recipients. High expectations, respect for home and community, discipline, and hard work are part of a moral system of education that is central to the success of the private schools. As Sister Gerry O'Laughlin explained, "We work from a spiritual base at Holy Angels. That's what our families are looking for. That's what works with our students."

KEEPING DOORS OPEN

The private schools that parents select are usually neighborhood schools. This is especially true in cities like Indianapolis, where parents fear for the safety of children bused to some far-away public school in another part of the city. Parents typically want convenient access to their children's school themselves, and the knowledge that their child is not traveling alone through the city is a great relief. One mother, Sandra Allensworth, expressed her feelings in a letter to Mr. Rooney: "Thank you so much for allowing my three children the opportunity to attend St. Andrew the Apostle parochial school. It is such a blessing and the school is only four blocks from our home. They previously were bused to a school many miles away. I love the school and so do the children, and the teachers and principal are so close and involved in helping the children to achieve to their best. St. Andrews enrolls 207 mostly African-American students, 40 of whom participate in the CHOICE voucher program.

An important effect of the voucher programs has been to keep open the doors of private schools that otherwise would have closed. "If the business community in Milwaukee had to come to our assistance, we would no longer exist," says Sister Leonis Skaar, principal of St. Matthew's School in Milwaukee. Like many of the parochial schools in the inner cities, St. Matthew's has lost most of its income as its parishioners have moved to the suburbs. Its costs have also risen as fewer sisters of religious orders are available to teach; many of the lay teachers have incomes above the poverty level only by working a second job.

Although the schools still operate on a shoestring, PAVE has allowed St. Matthew's to say open. The voucher program is invaluable to these students challenged by the high-crime and gang-infested area of Milwaukee's near south side, where many children roam through the streets during the day, never attending school at all. The students of St. Matthew's are low-income and truly multicultural, including Hispanic, Native American, Slavic, black, and Hmong children.

The Genesis Academy, a nondenominational private school in San Antonio, credits the corporate voucher program with supporting 22 of its 31 students. The school, which opened its doors in fall 1992, enrolls pre-kindergarten through 12th-grade students, most of whom come from low-income and Hispanic families. Robert Lara, principal and classroom teacher at the Genesis Academy, noted with satisfaction the effect his school is already having on the students enrolled. "Our students are coming from public schools infested with gangs and drugs, and lacking the special attention these children need to succeed. When they arrive they are easily angered, with poor attitudes about school. Now they are more than academically better off—they are emotionally happier."

POLITICIANS SIGN ON

Beyond the effect of these voucher programs on the children they serve, their impact on the political environment of the nation is profound. Despite the defeat of voucher ballot measures in Colorado and Oregon, it is becoming more likely that a voucher program that includes religiously affiliated schools will pass.

In Maryland, for example, Governor William Donald Schaefer has included a voucher provision in his 1993 budget for up to 200 low-income children in Baltimore. The voucher, set at 50 percent of the overall per pupil cost or $2,908, can be used at participating nonpublic schools, including religious schools. The provision, now before the state House Appropriations Committee, has the support of Committee Chairman Howard P. Rawlings, a minority Democrat from Baltimore, and other key Democratic and Republican leaders in the legislature. If passed, the Baltimore program will be the first of its kind in the nation. As Governor Schaefer noted in his State of the State address, "Maybe it's time to see how our public schools perform against private schools and parochial schools."

Governor Schaefer and Delegate Rawlings are not alone. Mayor John Q. Norquist of Milwaukee has endorsed the efforts of Governor Tommy Thompson to raise the limit of the number of students participating in the Milwaukee publicly funded school choice plan. He also promotes the inclusion of parochial schools "for choice to have a bigger impact on quality."

State Representative William Crawford, who represents a low-income, largely minority area of Indianapolis, has proposed voucher legislation similar to the Maryland provision. In Indianapolis, eligible low-income students would receive up to $1,500 to attend private schools, including religious schools. In Florida, state Representative Carlos Valdez is fighting to pass a voucher pilot program for low-income children identified as academically at-risk in Dade County. The voucher would provide almost $3,000 for children to attend Miami-area private schools, including parochial ones.

Connecticut state Representatives Tim Barth and James Amann have proposed school choice and vouchers as a means to desegregate the state's schools and improve the quality of inner-city education—an alternative to the busing proposal advanced by Governor Weicker. The Barth-Amann bill, supported by a bipartisan coalition in the state House, would grant parents a voucher worth maximum of $2,500 per child to attend private schools, including those religiously affiliated. It also would allow for the interdistrict transfer of students in the public school system. Representative Barth is confident that his plan will garner the support of the full legislature. These efforts, and others like them, demonstrate the political viability of the issue on both sides of the political aisle.

A MODEL FOR BUSINESS PHILANTHROPY

It is no accident that politicians are becoming more interested in vouchers. They sense a growing constituency for choice, especially in low-income black and Hispanic neighborhoods. The best evidence comes from the long waiting lists of parents hoping to receive a voucher. In Milwaukee and other cities, politicians also are reacting to a groundswell from parents who are ineligible for private vouchers and want to know how their children can be included.

The private voucher programs offer similar opportunities for business leaders seeking to help inner-city education. Over the past decade, businesses have poured hundreds of millions of dollars into urban public schools.

These efforts so far have failed to improve urban public schools or the skill levels of their graduates. Patrick Rooney's idea offers a different approach: instead of trying to improve public schools directly, why not give inner-city students the opportunity to go to private schools that already do a better teaching and discipline job than do public schools?●

RECOGNITION OF NATIONAL LOGISTICS WEEK, APRIL 4–10, 1993

● Mr. KRUEGER. Mr. President, I wish to recognize the Council of Logistics Management and its commemoration of the First National Logistics Week beginning April 4, 1993.

Logistics is the process of planning and controlling the efficient, cost-effective flow and storage of raw materials, finished goods, and related information from point of origin to point of consumption. As such, logistics is an essential element in the economic well-being of our Nation and a critical factor for both the manufacturing and service industry sectors. Carriers, warehousemen, ports, terminals, airports, and manufacturers all participate in the logistics process. It has been estimated that logistics processes account for 20 percent of gross domestic product.

Most of us never think about how a product found itself on a shelf, in an office building, at a construction site, or in another country. The mission of the Council of Logistics Management is to provide leadership in defining and understanding the logistics process and to create awareness of career opportunities for logistics management. It also provides a forum for exchange of ideas and research that enhance customer value and performance of the supply chain.

The Council of Logistics Management was founded in 1963. Its affiliates came later and among them are the north Texas and Houston roundtables in Texas. Individual affiliates are integral parts of educating the public and providing a professional organization for logistics.

Mr. President, I commend the Council of Logistics Management on its endeavors to keep our country's products and economy moving to appropriate destinations of purpose and success. We should recognize the role logistics professionals play, making indispensable contributions to business, industry, and commerce. I congratulate the council on its efforts to bring recognition to its profession and mission by designating April 4–10, 1993, as the First National Logistics Week. I wish them success in the future.●

A TRIBUTE TO TOYOTA 1992 SUPPLIER AWARD WINNERS

● Mr. MCCONNELL. Mr. President, I would like to take a moment from today's debate to pay tribute to Toyota Manufacturing, U.S.A., and 10 outstanding Toyota suppliers located in Kentucky.

On March 24, Toyota Manufacturing, U.S.A., which assembles the popular Toyota Camry at the Georgetown, KY, plant, presented 18 of its 174 suppliers with outstanding service awards. The awards recognize suppliers who excel in quality, delivery, and value engineering/value analysis activity.

Mr. President, I am especially pleased to announce that 10 of the 18 suppliers honored were Kentucky businesses. The suppliers, located across the Bluegrass, provide Toyota Motor Manufacturing with many parts, including batteries, wheel covers, and brake components. In order to be recognized as an outstanding supplier, each of these businesses was required to meet strict performance guidelines. The result is an outstanding partnership between Toyota and its Kentucky suppliers.

I'm sure that my colleagues will agree that Toyota Motor Manufacturing, U.S.A., and its Kentucky suppliers are a prime example of a successful international business relationship. I salute their progress and wish them added success in the future.

Mr. President, I ask that an accompanying list of Kentucky's 1992 Supplier Award Recipients be included in today's RECORD.

The list of recipients follows:

TOYOTA MOTOR MANUFACTURING, U.S.A., INC.

[1992 supplier award recipients]

Company and Location	Part supplies	Award
Kentucky:		
Ambrake Corp., Elizabethtown.	Brake components	Excellent Quality Award, Excellent Delivery Award
AP Technoglass Co., Elizabethtown.	Automotive-laminated & tempered glass.	Excellent Delivery Award
Central Manufacturing Co., Paris.	Steel wheels	Excellent Quality Award
Curtis Maruyasu America, Inc., Lebanon.	Tubing assemblies	Excellent Delivery Award
DJ Inc., Louisville	Interior & exterior plastic components.	Excellent Delivery Award
Johnson Controls, Inc. SLI Battery Group, Louisville.	Batteries	Excellent Delivery Award
Qwik Tool & Manufacturing Co., Lexington.	Stamping	Excellent Delivery Award
Sumitomo Electric Wiring Systems, Inc., Morgantown.	Wire harnesses	Superior Quality Award, Excellent Delivery Award
Thompson International, Nicholasville.	Wheel covers	Superior Quality Award, Excellent Delivery Award, Excellent Value, Engineering/Value, Analysis Award
Vista Performance Polymers Premiere Plant, Jeffersontown.	Instrument panel skin	Superior Quality Award, Excellent Delivery Award

EXECUTIVE BRANCH TRADE FUNCTIONS

● Mr. ROTH. Mr. President, last month I introduced legislation in the Senate (S. 580) designed to substantially reorganize and reinvigorate our executive branch trade functions. I am absolutely convinced that if America is to compete successfully in the global economy, we must get organized and project a strong, resolute trade presence to the world that will command respect and serve our domestic trade interests. Our present system, by failing to integrate into our overall economic policy economic and other global concerns, makes it virtually impossible to develop a coherent and effective strategy for the post-cold-war era.

An article entitled "Washington's Trade Octopus" by Diana Lady Dougan was published in the San Diego Union-Tribune on February 28, 1993. In that piece, Ambassador Dougan urges consolidation of our Government's trade policy and export promotion functions under one agency, an idea that I have been advocating for more than a decade. A new department dedicated to trade will expand our exports by giving American firms and workers the tools necessary to compete and win in international competition. As Ambassador Dougan points out, "trade and international development issues are balkanized among 17 Federal agencies. Turf protectionism, agency shopping by special interests and lack of coordination of trade and export issues undercut America's ability to respond to the changing international market."

I believe the Clinton administration has been presented with a unique opportunity to fundamentally change the way our Government does business. But we must move swiftly. The importance of our ability to compete in international markets is central to our future economic growth, our domestic welfare and our national security. Unless the United States puts muscle and coherence into its trade policy and institutions, we may squander what is perhaps our greatest growth opportunity. While a trade department is by no means a new idea, it is, in my view, an idea whose time has come.

Ambassador Dougan served Presidents Ford, Carter, and Reagan in Senate-confirmed positions and is currently senior adviser to the Center for Strategic and International Studies and chairwoman of the International Communications Studies Program. Her remarks follow and I ask that they be submitted for the RECORD.

The article follows:

WASHINGTON'S TRADE OCTOPUS

(By Diana Lady Dougan)

As the clock ticks on "the first 100 days" of the Clinton administration, the focus is on the new people who are going to head the old bureaucracies. While it is important that confirmation hearings zero in on the qualifications of the Cabinet and sub-Cabinet appointees, too little attention is being given to how the bureaucracies should be restructured.

Few officials relish mandates to down-size, much less disband their newly acquired domains, but now is the time to lay down the markers while bureaucracies, as well as Con-

gress and the electorate, are receptive to major change. A case in point is international trade and development.

Despite the assertion of Clinton that it won't be "business as usual," hot-ticket items like U.S. competitiveness already are diffusing among a gaggle of agencies and congressional committees with overlapping mandates and jurisdictions. And more than a few of Washington's 80,000 lobbyists are quickly reclaiming their "special interest" real estate.

With Clinton's announcement that he will "make Commerce more visible and more powerful" with Commerce Secretary Ron Brown, an already powerful Washington insider, and Mickey Kantor, a street-smart Washington outsider as U.S. trade representative, optimism is high.

But beefing up the Commerce Department, getting tough on trade barriers, not to mention pouring more money into export promotion, redirecting the Agency for International Development (AID) and setting up new commissions to study the problems of international competitiveness have been part of every president's agenda since World War II.

Today, trade and international development issues are balkanized among 17 federal agencies. Turf protectionism, agency shopping by special interests and lack of coordination of trade and export issues undercut America's ability to respond to the changing international market.

The longstanding separation between the Department of Commerce and its role in trade promotion, and the U.S. trade representative in trade negotiation, served America well during this past decade's emphasis on establishing global trading frameworks, but the future rationale of this division is questionable.

Furthermore, much of the real policy impact on export competitiveness is created by the Treasury Department and myriad multilateral lending and assistance organizations. Meanwhile, U.S. preoccupation with the deficit and economic strength here at home have downgraded development-assistance programs abroad that can play major roles in international trade and economic growth.

As it is, the lion's share of the already diminishing resources of AID have long been subsumed by thinly veiled defense set-asides. (The "security assistance" programs for just three countries—Israel, Egypt and the Philippines—represent 65 percent of the overall AID "economic support fund" budget.)

Congressional gridlock and micro-managing have kept the well-meaning people at AID on continuing resolution since 1986. Meanwhile, Japan's Overseas Development Agency now surpasses the United States in assistance giving and largely targets strategic market development and creative financing schemes.

Indeed, most assistance-giving countries, with the exception of the United States, assure that major business contracts go directly to their own nationals.

U.S. international economic stakes are high. Despite a boost from the undervalued dollar, current U.S. exports (including services) represent less than 10 percent of our gross domestic product (GDP). By contrast, major trading partners like Germany and France derive close to 30 percent of their GDPs from export revenues.

John Macomber, Export-Import Bank chairman for the Bush administration, touted a modest goal of increasing U.S. export revenues by 5 percent a year over the next five years to 15 percent of our GDP. But the results would be far from modest—more than $250 billion in new revenues. Clinton's nominee to succeed Macomber, Goldman Sachs' Ken Brody, and others with international economic portfolios probably will pick up the theme.

If we are to accomplish this goal to which both Democrats and Republicans subscribe, the issues of international trade, commerce and development must be refocused and restructured. Some useful and cost-saving starts would be:

Consolidate trade policy and export promotion under one agency. This includes folding the U.S. trade representative, the Export-Import Bank, Overseas Private Investment Corp. and State Department's Trade Development Program into the Department of Commerce.

Disband the Agency for International Development, which Clinton already has targeted for $500 million in cuts over the next five years. Disperse its responsibilities to other agencies (e.g., the Peace Corps for humanitarian assistance. Department of Defense for security assistance and United States Information Agency for development training).

An even more cohesive approach would be to consolidate the Department of Commerce, AID and the related international trade, financing and assistance activities into a new lean and focused Department of Trade and Development.

This new department would absorb all major international economic activities currently spread among Commerce, the U.S. trade representative. Trade Development Program, Treasury and others. The various domestic functions of the Commerce Department logically can be moved to already existing bureaus in the departments of Labor, Agriculture, Transportation, Energy and Interior.

These suggestions may seem draconian, but they are practical if tackled early in the process. The most far-reaching trade-reform attempt was during the Reagan administration when a new Department of Trade and Industry was approved. It was doomed. Beyond concerns over the perceived flirtation with "industrial policy," the real flaw was that the proposal was not launched at the very beginning of the new administration when politicians on both sides of the aisle were prepared, to carry out a mandate for change.

Clinton says the Reagan administration was an important role model for transition and organization. Let us hope he learns from its failures as well as successes.●

SPRING AND MOTORCYCLING

● Mr. MCCONNELL. Mr. President, as the weather continues to warm, over 10 million registered motorcyclists will take to our Nation's roads and highways. Although not one myself, ask any Kentucky motorcyclist and they will tell you that spring marks the beginning of a new riding season.

As I have done for the past several years, I come to the floor today to offer two suggestions to make the roads safer for motorcycles and other motor vehicles. The first is for automobile and truck drivers: Please be alert for motorcyclists. Check your mirrors and look over your shoulder before changing lanes. When you make a left turn, be sure no motorcyclists are in oncoming traffic.

My second suggestion is for the benefit of motorcyclists: Remember to think safety. Dress appropriately for the road and anticipate the potential hazards of traffic. Above all, ride sober—alcohol and motorcycling do not mix.

I am extremely encouraged by the latest figures from the National Highway Traffic Safety Administration which show that during 1991, highway motorcyclist fatalities declined more than any other type of motor vehicle deaths—a decrease of 13 percent over the previous year. This is a 20-year low in motorcycle-related fatalities, and surely represents the success of motorcycle safety programs and the hard work of motorcycle associations and organizations. I am confident that various State and local efforts to designate May as "Motorcycle Awareness Month" will further decrease motorcycle-related accidents.

I would be amiss if I did not recognize the special landmark that passed this year when the Motorcycle Safety Foundation [MSF] trained its 1 millionth rider through its riding and street skills course. I am certain my colleagues join me in extending congratulations to the MSF on this outstanding achievement.

In closing, let me recognize the special contributions to motorcycling of the Kentucky Motorcycle Association and the American Motorcyclist Association. I wish their members—and all our Nation's motorcyclists—a safe and enjoyable riding season.●

THE TOTAL QUALITY MANAGEMENT SEMINAR AND THE ARIZONA COUNCIL FOR ECONOMIC CONVERSION

● Mr. DECONCINI. Mr. President, I would like to take this opportunity to commend the Arizona Council for Economic Conversion [ACEC] for being instrumental in assisting defense contractors throughout Arizona to develop plans and strategies to convert their businesses and products to commercial applications.

On May 6, 1993, in Tucson, AZ, ACEC will sponsor a seminar to introduce the concepts and philosophy of total quality management and explain how these resources are available to the Arizona small business community. Total quality management is a method by which companies can improve the quality of their products and services, and thereby improve their competitive position both domestically and internationally.

This seminar will focus on developing more efficient internal processes, involving people in company decisions, and improving the way a company serves its customers which, in turn, will ensure the ability to compete and grow into the 21st century.

I ask my colleagues to join me in commending the Arizona Council for

Economic Conversion for its efforts to promote total quality management for Arizona's business community, and I urge them to consider the council as a model for conversion efforts in their own communities.●

A TRIBUTE TO MIDWAY

● Mr. McCONNELL. Mr. President, I rise today to pay tribute to the great central Kentucky town of Midway in Woodford County.

Midway was founded in the early 1830's by the Louisville & Ohio Railroad. At the time, tracks were being placed between Lexington and Frankfort, and a town midway between the two cities developed. Although the Louisville & Ohio Railroad soon closed, Midway, which contains streets named for former L&O executives, flourished.

Today, most Kentuckians equate Midway with the beautiful, rolling horse farms which have brought the Bluegrass international attention. Names like Millford, Airdrie Stud, and Hurstland stand tall in this small community as a reminder of Kentucky's prominence in the horse industry.

Horses, however, are not Midway's only resource. Midway College, originally established in the mid-19th century to provide a formal education for female orphans, today provides baccalaureate programs for more than 800 students and is the largest employer in Midway. Midway also boasts an active historic business district. Visitors can stroll through the nostalgic buildings, shop at numerous antique stores, and dine at the elegant Holly Hill Inn located on the edge of town.

Perhaps, however, Midway's greatest resources are its people. Midway residents hope to see growth and prosperity in their future, but they also realize the importance of maintaining small-town values. Residents are ready to work and willing to sacrifice for their town, but they also want to hold onto the sense of community which draws them together.

Mr. President, I honor the town of Midway and the good people who make this Kentucky town such an outstanding community. Midway residents should be proud of their heritage and excited about their bright future.

Mr. President, I ask that an article from Louisville's Courier-Journal be submitted in today's RECORD.

The article follows:

MIDWAY

(By Fran Ellers)

Some high schools have more students than Midway has residents, but virtually no other town in Kentucky has as many advantages as the Woodford County community.

Encircled by horse farms and anchored by a private college, Midway sits on an interstate highway between two major cities in the wealthiest county in Kentucky.

It is suffused with charm. The railroad tracks that run through the business district are lined with homes and buildings that are certifiably historic, or architecturally significant, or both. Most are occupied, some by successful retailers.

It has a glistening new elementary school and a ritzy new subdivision. Intriguing people to live there. On Saturday mornings Gov. Brereton Jones, who owns nearby Airdrie Stud Farm, goes to a diner to jaw with old friends who advise him on politics. On Sundays, the Rev. Peggy Bright—one of three women pastors in Midway—leads the Midway Presbyterian Church.

And during the week, in an obscure but elegant office on Main Street, a local visionary plots how to make it all better.

A local visionary?

It is something few small towns have but most of them—even Midway—need. For in spite of ample prosperity and charm, Midway sank into a sort of community depression about two years ago—partly because Logan's, a key clothing store, had closed and partly because so much energy was going into a dispute over development of land near Interstate 64.

Signs of the malaise are on Main Street, also known as Railroad Street. The Midway business district, with its pretty painted store fronts, antique shops and small restaurants, once stood as a model for struggling downtowns. Although some businesses are still successful, it's apparent that others are not. Paint peels, stores change hands and some are open only part time.

So new landlord Henry Alexander—who admits, rather than proclaims, that he is "trying to be a visionary"—is talking about turning Midway around.

"It's not something you do easily. I figure I'll be an old man before it's done," says Alexander, an entrepreneur who made his money by selling and managing horse farms.

"I just think it can be made better. . . . I'm very near the point of just committing to it completely and, as the old saying goes, just have at it. If you've got it in you, you have got to do something about it."

It's not that Alexander wants to muscle aside Midway's city council, which is supporting development, or stampede the struggling merchants guild. He has purposely steered clear of both so he can remain objective.

But Alexander has the ideas—they come tumbling out in conversation—and the means to influence the future. His financial interests include at least four buildings on Railroad Street. He also has experience on development issues as one of the leaders in the compromise over the widening of historic Paris Pike in Fayette and Bourbon counties. He was a member of the preservation group that once opposed it.

He also has intent, and that counts for a lot. "Henry can do it," says Rose Lyons, who runs the Holly Hill Inn, a restaurant and inn in a Victorian home at the edge of town.

"I feel like his heart and his head are in the same place," agree Becky Moore, a leader in the fight against major development along the interstate. Although Moore said she regrets that Alexander hasn't joined the group that is fighting major development. "He's in the best position to sort of take advantage of what we've done."

Obviously Alexander isn't the first local visionary—others have contributed to the development of Railroad Street and other aspects of Midway—nor is he the only one now.

In recent years Midway College, which was a junior college for women, took a calculated risk in adding baccalaureate degrees while retaining its identity as the state's only women's college. It is now growing again, both as a commuter campus for adults who need a degree to get better jobs, and as a home for traditional college students.

Futhermore, Mayor Carl Rollins Moore and others have been trying to improve things in Midway—even though they are sometimes at cross purposes. They compromised on developing the new subdivision, for instance, but remain at loggerheads on developing the area near the interstate.

Alexander would focus energy and finances on ideas that could work downtown, while contemplating how to reach a compromise on the interstate issue. The son of a horse-farm groom who grew up along Paris Pike, Alexander became a successful horseman and at one time owned a farm near Midway. About five years ago he bought a building downtown, but later the retail climate began to suffer.

"I sort of woke up one day and thought, 'My building's not worth a nickel,'" Alexander said recently. "It became a matter of, do you go forward or do you just pull back?"

Alexander went forward, buying three other buildings, including the vacant Logan's, which at one time drew customers from all over Central Kentucky. He has been looking for a clothier for the building—and may have found one, he said. But he has bigger ideas. He and his wife have been visiting small towns in other states for inspiration.

"The only thing I'm absolutely sure of is that it seems to a little business district like Railroad Street, the most important thing is a restaurant," he said.

Midway already has two on Railroad Street, but Alexander would like to see a bigger draw—such as an old-fashioned boarding-house restaurant, the kind at which heaping helpings are passed around in big bowls.

"Most everything we're thinking of is built in some way around nostalgia," he said. He added, "It just seems today that we have lost a lot of values in our lives. You can sort of regain that feeling in a little town like Midway. My push right now is just trying to . . . recapture that."

The development issue is related. Midway sits off I-84 on a stretch of horse farms between Lexington and Frankfort, but there is little development for a much longer stretch, one of the most scenic in the Bluegrass. Contemplating, say, a McDonald's at the Midway exit is unthinkable to many.

But Mayor Rollins is perfectly willing to make such an inflammatory suggestion, saying that while there is no plan for a McDonald's, he doesn't think it would be a bad idea.

Midway should think about the changing needs of the families who live there, and think about the long term, particularly if the horse industry continues to falter, he said.

Young families "would like to see a place where you could go get something to eat quick," he said. Even though the unbroken expanse of horse farms is arguably Midway's ace in the hole, "We can't continue to expect the horse farms around here to continue to maintain this parklike atmosphere" without some sort of tradeoff.

Rollins says that to provide services, the city needs a broader tax base, even though he admits that the budget is in no trouble. Midway, whose biggest employer is the college, should provide jobs for its citizens like "any healthy city," he says.

But Moore and others wonder why. People in Midway work in Lexington, Frankfort, and Versailles, where there are plenty of jobs within a short commute. Small businesses are best for Midway, they contend.

Small businesses have certainly prospered. D. Lehman & Sons has been open on Winter Street for about 150 years, and has an established clientele for its antiques. It's also still in the family. William Feagin, 23, is managing now, and hopes to restore the old family home nearby and live there. Years ago David Lehman designed some of the town's homes and buildings, giving them a distinctive flair.

Around the corner on Railroad Street, The Red Brick House, which offers antiques and gifts, opened 20 years ago to begin an earlier resurgence. Proprietor Ann Sullivan wants to help revive Midway as well, but is concentrating for now on what seems like a small thing—a "Welcome to Midway" sign.

The sign is actually an old controversy. Years ago, Phyllis George Brown, the wife of then-Gov. John Y. Brown Jr., helped arrange for an interstate exit sign that says "Historic Midway," one way of luring people to stop. But that didn't comply with federal law so the state took it down, along with another sign that was visible from the interstate. Recently the state erected a sign alerting visitors to the historic district but there still isn't a bona fide welcome sign.

As Sullivan, a young mother, discussed Midway one recent afternoon, Liz Columbia, who also works at The Red Brick House, recalled when things were different—when trains came through town regularly, and when people milled around on Saturday nights at the stores of a variety of eccentric proprietors.

Then they all died off and nobody else took over. That's the time when your mother came in town," she told Sullivan.

Sullivan's mother, Marilyne Griese, helped get Railroad Street going, but died late last year. But she never quit believing in Midway, Sullivan said.

"My mother said right before she got sick, it will come back."

Population (1990): 1,290; Woodford County, 19,933.

Per capita income (Woodford County, 1989): $21,819, or $7,996 above the state average.

Jobs (Woodford County, 1989): Manufacturing, 3,223; wholesale/retail, 1,303; services, 1,133; state/local government, 658; contract construction, 292.

Big employers: Midway College is the biggest employer in Midway with 100 jobs; others are Tococo Inc., maker of blue jeans, 75; and Northside Elementary, 47.

Transportation: Roads—I-64, U.S. 62 and U.S. 421 all serve Midway as does the old Frankfort Pike. Rail—Midway is now served by CSX. Air—Lexington's Blue Grass field is just a few minutes away.

Media: Besides Midway College publications, the Woodford Sun, a weekly newspaper, circulates in Midway.

Education: The new Northside Elementary has 356 students. Also, 57 attend Woodbridge Academy for students with learning disabilities. Midway College had about 800 full-time and part-time students last fall.

Topography: Midway, in the heart of the Bluegrass, is surrounded by rolling land and horse farms.

FAMOUS FACTS AND FIGURES

Midway College, Kentucky's only women's college, evolved from the Kentucky Female Orphan School, which was established to provide a formal education for young women who—in the mid-19th century—had little prospect for schooling of any kind. Today, Midway College offers a broad array of programs for its more than 800 students.

A West Virginia native, Gov. Brenston Jones married Elizabeth Alexander Lloyd, a member of a prominent Woodford County family. He operates Airdrie Stud, a thoroughbred farm not far from Midway.

Midway was the first town in Kentucky to be laid out by a railroad, on a railroad. In the early 1830s the Louisville & Ohio Railroad was laying track from Lexington to Frankfort and Midway was laid out midway between the two cities. As a railroad, the L&O didn't last long—the Louisville & Nashville Railroad eventually took over—but it named the streets in Midway after some of its executives, such as Winter, Turner, Gratz, Bruen and Higgins. The track still runs through the center of town, but trains only go through once or twice a day, locals say.

Midway makes two cultnery claims to fame—the Trackside Pie at the Depot restaurant, which won first prize in Procter & Gamble's 1984 national dessert bakeoff, and Porterhouse steaks. The Trackside has elements of Derby, pecan and chess pies—chocolate chips, nuts and goo, plus coconut flakes. The Depot has changed hands in the last decade, but the pie remains a staple. The Porterhouse steak apparently originated in the late 1870s when Susan Porter operated a boarding house on Winter Street called the Porter House, which served the big cut of beef.●

GUN-RELATED VIOLENCE

● Mr. SIMON. Mr. President, I am deeply concerned about the increase of firearm-related violence in the United States. Over the past 2 years, firearms have killed 60,000 Americans, more than the number of United States soldiers killed in the Vietnam war. According to the Center for Disease Control, firearm injuries, fatal and nonfatal combined, are the third most costly type of injury overall. Data from 1985 suggest a total national cost of $14.4 billion, which increased to at least $16.2 billion by 1988.

The statistics are even more compelling for adolescents. Guns figure in more than 75 percent of adolescent homicides and more than half of adolescent suicides. According to the Center for Disease Control, 1 in 20 teenagers carries a gun to school.

Evidently, these statistics concern many other Americans, gunowners, and nongunowners alike. According to the USA Today/CNN/Gallup Poll, both groups are siding with gun control advocates in the push for new restrictions on firearms.

The poll identifies specific support from gunowners for restrictions that have been enacted in various State legislatures. These include supporting a total ban on the possession of assault weapons and limiting handgun purchases to 1 a month.

The poll also supports the figures that there are as many as 200 million privately owned firearms in this country and that about half of all households have at least one gun.

Mr. President, I ask to include into the RECORD at this point, the text of the article in USA Today that details the USA Today/CNN/Gallup Poll. This public opinion poll clearly emphasizes that a significant majority of the population is in support of stricter gun laws.

POLL: OWNERS FAVOR GUN LAWS

(By Dennis Cauchon)

Gun owners are siding with gun control advocates in the push for new restrictions on firearms, a new USA TODAY/CNN/Gallup Poll shows.

Fifty-seven percent of gun owners favor stricter gun laws, 36% want no change and 6% want less stringent laws.

Among non-gun owners, 82% favor stricter gun control vs. 13% who want no change.

Gun owners strongly oppose an outright ban on handguns—a move favored by non-gun owners. But otherwise, gun owners come down solidly in favor of gun control.

Among gun owners:

88% support the Brady Bill requiring a seven-day waiting period to buy a handgun.

60% favor a total ban on the possession of assault weapons. The New Jersey Senate upheld a similar law Monday.

60% favor limiting individuals to one gun purchase per month. Virginia's Legislature approved a one-handgun-a-month restriction last month.

The poll reports that guns are found in about half of U.S. households, with some estimates as high as 200 million firearms in private hands.

The survey finds gun control support strongest in cities, in the East and among women.

More than one-third of those polled say they fear gun violence at home and at work.

The National Rifle Association charges the poll is tilted to get pro-gun control answers.

"You can get anything you want out of a poll. The questions were geared to get progun control results," says NRA executive vice president Wayne LaPierre.

He says, "If you asked, will more gun control reduce violent crime or do Americans have a constitutional right to own a gun, you'd get much different results."

But Handgun Control Inc.'s Susan Whitmore says the poll shows the NRA is out of touch with gun owners: "The vast majority of Americans, including gun owners, support commonsense laws on guns."

The Brady Bill and a ban on assault weapons died in Congress last year, but are expected to fare better this year.

As for New Jersey's assault weapons ban, Gov. Jim Florio says, "People are fed up with violence."

The survey of 1,007 people, taken Friday through Sunday, has a 3 point margin of error.●±

NEW SPENDING NOT THE KEY TO ECONOMIC GROWTH

● Mr. KERREY. Mr. President, I rise in opposition to H.R. 1335, the emergency supplemental appropriations bill for fiscal 1993, also known as the President's stimulus package.

I do so with great regret because of my respect for what President Clinton is trying to do: Avoid a triple dip American recession. And, I do so knowing that without the stimulus my State, Nebraska, will not receive some additional Federal spending. Departments and agencies of the Federal Government have been quick to point out that Nebraska could receive in excess of $66 million from this spending bill.

There is no question that Nebraska could quickly obligate additional funding for highway, mass transit, community development, rural housing, and water and sewer projects, the so-called traditional stimulus areas. There is also no question we have human needs that beg to be addressed. Head Start, Chapter 1, immunization programs, and Pell grants are high-priority as are the proposals to renovate and modernize our veterans facilities. Finally, it is difficult for me to oppose funding for programs designed to advance technology and the application of technology and networking in the classroom.

I vote against the stimulus package believing it has been given a stature it does not deserve. Its economic significance is, at best, marginal in that it generates a net 200,000 temporary jobs. At worst, it puts us and interest groups who call upon us in a mood to spend more money.

Thus, I choose to vote against this new spending because I have concluded the risk is not worth the gain. The risk is by voting for new spending we lose the edge needed to say no, and as a result we fail to reduce our fiscal deficit.

Proponents of the stimulus package point out that investing in these areas would give us a jump on the process of altering our spending to place a higher priority on human needs and begin to invest in the technologies which promise to make our Nation more competitive and prosperous in the years ahead.

Mr. President, this stimulus package is not the best vehicle to begin this effort. Instead, I believe we took the most important step in restructuring those priorities last week with the passage of the budget resolution. And we did so in a way that reduces the deficit by $502 billion over the next 5 years.

The legislation we passed last week is much more than a budget resolution. It is the beginning of a fundamental change in the way our Federal Government spends money and the way the Federal Government operates. The central and powerful idea behind the message of President Bill Clinton is this: The economic status quo is unacceptable.

It is unacceptable because too often the Federal Government has been an opponent rather than a partner to the urgent need to create new jobs in an extremely competitive workplace. While American businesses and workers have been struggling mightily to increase their productivity while delivering quality and value to their customers, Federal polices have been only occasionally supportive, and more often than not have stood in the way.

Mr. President, we all know where we need to change. The deficit is piling debt on top of debt. Health care costs are driving workers onto welfare, job out the window, and businesses down the drain. Lobbyists have their hands at our throats while we have our hands in their pockets. Our public institutions—especially schools and social service agencies—are being crushed by paperwork and regulation.

In the midst of this chaos we are distracted and have not seen what is going on in the American workplace. The facts are we have around 100 million private sector jobs in America. These taxpaying workers support a lot of government effort. Their taxes pay the wages of 18.5 million local, State, and Federal Government workers. Their taxes support the incomes of 46 million retirees.

Mr. President, I believe that we must acknowledge up front and without apology that for working American families of all incomes the price of Government has gotten too high. The very people we want to help with new spending are the ones who are paying the bulk of the bills.

Our No. 1 concern as we debate the economic stimulus package is the lack of job creation in America. Our No. 1 goal is more American jobs. We share this objective because we all know the value of a job. A job is more than just a pay check. A job is a source of income, of pride, and of self-reliance.

Mr. President, if we want to create jobs, the first place to start is with actions that do not involve new spending. I believe the best way we can help Americans compete and succeed in today's workplace is through radical reform of our education and our health care institutions.

Every year we spend billions for education and health care. In the budget resolution we recently passed Federal spending for health care increases from $284 billion in this fiscal year to $318 billion in the next. Spending for education increases from $37.1 billion to $40.3 billion. Those who question whether or not we are getting our money's worth with the existing institutions are on solid ground.

What is needed is more competition in both areas. Health care and education are two of our least competitive environments. We need more accountability for outcome so we as purchasers of the services can compare results. We also need more personal responsibility so we as consumers of the services have incentives to excel academically and to stay healthy.

Mr. President, I believe we should extend the right of health care access to all Americans. I don't want a single American to have to prove they are poor enough, or to prove they are old enough, or to get blown up in a war before they are deemed worthy of health care. I don't want a single American to discover that after paying for a policy for 25 years they are not eligible when they finally need care.

At this hour, I believe we are very fortunate to be led by President Clinton, who has demonstrated that he has the courage to tell the American people the truth. He has begun the process of change, which Americans in large numbers desire.

The budget resolution we passed last week, not the stimulus package, is the beginning of this change. Not only does it reduce the deficit by $502 billion over the next 5 years, it also calls for focusing our attention on the human skills and talents needed for a high-wage economy. With this budget we start to invest in our people; an investment that is long overdue.

But at the same time, Mr. President, we must, with certainty, slay this deficit which like Freddie Krueger of the dreadful movie series, "Nightmare on Elm Street," keeps coming back to haunt us. This stimulus package sends a message that we prefer the easy course of more spending rather than the difficult course of real change.

As attractive as it would be to issue a series of press releases taking credit for this borrowed money, I cannot do it. This is $16.2 billion plus interest of money we do not have to spend. We will borrow in order to finance the spending. In doing so we weaken our resolve to resist all those friends who are opposing the spending cuts in the budget resolution just passed.

Mr. President, the simple and difficult truth for us and America is that our most difficult problems will not be solved with increased Federal spending. Press releases announcing more money cannot paper over deep problems in the American workplace, frightening deterioration of the American family, and difficult structural problems with America's Federal Government.

Again, with great respect and regret, I urge my colleagues not to support this stimulus package, and instead to focus their support on efforts to change our spending priorities and to do the difficult work of making sure not only that we create new jobs, but that we create a higher moral standard as well.●

REMARKS OF JEFFREY R. LEWIS

● Mr. WOFFORD. Mr. President, I submit for printing in the CONGRESSIONAL RECORD today a speech by Jeffrey R. Lewis, who was my predecessor John Heinz' former staff director on the Senate Special Committee on Aging. The speech is very provocative; it raises important issues regarding generational equity in the context of the debate on health care. While I do not agree with all of the arguments set forth by Mr. Lewis, I believe my colleagues will find Mr. Lewis' speech an interesting and thought provoking contribution to the national health care debate.

The remarks follow:

CHILDREN, MIDDLE AGED AND ELDERLY POPULATIONS BALANCING PERCEIVED NEEDS AGAINST CHANGING SOCIETAL PRESSURES, PRIORITIES AND BUDGET CONSTRAINTS

(By Jeffrey R. Lewis)[1]

SUMMARY

This paper argues against an expansion of federal benefits for elderly Americans, unless and until the needs of children and middle-aged Americans are addressed. It is incumbent upon older Americans, whose political strength has been and continues to be clearly shown, to work toward solving the health care crisis confronting children and middle-aged Americans. Older Americans can teach their children and their children's children how to gain access to and mold the political system, so their needs are addressed and benefit from proposed solutions.

For example, although incremental steps have been taken to address the health care needs of some poor children, children remain the innocent victims[2] of the benign neglect of this nation's failed policies to ensure parity in health care coverage. Evidence of this is best seen by the fact that some 25 percent of all infant deaths are preventable when prenatal care is available.[3] Yet, because health care for children has not been attacked comprehensively, it has become increasingly recognized that the problems of children are a matter of national survival.[4] These problems, coupled with the emerging crisis facing middle-aged Americans who know and will continue to find themselves as caretakers for their dependent children, parents and grandchildren requires a change in course of the "me-first" generation—senior citizens. Retired Americans whose perceived political strength has caught the attention of elected officials, must now help solve the legitimate needs of other population groups like children and middle-aged Americans. If not, the economic crisis confronting this nation will grow worse and with it, intergenerational inequities. This article argues for an immediate examination and implementation of a national strategy to address the problems of children and middle-aged Americans if we are to face our future and remain competitive in the global marketplace.

INTRODUCTION

The White House, Congress and the American public are now involved in a national debate. Although the debate is multi-faceted, it has but one underlying theme—economic survival. Too often it is asserted that the illusion of difficult choices is over. However, in reality, the difficult choices are finally here. In very specific terms we will have to make choices among generational priorities—children, middle-aged Americans and elderly citizens. Decisions that will not be easy, but are necessary to make if we are to move forward as a nation.

The American family today is fighting to survive. Nevertheless, for some politicians the rhetoric has not changed. The promise of a better tomorrow without raising taxes or cutting spending continues despite the fact that in reality, the well has gone dry.

Today, the issues are no longer which political party should be accused of defaulting on its promise to the American public. In reality, there is plenty of blame to be shared between Democrats and Republicans. But, talking about the problem or trying to shift the culpability to one political party no longer serves our best interests. What is at stake is our economic future and the human vitality of this nation.

In one of the richest nations in the world, we have allowed millions of our children to live without adequate or perhaps any medical care. Teenage mothers continue to ignore or understand the benefits of prenatal care; thousands of children age two or less are not receiving necessary immunizations and, as a result, we are fostering a population of children who begin life two-steps behind the curve before they even start school. Such problems have placed this nation's future at peril.

For years, the perceived political strength of the "senior vote" has intensified and with it numerous political victories. However, these triumphs are not without a cost to both children and middle-aged Americans. The silent cries of children's needs have and continue to go unaddressed by Congress and the White House. Children do not vote, organize protests, make financial contributions or put up lawn signs. As such, they do not have the ability to "glad-hand" with newly elected officials for whom they worked so hard to elect and lobby for their specific cause or issue.

Their silence, while being very real, has not gone unnoticed. Today, we are witnessing increased recognition of generational inequity. The issue is not the old against the young, it is middle aged Americans and children vs. the elderly. this is not something that campaign rhetoric can solve.

Thus, we are presented with a two-fold question:

a. Will the Democrats maintain a posture of "devout readiness," that is, talking extensively about the problems that they inherited and reminding the Clinton majority that these problems were caused by or aggravated through inaction by the Reagan and Bush Administrations?

b. Will Republicans and Democrats alike brave the cold and explain to the American public that there is no single solution or quick fix; That what we have to do are raise taxes and decrease spending?

As a former "insider" the answer is all too clear. The problems from the 1970's and 1980's will continue into the 90's. This is not because legislative strategies are unavailable or solutions' impossible. Rather, it is caused for the most part by the fact that special interest groups continue to foster unrealistic self-serving strategies and our nation's infrastructure, both human and structural, is crumbling.

What we have witnessed is the emergence of the "me-first" generation of politics and its is pushing the interests of children and middle-aged Americans into last place. Middle-aged Americans find themselves caught between the legitimate needs of children and the perceived needs of person aged 65 and over. Middle-aged Americans are slowly beginning to recognize that unless they begin to speak up to protect their individual and familial rights, their needs now and in the future may go unaddressed.

The problem is economic, the problem is social, the problem political. Yet, unless we honestly address these problems, we will cause irreparable harm to our future.

I. ECONOMIC PRIORITIES AND THE BUDGET DEFICIT

i. Setting Forth the Framework: Spending Controls and Non-Controls

Our current economic problems are complicated by existing federal budget laws[5] that constrain the ability of Congress to deal effectively with various problems that subgroups assert need immediate remedy. For example, under the Gramm-Rudman-Hollings law,[6] Members of Congress are procedurally constrained from offering amendments that would violate budget resolution totals. Therefore, if a Senator offered an amendment that would breach an agreed upon deficit target, a series of procedural steps is required before the Senator could offer his underlying substantive amendment. These procedural barriers were strengthened in 1990 with the passage of the Omnibus Budget Reconciliation Act of 1990[7] (OBRA 1990).

A critical element of the 1990 changes put in place specific limits on discretionary spending and a "pay-as-you-go" requirement for entitlement programs.[8] However, these constraints over overstated. Congress also enacted into OBRA 1990 plenty of "wiggle-room" to evade these new budget constraints.[9]

For example, if a Senator proposed expanding the Medicare entitlement program to include coverage for long-term care, such expansions could not occur unless the programs were revenue neutral, either by dedicating a specific revenue source to pay for the expanding program or by cutting (reducing) some other medical services within the Medicare program to pay for these new services. But, should a Senator be able to obtain at least 60 votes from legislators who agreed that they wanted to add this new program no matter what the budget consequences, the budget enforcement laws would be waived and the Senator's substantive amendment would be considered on its merits.

The message: action may be difficult, but it is not impossible.

ii. The consequences of a failed budget policy

As the 103rd Congress begins, it is confronted with a deficit of more than $300 billion[10], and a federal debt that have quadrupled from $735 billion[11] when President Reagan first took office January 1981 to $3 trillion today.[12] To put that in perspective, consider the fact that current interest on the federal debt, $200 billion[13], far exceeded combined federal spending on welfare, education, housing, and transportation in 1992.[14] More important, as the interest on the federal debt multiplies, it further erodes the ability of legislators to address "mounting" domestic problems of children, middle-aged, elderly and disabled Americans. In otherwords, about 14 cents of every dollar is spent to pay interest on the national debt.[15] And, if circumstances remain the same, by the year 2003 it is estimated that the public debt will equal 78% of the gross domestic product.[16]

iii. Defining the problems and examining the realities

The Impact of the Federal Debt on Specific Entitlement Programs

An issue that is rarely discussed is how the federal debt and the net interest on it can stymie the ability of both Congress and the incumbent Administration to effectively orchestrate change. Particularly critical here is how the interest on the federal debt can bind Congress from making effective changes in domestic policy, and further eroding its ability to help rebuild our human and structural infrastructure.

For example, in 1980, before President Reagan took office, interest on the federal debt was $75 billion or 8.9 percent[17] of what the government spent. This meant that nine cents our of every dollar taxed was spent paying off interest on the debt. Today, approximately 14 cents our of every $1 the government spends is used to pay off accrued interest on the debt. Notwithstanding, when this problem is considered in conjunction with four federal entitlement programs (Medicare Part A, Medicare Part B, Social Security, and Medicaid), the compounded

impact on the federal budget and each of us is enormous.

Social Security[18]

As a percentage of taxable earnings, Social Security costs represent approximately 11 percent today. This means that 11 cents of every federal tax dollar is dedicated to the Social Security program. As baby boomers begin to retire around 2025, Social Security as a percentage of payrolls will represent more than 15 cents of every dollar taxed.

Social Security and Medicare Part A

When Social Security is combined with Medicare Part A, they represent about 13 cents of every dollar taxed. By the year 2025, these two programs will consume almost 24 cents of every dollar taxed.

Social Security, Medicare Parts A and B

Adding Medicare Part B to the equation means today the three programs (Social Security, Medicare Parts A and B) represent 15 cents of every federal dollar taxed. By 2025 they will account for more than 30 cents of every dollar.

Social Security, Medicare Parts A & B and Medicaid

By adding Medicaid to this mix of programs, we find that these programs represent 20 cents of every dollar taxed today. In the year 2025 they will consume approximately 43 cents of every dollar.

Social Security, Medicare Parts A & B, Medicaid and Net Interest on the Debt

By including the costs of net interest on the federal debt with the four entitlement programs cited, 24 cents of every tax dollar will be used for these five programs today. This number will escalate to 51 cents in 2025. In other words, four federal entitlement programs and the net interest on the federal debt could consume 51 percent of each payroll tax dollar.

When examining this problem as part of the Gross Domestic Product, the magnitude is even more apparent. Today, these five programs represent $1 of every $10 of federal tax dollars the government spends. By the year 2025, they will represent $1 of every $5. This means that the federal government will spend as much on these five programs in 2025 as the entire federal budget today.

Result: Hard Choices

This means as a nation we have mortgaged our future leaving middle-aged Americans, their children and grandchildren with a colossal debt and all of its consequences. President Clinton has proposed unheralded tax increases to begin attacking this problem. Sadly, however, such tax increases adversely impact middle-aged Americans as they prepare for retirement in 10 or 15 years, and force the "baby-boom" generation to forestall building savings for the future.

Arguably, such tax increases should help not only defray the debt, but make more domestic dollars available for federal initiatives in problem areas that Republicans failed to address—or did they? Let's examine this issue.

In truth, we do not have the resources today to accomplish the bold agenda set forth by President Clinton, nor do we have the ability to enact comprehensive measures yet to be formally proposed unless we impose even greater tax increases on both corporations and individuals of all incomes. Moreover, Congress and the Clinton Administration will also have to address significant spending cuts until the deficit and the debt problem is arrested.

This means that Congress must prioritize federal spending, setting the stage for a greater class and age conflict. With some 20 Democratic United States Senators up for reelection in 1994, the supportive rhetoric in favor of the President's initiatives may soon erode and Congress must grapple with the cold hard reality of an even greater federal deficit and debt, or dare to cross the line and tell more than 30 million persons aged 65 and over that their problems are not as important as the future of this nation, both its human and structural infrastructure.

Similarly, Congress will have to address the growing problems facing children under the age of 18, primarily in the areas of education and job training. I will argue that unless and until we address the total needs of children under the age of 18, the future of this once vibrant nation will remain in severe jeopardy. But, we must address these needs without bankrupting middle-aged Americans through regressive tax increases.

The best way to prepare to address the challenge of the future is to examine the needs of three groups in particular, (1) children, (2) middle-aged Americans, and (3) older Americans, and determine what steps should be taken to respond to a growing generational dispute and the increasing war of words. Arguably, the status of children is directly dependent upon the well being of their parents. That means that their health and economic status are directly dependent on the economic survival of their parents—middle-aged Americans.

II. DEMOGRAPHICS

i. Older Americans

We know that America is an aging society. While this is not new, the reality of its implications continues to present the Congress and society in general with difficult moral and political decisions. Those decisions are tied directly to the budget debate in Congress and a potential class warfare for middle-aged and older Americans.

Between 1960 and 1990, the portion of the population age 65+ had nearly doubled growing from 16.7 million to an estimated 31.6 million,[19] while the proportion of young people had decreased by 28 percent.[20] In 1989, 1 in 8 Americans was at least 65 and by the year 2030, 22 percent of the population will be 65 and older, while 21 percent will be under the age of 18.[21]

As the population has grown older, it is important to note that the ratio of elderly people to those in the working population has also radically changed. In 1900, there were about seven elderly people for every 100 people of working age. In 1990, the ratio was about 20 for every 100, and by the year 2030, it will increase to 38 per 100.[22] Perhaps a more instructive way of examining this issue is as follows:

Following the Korean conflict in 1950, there were about 16 workers for every retiree receiving Social Security;[23]

In 1960, the ratio had been reduced to five to one;[24]

By 1970, that ratio had been reduced to about three to one;[25] and

By 2020, when many baby boom children retire, the ratio of workers to retired persons is expected to be reduced to a ratio of approximately 2.2 to one.[26]

The declining ratio of workers to Social Security recipients will result in forcing our working population and their employers to pay even higher Social Security taxes to support an aging population.

ii. Children

The demographic numbers discussed previously are important because they represent not only a portrait of a changing America, but raise the question of whether there are similar transformations occurring at the other end of the age spectrum. The answer is a dismal no.

The birth of the "baby-boomer" generation following World War II, saw childbirth increase from 2.6 million to 3.6 million over a period of ten years (1940–1950), peaking at about 4.3 million in the early 1960's.[27] Since then, there has been a downward spiral in childbirths. The reality is that unless we bring healthy children into this world, ensuring that mothers obtain the necessary prenatal[28] and postnatal care needed, healthy children, our future workers will be unable to sustain meaningful employment or provide much of any benefit to society.

To effectively understand how well the political grim reaper has devastated our current and future populations of children under age 18, it is important to examine the perils faced by children in America today. This writer believes that Congress has too often yielded to the perceived political clout of elderly voters. The result has been the creation of a safety net full of gaping holes for children and middle aged Americans.

For example:

One year olds in the U.S. have lower immunization rates than children of the same age group in 14 other countries,[29] and the problem of adequate immunization is getting worse—particularly among certain racial and economic subgroups.

Evidence of this problem has recently been brought to the forefront by the Centers for Disease Control (CDC).[30] CDC has estimated that less than half the two-year olds in the United States are fully vaccinated.[31] And, the rate may be as low as 10% in certain inner city areas.[32]

The problem today is not the availability of the vaccines, rather, it is failing to get the vaccines to the most susceptible children at an early enough age, inadequate public health structures, parents who do not understand or care about the importance of the vaccines, and physicians who fail to ensure that every child who comes into their office at that age has been fully vaccinated.[33] The fact that the Congress and the federal government have allowed this to occur, confirm that the basic needs of children have gone unaddressed.

III. CHANGING POPULATION PRIORITIES

i. The health care debate: Can we strike a balance of need vs. perception?

a. Children

We begin from two parallel paths. First, we know that of the more than 33 million[34] uninsured Americans, about one-fourth are children.[35] Second, one out of every five is poor.[36]

Concerning the uninsured population as a whole, it is instructive to understand some basic information. First, of the more than 33 million uninsured Americans:

70 percent who are uninsured remain that way all year;[37]

30 percent of the uninsured remain so for part of the year;[38]

Many of these are workers employed where their annual income is between 100 and 200 percent of poverty;

Three-quarters of the uninsured are workers or their dependents;[39] and

Persistently uninsured persons are often not categorically eligible for Medicaid.[40]

Approximately one-fourth of the uninsured are children under the age of 18. These are children who come from single and two-parent homes, but because the parent's employer either does not provide health insur-

ance coverage or coverage is limited to only the employee, these children have no health insurance. For example, in 1980, 40 percent of employers provided full health insurance coverage for dependents. By 1990, this had been reduced to 30 percent.[41]

Moreover, it is estimated that one-third of all mothers receive insufficient prenatal care.[42] This is caused by two factors. First, 14 million women of reproductive age cannot afford health insurance, and second, obstetricians working in our largest cities are refusing to treat pregnant women on Medicaid or who lack health insurance.[43] The lack of accessible prenatal and pediatric health care has had and continues to have a three-fold impact on children:

1. Children born to mother who did not have comprehensive prenatal care are at significantly greater risk for infant mortality, low birthweight and developmental delay or impairment;[44]

2. Low birthweight and developmental delay when combined with inadequate pediatric care are correlated with increased susceptibility to illness, poor health status, and lower school achievement;[45]

3. Fetal malnutrition affects up to 10 percent of babies born in the U.S. This damage occurs during the twelfth to twenty-fourth weeks of gestation, a time critical to brain development;[46]

Compounding the problem facing children generally, are the dual perils facing children from families living in poverty. Research studies that have focused on child development have found that poverty is the greatest single predictor of "health problems, underachievement and/or failure to graduate from school, and subsequent welfare dependency."[47]

Children from families living in poverty are at an increased risk for many health problems that do not otherwise face the average American family.[48] Specifically, poor children are more likely to become ill and suffer from more serious illnesses.[49]

Today, one out of four children lives in families with incomes below the poverty level.[50] As the children reach adolescence, those who are members of a racial or ethnic minority are particularly at risk because it is unlikely there will be a safety net to help them.[51]

Even more startling is the impact of drugs and alcohol on children born each year. For example, about 40,000 babies are born annually in the U.S. with profound problems related to alcohol abuse by mothers during pregnancy.[52] Moreover, about 10 percent of all newborns had mothers who used marijuana, cocaine, crack, heroin, etc. during their pregnancy.[53] Children born from these circumstances are more likely than their contemporaries to have low birth weight, and be developmentally delayed and learning impaired. And, for those children who mother abused alcohol during pregnancy, the likelihood of increased language deficiency and mental retardation are heightened.[54] Perhaps the most troubling cost aspect is the fact that while babies of low birth weight account for only 7 percent of all births, they consume almost 60 percent of all health care costs for neonates.[55]

Further, children born to teenage unwed mothers is also on the increase.[56] Since the mid-1980's, births to teenage mothers have increased in the aggregate by almost 10 percent.[57] Even more alarming is the dramatic increase in the rate of births to unmarried mothers. For example, between 1960 and 1988, the birthrate of unmarried mothers increased from 5 percent to 25 percent.[58]

The final factor jeopardizing the lives of children born to poor women whose health insurance is provided through Medicaid is the fact that these future mothers are more likely to delay receiving prenatal care than women whose health care is financed by private health insurance.[59] While there are numerous reasons for this, what is most important is the fact that these children enter life behind everyone else.

Poor children often begin school two steps behind the curve. Poverty, lack of proper diet and nutrition, a healthy home environment, etc. are all factors that contribute to causing children to start school without a good beginning.[60] These are not positive signs as we prepare future generations of workers.

To remain competitive in the Twenty First century, we will need people who have the skills necessary to function in a technical and information oriented world.[61] This means children who have grown up healthy both physically and mentally.[62] Absent immediate steps to resolve the problems confronting pre-school age children today, an estimated one-third of the one million children projected to be entering the first grade simply won't be prepared.[63]

In the United States today, it is estimated that we spent more than $70 billion on health care for children and pregnant women, more than any other county in the world. Yet many children born today in the United States have less of a chance of surviving than a child from many third world countries.[64] Sadly, there is no quick fix to our high infant mortality rates.[65]

The national complacency demonstrated by federal and state governments, federal and state legislators and businesses, has left generations of future Americans beginning life behind their peers and ultimately, as they become the next generation of workers, our nation is at risk of being unable to compete in the global marketplace.

b. Elderly Americans

Unlike the more than 12 million children who are without health insurance coverage, retried Americans do not suffer a similar plight. Fewer than one percent of persons age 65 and over lack health insurance coverage for hospitalization and physician care[66], and some six percent of elderly persons have dual Medicare and Medicaid coverage.

The importance of this comparison is to underscore a new argument for the "have's" and "have not's." Traditionally, the argument has been successfully articulated that elderly Americans even with Medicare coverage are being financially devastated by catastrophic illnesses, rising prescription drugs prices and cost of nursing home care.[67]

When Congress passed the Medicare Catastrophic Coverage Act, cost was not an overriding consideration for two reasons. First, 1988 was an election year and both Democrats and Republicans alike wanted to go home and represent to voters over age 60 that they had accomplished the impossible—comprehensive reform to Medicare—something that had not happened since the passage of Medicare. Retired Americans are important voters because a majority of them cast their votes. Second, the Congressional Budget Office (CBO) had told the Congress that this legislation with certain provisions built into it, would not cost the government more money.

Interestingly, while campaigning for the retiree vote, Congress was refusing to address a much greater national epidemic—ensuring that no child was ever without necessary * * *.

While I do not argue that older Americans suffer from the lack of affordable public and private coverage for long term care, this need does not rise to the same level as guaranteeing that a child obtains the medical care necessary to survive pre and post-birth. It would be nice to begin the next century knowing that every child who enters the world does so with an even chance, not a step behind because their parents could not afford health insurance.

c. Middle-Aged Americans

i. Raising a family

Middle-aged Americans suffer from the double-edged sword of trying to prepare their families for the future, while concurrently facing the arduous task of preparing for retirement. In both cases, they are struggling.

Before the children of middle-aged Americans leave home, many go to college hoping and planning for a better life than the one they perceive their parents are living. However, because the costs of both public and private colleges and universities have skyrocketed, many middle-aged families are signing or co-signing education loans, taking second mortgages on their homes, and basically mortgaging their future for their children. In addition, if they have been reasonably successful through their professional careers, they have also seen their tax burden increase—not decrease.

ii. Becoming a parent again even after all their children have grown and moved out

Another peril facing middle-aged Americans today is the fact that their parents are living longer and as a result, parents often become dependent upon a child.[68] Too often, when one parent is institutionalized or dies, the other parent moves in with a child. As this occurs, familial and financial burdens change. No, the parent is not a dependent for purposes of the U.S. tax code, but she lives there and often needs financial assistance with medical costs, clothing and other living expenses. The middle-aged Americans who thought that once the last child left home they would face a different kind of life was right. Unfortunately, it is not the kind of difference they expected.

This problem is further exacerbated by a growing problem in the United States—Grandparents as Parents. As the children of middle-aged Americans marry, some have sadly become parents long before they should have. This, coupled with the fact that drugs or crime also becomes a part of their life, has forced middle-aged Americans into the role of parent again. Not for their own children, but their grandchildren.

Such changes to the lives of middle-aged Americans has been difficult financially and emotionally. Yet, the federal government rarely offers any kind of support unless the daughter or son is willing to give up custody and the grandchild is adopted by the grandparents.

iii. Middle-aged and fighting for employment

The problems facing middle-aged Americans today are further complicated by the reality that many have and will be tantalized with the luxuries presented by early retirement. However, as this occurs, more middle-aged persons will be mustered out of the workforce with promises of long-term benefits that disappear as quickly as the ink dries.[69] Thus, the once comfortable position of financial security fostered by employment begins to erode and with it the ability to control one's destiny.

As an industrialized nation, the United States continues to promote opportunities for the young and disadvantaged, seemingly

leaving behind older workers. Thus, we are seeing job destruction now beginning to have an even greater impact across the age spectrum. This, coupled with the fact that job creation that "proliferated 18.6 million jobs during the 1980's has petered out in the Nineties."[70]

Currently, only 15 percent of workers recently laid off expect to return to the same position.[71] And, the unemployment picture across the U.S. does not appear much better:

6 million people are now working part-time because they have been unable to obtain full-time employment; and

Major corporations like Sears, IBM, Boeing, and United Technologies have cut or announced the reduction of more than a 116,000 total combined jobs.[72]

CONCLUSION

America's future lies in abeyance while its political leaders and interest groups try to carve out a path for this nation. Every day, more and more children are suffering and greater numbers of middle-aged Americans are placing their lives in economic jeopardy in order to pay for the programs of the "me-first" generation.

The road we follow today will set the course for future generations—some who have already begun life and others who are yet to come. For too long we have heard from politicians who assert that budget rules and restraints are prohibiting our ability to move forward. What you have not heard is that these are not insurmountable roadblocks that can be overcome, but they haven't.

We have allowed inter-generational warfare to rear its ugly head, but that might not be as bad as it sounds. Given what four entitlement programs and interest on the national debt are doing, issues of equity need to be discussed and carefully examined as we look out towards the future.

With a deficit of more than $300 billion, it should be recognized that being a loud squeaky wheel will mean your group will be first in line. Similarly, the issue is not taking from the elderly and giving to the very young because we now understand that the parents of the very young are also hurting.

While the marketplace of ideas remains intact, as a nation the decisions are going to be very difficult. We must have the courage to make the hard decisions about what is best for America now and in the future.

The problems facing children, middle-aged Americans and retired citizens cannot be looked upon as single issues—because they are woven together and impact each of us either economically, personally or professionally.

One thread truly does unite us all—children and their future. For without children, we have no future. With them, we can begin to rebuild our nation's human infrastructure and compete in the global marketplace of ideas and decisions.

FOOTNOTES

[1] Mr. Lewis is the former Republican Staff Director for the United States Senate Special Committee on Aging, and currently serves as the Chief of Staff (issues) for Mrs. H. John Heinz III and Executive Director of the Heinz Family Foundation. None of the material contained herein or his oral presentation are necessarily representative the views of the Heinz Family or its philanthropies.

[2] Drew Altman, Child Health (unpublished paper prepared for Our Children's Future Retreat) (April 20–22, 1990) at 1.

[3] Donald Robinson, "Save Our Babies," Parade June 30, 1991 at 8.

[4] David Olds, Home Visitation as a Preventive Intervention for At-Risk Families (unpublished paper prepared for the Our Children's Future Project) (September 25, 1990) at 1.

[5] P.L. 99–177, the Balanced Budget and Emergency Deficit Control Act of 1985, better known as the Gramm-Rudman-Hollings (GRH) deficit reduction law; P.L. 100–119, the Balanced Budget and Emergency Control Reaffirmation Act of 1987; and P.L. 101–508, the Budget Enforcement Act of 1990 which established among its titles procedures to enforce a five-year $500 billion deficit reduction package.

[6] P.L. 99–177.

[7] P.L. 101–508.

[8] D. Koitz, "Social Security: Its Removal From the Budget and Procedures for Considering Changes to the Program," 92–23 EPW Congressional Research Service/Library of Congress 1, 4–5 (1993).

[9] For example, a point of order provision was included that requires a Senator to obtain three-fifths of those Senators voting to avoid coming within the confines of the pay-as-you-go provision.

[10] 139 Cong. Rec. 3084 (daily ed. March 18, 1993) (statement of Sen. Hollings during the Congressional debate on Concurrent Budget Resolution for Fiscal Year 1994).

[11] Id. at 3086.

[12] 139 Cong. Rec. 3018, 3020 (daily ed. March 17, 1993) (statement of Sen. Sasser during debate of the Concurrent Resolution on the Budget for Fiscal Year 1994).

[13] Id. It is also important to explain that the debt has quadrupled since 1980. Moreover, by having to continue to dedicate federal dollars to pay off the net interest on the debt, such funds cannot be used for improving education, health care or infrastructure.

[14] K. Cahill, "The Largest Entitlement Programs", 92–400 EPW Congressional Research Service/Library of Congress 1, 3 (1992).

[15] Sasser at S3020.

[16] Id.

[17] This percentage is expected to double in 23 years to 17.8 percent, and the deficit will increase to more than $653 billion under current budget policy.

[18] This analysis was prepared with the assistance of David Koitz of the Congressional Research Service, Library of Congress.

[19] U.S. Department of Commerce, Bureau of the Census, Series P–25 No. 1018, "Current Population Reports: Projections of the Population of the United States, By Age, Sex, and Race: 1988–2080" 8 (1989).

[20] "Aging America: Trends and Projections" (1991 edition) at page xix (hereinafter referred to as Aging America).

[21] Id.

[22] "Aging America" at xix.

[23] H. Hodgkinson, "Where the Myths Meet the Facts," 1991 CDP Demographics for Education Newsletter 1, 3.

[24] Id.

[25] Id; see also Linda Darling-Hammond, Education for the 21st Century (unpublished paper) (April 20–22, 1990) at 1 ("as our aging population continues to increase substantially, the greater costs for Social Security, health care, and other services will be borne by a smaller number of potential").

[26] Id.

[27] Green Bok at 958.

[28] Research from the Institute of Medicine has found that a $1 of investment in prenatal care saves more than $3 in the care of low-brithweight infants.

[29] "Children 1990: A Report Card, Briefing Book and Action Primer," Children's Defense Fund 1990, 1, 6 (1990) (hereinafter referred to as CDF).

[30] "Childhood Immunization," U.S. Department of Health and Human Services "Fact Sheet," February 12, 1993 at 1.

[31] Id.

[32] Id.

[33] Measles is an example of this problem. Before the measles vaccine was approved in 1963, there were an average of 400,000–500,000 cases reported each year. Following the introduction of the vaccine, reported cases dropped to 1,497. However, the cases of reported measles during the fall of 1989 was the highest of the decade and, between 1989–91 the measles epidemic had once against emerged as a major health threat with 55,000 cases reported and 64 deaths—the highest in two decades.

[34] Dr. Louis W. Sullivan, Secretary of the U.S. Department of Health and Human Services address to Howard University (February 19, 1991).

[35] "Beyond Rhetoric: A New American Agenda for Children and Families," the Final Report of the National Commission on Children, 1, 137 (1991).

[36] Jason Juffras and Isabel Sawhill, Our Children's Future: Introduction and Overview (April 9, 1990) (unpublished manuscript); see also Barbara Starfield, "Child and Adolescent Health Status Measures," 2 The Future of Children 25, 33 (1992).

[37] G. Wilensky, Presentation before the United States House of Representatives, Committee on Ways and Means, April 19, 1991.

[38] Id.

[39] Id.

[40] Wilensky at 4; see also S. Rep. No. 101–114, "A Call for Action," report of the U.S. Bipartisan Commission on Comprehensive Health Care (1990) at 3 (in 1987, among families with incomes below 25 percent of poverty nearly one-quarter were not covered by Medicaid and, by 1990 55 percent of the poor were not covered).

[41] Congressional Research Service of the Library of Congress, Committee Print prepared for the House Committee on Education and Labor, Subcommittee on Labor-Management Relations and the House Committee on Energy and Commerce, Subcommittee on Health and the Environment, and the Senate Special Committee on Aging, "Health Insurance and the Uninsured: Background Data and Analysis," 1, 66 (1988).

[42] "The Financing of Maternity Care in the United States," Alan Guttmacher Institute at 27 (1987).

[43] Donald Robinson, "Save Our Babies," Parade June 30, 1991 at 8.

[44] "Beyond Rhetoric" at 122; see also "Health Technology Case Study 38: Neonatal Intensive Care for Low Birthweight Infants: Costs and Effectiveness," Congress of the United States, Office of Technology Assessment (1987); "Preventing Low Birthweight," Institute of Medicine, pages 221, 224, and 232; "The Future of Children," 2 Center for the Future of Children 1, 13 (1992) ("low birthweight babies who account for 7% of all births consume almost 60% of the health care costs of all newborns"); and Andrew Racine, Theodore Joyce and Michael Grossman, "Effectiveness of Health Care Services for Pregnant Women and Infants," 2 The Future of Children 40, 47 (1992) (infant mortality rate among black babies is twice that of white babies).

[45] L. Schoor, "Within Our Reach: Breaking the Cycle of Disadvantage" (1989); see also, B. Schultz, R. Rogers and M. Albert, "Overcoming the Odds: Children at Risk in Pittsburgh and Allegheny County 1990" (1990); Donald Robinson, "Save Our Babies" Parade June 30, 1991 at 8 (low birthweight accounts for about 66 percent of all infant death).

[46] L. Newsman and S. Buka, "Every Child a Learner: Reducing Risks of Learning Impairment During Pregnancy and Infancy," Denver Education Commission of the States at 17–18 (1990).

[47] L. Schoor, supra note 38.

[48] "Beyond Rhetoric" at 79.

[49] Barbara Starfield, "Child and Adolescent Health Status Measures," 2 The Future of Children 25, 33 (1992).

[50] Drew Altman, Child Health (April 20–22, 1990) (unpublished paper); see also K. Keniston and the Carnegie Council on Children, "All Our Children: The American Family Under Pressure," 1, 76 (1977).

[51] "Adolescent Health," Congress of the United States/Office of Technology Assessment (Vol. 1 Summary and Policy Options) (1991).

[52] Ernest Boyer, "Ready To Learn: A Mandate For The Nation" (Princeton University Press, 1991) at 17; see also Juffras and Sawhill at 3 (It is also important to note that the number of children in foster care jumped from 275,000 in 1985 to more than 340,000 in 1988, an increase attributed in part to drug abuse).

[53] Boyer at 17.

[54] Newsman at 8.

[55] National Commission to Prevent Infant Mortality, "Troubling Trends Persist: Short-Change America's Next Generation," Washington, D.C. Match, 1992.

[56] "Current Population Reports: Projections of the Population of the United States By Age, Sex and Race 1988–2080," U.S. Department of Commerce, Bureau of the Census, series P–25, No. 1018, 1, 8.

[57] E. Lead, "Teenage Childbearing," 2 The Future of Children (1992) at 186, 187.

[58] 1 "Vital Statistics of the United States" (Natality) 7, U.S. Department of Health and Human Services, National Center for Health Statistics (1988) (table 1–6).

[59] E. Howell, et. al, "A Comparison of Medicaid and Non-Medicaid Obsterical Care in California;" 12 "Health Care Financing Review," 1–15 (1991); see also M. Grossman and T. Joyce, "Unobservables, Pregnancy Resolutions, and Birth Weight Production Functions in New York City," 98 Journal of Political Economy 983–1007 (1990).

[60] H. Hodgkinson, "Reform Versus Reality" 73 Phi Delta Kappa 10 (1991); see also Lawrence Schweinhart and David Weikart, Chapter 5 "The High/Scope Perry Preschool Program" (Fourteen

Ounces of Prevention) at 53 ("poor children are likely to fail in school * * * and students who fail in school are likely to become adults who live in poverty").

[61] Barbara Bowman, Early Childhood: Laying The Foundation (unpublished paper for Our Children's Future Project) (September 25, 1990) at 1.

[62] Id.

[63] Southern Regional Education Board, "Goals for Education: Challenge 2000" at page 5 (1988).

[64] J. Heinz, "Health Care for Children: Our Future—Our Destiny," Federation of American Health Systems Review 6, 8 (November/December 1990).

[65] Sharon Voas, "Infant Mortality Solutions Sought," Pittsburgh Post-Gazette, March 17, 1993, at B-1, 4.

[66] "Aging America" at 131.

[67] 133 Cong. Rec. S. 29315 (daily ed. October 27, 1988) (statement of Sen. Roth).

[68] J. Lewis, "Changing Trends in American Families and The Future of Health Care in America", speech to the Western Michigan Gerontological Society (1992).

[69] M. Beck, "The New Middle Age," Newsweek December 7, 1992 at 50, 52.

[70] M. Magnet, "Why Job Growth Is Stalled," Fortune March 8, 1993 at 51, 52.

[71] K. Labich, "The New Unemployed" Fortune March 8, 1993 at 40.

[72] Id. at 41.●

TOBACCO LEGISLATION

● Mr. MCCONNELL. Mr. President, last week my colleague from Texas, Senator KRUEGER, introduced legislation to eliminate the price support program for tobacco. I feel compelled to inform the Senate of the consequences of such an ill-advised proposal.

All too often in the debate over tobacco, it is the farmer who is the forgotten part of the industry equation. People criticize the tobacco industry and its powerful lobby and broadly state "let's end the Government's involvement in the tobacco industry" without regard to what happens to our tobacco farmers. Tobacco companies have diversified into many other areas of business and the companies will survive, but the tobacco farmers in my State have few other options.

Tobacco ranks sixth among field crops produced in the United States. Total U.S. tobacco production is 1.6 billion pounds and farmers in 16 States earned over $3 billion from the sale of tobacco in 1992. More burley tobacco is grown in Kentucky than anywhere in the world. Last year Kentucky farmers earned nearly $900 million from the sale of tobacco and that multiplied into over $5 billion in economic benefits, from labor hired, to goods and services bought.

The average Kentucky farmer grows less than 3 acres of tobacco and, there is no other crop alternative which provides the income tobacco does on such a small acre. The economics of this intensively managed crop does not lend itself to planting soybeans, peanuts or corn. There have been attempts to replace tobacco production with other crops and almost none are economically feasible.

Beyond the farm gate, tobacco farming is immensely important to hundreds of small rural communities. There are tobacco quotas in 119 of Kentucky's 120 counties and it is actually grown in all but 5 of those counties. Without the tobacco program the value of farmland would fall dramatically, local tax bases would diminish significantly, and the loss of income from leasing the tobacco quota, or actually growing the crop, would reduce the standard of living considerably across my State. Nearly 160,000 families derive income from tobacco production, and thousands more people earn their living from an area in the marketing and manufacturing process. Eliminating the tobacco program would essentially destroy an asset base worth more than $3 billion.

The tobacco program was adopted in Agricultural Adjustment Act of 1938 which attempted to boost prices and control the supply of tobacco. Through the years there have been a few modifications to the program, but the basic underlying intent to stabilize the supply of tobacco and reduce farmers' price volatility remains intact. This is really no different from any of the 14 other commodity programs which seek to reduce the economic uncertainty from agricultural production.

The tobacco program attempts to achieve stability through a combination of a statutorily determined price support and strict acreage and poundage allotments to limit production. The method of price support is a nonrecourse loan through the Commodity Credit Corporation within the U.S. Department of Agriculture. The overwhelming majority of tobacco is sold above the price support and is never covered by the loan program, but, if for some reason, a farmer's tobacco does not sell for the Government-prescribed price the tobacco goes under a nonrecourse loan. The farmer's tobacco is taken as collateral in exchange for the loan. The tobacco is later sold and any loss in operating the program is made up by assessment to tobacco growers and manufacturers, not by taxpayer dollars. Tobacco loans made this year would not normally be repaid until some later year. This is not a subsidy or a gift. The program operates with Government-backed loans repaid with interest, and this has been the case for more than a decade.

The No Net Tobacco Act of 1982 established the only self-supporting commodity program. Annual assessments to growers and manufacturers are used to reimburse the Government for any financial losses. In fact, over the past 5 years, the USDA has received more than $1.3 billion from profits generated through the operation of the tobacco program. Mr. President, I want to reemphasize that the tobacco program operates at no net cost to the taxpayers, it is fully funded by the tobacco growers and manufacturers.

Throughout the entire 50-year history of the tobacco program the U.S. Government has lost only $65 million out of the more than $8 billion in principal loaded out to operate the program. I would point out that the U.S. Government has lost nearly $30 billion on other commodity loan and inventory operations.

The tobacco program provides market stability to farmers. Without the program I predict that tobacco would still be grown in our country but only by a few large farmers. Or the tobacco would be purchased from 1 of the more than 100 foreign countries which grow tobacco. It is interesting to note that the United States produces only 9 percent of the world's tobacco. Ending the tobacco program would merely open the door for other countries to fill the demand for tobacco products. Very few of Kentucky's 60,000 tobacco farmers would remain in business without the tobacco program.

Admittedly, there are administrative costs associated with tobacco just as there are for cotton, cattle, or corn. Actual costs associated with tobacco related activities in USDA have averaged only $26 million over the past 10 years. Included in this total are the administrative costs for ASCS personnel, Economic Research Service Situation and Outlook Reports, and market reporting by the Agricultural Marketing Service. Other USDA agencies such as the Foreign Agricultural Service, Agricultural Research Service, Cooperative State Research Service, Extension Service, and National Agricultural Statistics Service have expenses included in the $26 million. These types of costs are inherent in the role of USDA's service to farmers. Also, it is very difficult to separate out tobacco from normal operating activities within USDA, and I would argue that $26 million annually is inaccurately high.

In the Omnibus Budget Reconciliation Act of 1990, tobacco, like many other commodities, was required to contribute to deficit reduction. Even though tobacco is the only commodity program which operates at no net cost to the Government, it is still required to contribute to deficit reduction. An assessment is collected on every pound of tobacco marketed and in fiscal year 1992, this assessment generated over $24 million of revenue for the Government.

Whatever an individual's personal views are on tobacco, the economic importance of this crop is undeniable. In addition to the 2.5 million jobs for American workers, the sale of tobacco products generates nearly $20 billion in tax revenue, contributes over $40 billion to the gross national product, and provides a trade surplus of about $6 billion. A single tobacco plant generates 61 cents in gross farm income, $3.24 in Federal taxes, $3.51 in State tax revenue, and more than $23 in retail product value.

Leading tobacco States like North Carolina, Kentucky, and Virginia are not the only States whose economies benefit from tobacco. Tobacco provides

jobs to countless Americans. The hundreds of thousands of people involved in the tobacco industry buy cars built in Michigan, refrigerators built in Iowa, computers from California, and buy insurance from New York companies. Also, the billions of tax dollars supplied by the many facets of the tobacco industry support schools, pay for roads, help build America, and sustain the history we are all so very proud of.

Mr. President, tobacco helped the Nation pass through its early growing pains and it has remained a vital element in our economy. It has touched in one way or another, for over 400 years, almost every aspect of human life, religion, education, agricultural advancement, politics, and the arts. Tobacco has been an integral part of Kentucky history and economy for over 200 years and it is my sincere hope that it will continue to do so for many years to come.

Elimination of the tobacco program as this bill suggests would do irreparable harm to our tobacco farmers. It would essentially take away the limits from the amount of tobacco produced and lower the price of tobacco. Tobacco companies would survive and people will continue to smoke, but our farmers would be out of business and hundreds of small rural communities would dry up. Mr. President, I yield the floor.●

UNIVERSAL PURCHASE VACCINE INITIATIVE

● Mr. DANFORTH. Mr. President, yesterday Senators KENNEDY and RIEGLE introduced this administration's universal purchase vaccine initiative. I commend Senators KENNEDY and RIEGLE and this administration for their commitment to preventative health and the health and well-being of our Nation's children. The need to do a better job of immunizing America's children is beyond dispute, but the solution they propose is misguided.

The Centers for Disease Control and Prevention [CDC] estimated that in 1991 only 40–60 percent of all 2-year-olds were fully immunized. The recommended course of vaccines requires children to receive 5 vaccines: DTP—diphtheria, tetanus and pertussis; polio; MMR—measles, mumps and rubella; meningitis; and hepatitis B. In 18 shots, 15 of which should be received before age 2. In fact, this failure to immunize children in a timely fashion was the primary cause of the 1989 measles epidemic that afflicted over 55,000 by 1991 and consumed $160 million in health care costs.

Such results are especially disappointing in light of the known beneficial value of timely vaccination. Each $1 spent to vaccinate a child yields a potential savings of $10 on future care and treatment.

These facts are compelling. No one will argue on that point. The point of disagreement is over how to remedy the situation. The administration, while acknowledging a variety of measures designed to improve the infrastructure of vaccine delivery, has made the centerpiece of its proposal the universal purchase of childhood vaccines by the Federal Government. In fact, the proposal puts nearly three times as much funding into the purchase of vaccine as it does into addressing outreach, education, and infrastructure.

Data from the CDC shows that the 11 States that currently have universal purchase systems have immunization rates for 2-year-olds that are not significantly different from immunization rates in all other States. In light of this evidence, on what basis does the administration propose the universal purchase of childhood vaccines by the Federal Government?

In addition, the CDC estimates that a universal vaccine purchase program would increase the annual cost to the Federal Government of the childhood immunization program from about $350 million to approximately $1.5 billion. At the same time, it is widely acknowledged by experts in my State as well as those across the country that the cost of vaccines is not the major reason for poor immunization coverage; there is an ample supply of vaccines that are distributed free in public health clinics and, instead, it is the delivery, education, and outreach that require our attention. Even professionals at CDC acknowledge this off the record. How can the administration justify spending so much money on the Federal purchase of vaccines when the impact on immunization rates may be marginal? We should be targeting our limited resources to areas where we can do more good, namely improving the vaccine delivery system—including tracking, education, outreach, and coordination—and subsidizing the cost of vaccines for those most in need, rather than buying vaccines for children whose parents can afford them.

Aside from being wasteful and ineffective, there are also significant concerns about the impact universal purchase would have on the quality, availability and continued innovation of childhood vaccines. At a minimum, great amounts of Government energy would have to be expended to devise a system to replace the private market here. And all this when we do not even know how long the system would be in effect, since the proposal would not become effective until fiscal year 1995 and would phase out at such time as immunization services are provided for all children as part of health care reform.

Senators KASSEBAUM, DURENBERGER, HATCH, and I have been developing an alternative proposal that would address the real barriers to immunization without resorting to universal purchase. There are clear areas of agreement with Senators KENNEDY and RIEGLE on the need to develop a tracking system and to improve vaccine delivery, outreach, and education, but we were unable to support the elements of national universal purchase. This is a serious issue where we have an opportunity to significantly improve the health of children. We are hopeful that we can make this a bipartisan effort and will continue work on an alternative proposal to present when the Senate reconvenes in late April.●

FACES OF THE HEALTH CARE CRISIS—THE COSTS OF A CATASTROPHIC ILLNESS

● Mr. RIEGLE. Mr. President, I rise today in a continuing effort to put a face on America's health care crisis. Too many people in this country have inadequate health care coverage for catastrophic illnesses. Mary Ellen Lehikoinen of Livonia, MI, is one example of how high health care costs can be financially crippling when a catastrophic illness strikes. Mary Ellen's father wrote to me in January to tell me her story.

Mary Ellen is 29 years old and has been a diabetic for 25 years. She is insulin dependent and suffers from several secondary diabetes complications, including problems with her eyes, kidneys, and nervous system. Mary Ellen has a degree from the Detroit College of Business and upon graduation in 1987, she began working at Psychiatric Services in Southfield. But she was forced to quit her job in 1990 in order to receive kidney dialysis for her diabetic condition.

Mary Ellen's doctor referred her to physicians at the University of Minnesota Hospital who specialize in the type of treatment she needed. In February 1992, she had pancreas and kidney transplant surgery. After her surgeries, she was frequently rehospitalized for various infections. Mary Ellen was discharged from the University of Minnesota Hospital on February 19, 1993. She is currently at home being cared for by her parents who are senior citizens.

Mary Ellen has been on Social Security disability insurance and Medicare since 1991. As a result of the frequent and prolonged rehospitalizations, she exhausted Medicare's 90-day hospital benefit period and the 60-day lifetime reserve benefit. She has been unable to requalify for hospitalization coverage under Medicare because she does not meet the requirement of being out of the hospital for 60 days in a row.

Mary Ellen does have secondary insurance through a local HMO. This company, however, has a provision which rejects payment for costs incurred for care if the primary insurer has rejected payment for any reason. Because Medicare is not covering any of the hospital charges, the HMO will

not pick up any of the hospital costs either. Mary Ellen and her family are currently in the process of appealing these coverage denials with her HMO. She has also applied for Medicaid through the State but it does not cover services outside of Michigan, so it will not help her with her current situation.

The bottom line for Mary Ellen is that she now owes more than $405,000 on hospital bills for surgeries and hospital stays throughout 1992. These bills represent what remains uncovered after Medicare payments were made and her hospitalization benefits were exhausted.

Mary Ellen's father and mother live on a fixed income from Social Security and pension benefits. The outstanding hospital bills weigh heavily on them—they worry daily about how and whether the bills will ever be paid.

Mary Ellen's situation illustrates what can happen to people whose health insurance has no limit on out-of-pocket costs, and does not provide coverage for catastrophic illnesses. She believed she had health care coverage sufficient to meet her needs. But because that coverage ran out, she is now faced with extremely high health care bills and feels she has nowhere left to turn.

Mr. President, this just isn't right. People need to have the peace of mind that, should they be hit with a catastrophic illness or injury, they will be able to obtain appropriate medical care, without fear of being financially ruined. That is why we need comprehensive reform of our health care system.●

FACA AMENDMENTS AND HEALTH TASK FORCE LITIGATION

● Mr. GLENN. Mr. President, the Department of Justice has notified the Senate Legal Counsel that, in an appeal to the U.S. Court of Appeals for the D.C. Circuit, the Department is arguing that, if the Federal Advisory Committee Act, which is also known as FACA, is construed to apply to the President's Task Force on National Health Care Reform, then the act is unconstitutional. From time to time when the Congress is notified that the Department of Justice is not supporting the constitutionality of an Act of Congress, on the ground of separation of powers, the Senate authorizes its counsel to appear to defend the law. There is good reason in the present matter, however, to rely on the effort of the Department of Justice to persuade the court that FACA does not apply to this task force, and to address the constitutional issues in the course of considering amendments to FACA.

Last year the Committee on Governmental Affairs reported S. 2039 to amend the Federal Advisory Committee Act. S. 2039 built upon legislation that I had introduced in the 100th and 101st Congresses and on which the Governmental Affairs Committee had held hearings in 1988 and 1989. In crafting last year's legislation, the committee further benefited from the views of a number of interested agencies and private organizations, both in writing and through meetings at the staff level. Unfortunately, there was no opportunity during the last Congress for action on S. 2039 by the full Senate.

Mr. President, several goals underlay the committee's proposed revisions to FACA. First, the bill sought to reorganize and reconcile FACA's various provisions. Second, the bill clarified a number of concepts and terminology used in the act that have raised problems throughout the law's 20-year history and, in some cases, have confounded courts striving to interpret congressional intent. Third, the bill strengthened ethical controls for advisory committees where appropriate and necessary.

I am convinced that enactment of S. 2039 would have strengthened and improved the Government's ability to draw upon the expertise of entities and individuals outside the Government through the advisory committee system. However, among the issues that have persisted are differences with the Department of Justice over particular aspects of the amendments, including constitutional concerns that the Department presented to the committee about the application of FACA to presidential advisory committees. The committee went to great lengths to address the Department's concern in S. 2039, but some differences remained.

Mr. President, now, after 20 years of experience under FACA, this is an appropriate time to return to our efforts to improve and reform the advisory committee system and ensure that advisory committee system and ensure that advisory committees provide the most useful, most balanced, and most cost-effective assistance to the federal government possible.

The pending litigation over the applicability of FACA to the Health Care Task Force highlights the need to ensure that the text of the advisory committee statute serves to accomplish its intended legislative objectives. Within the past few weeks, a Federal district judge held, over the arguments of the Department of Justice, that the President's Task Force on National Health Care Reform, chaired by the First Lady, Hillary Rodham Clinton, is an advisory committee covered by the requirements of FACA. The court went on to hold that some of the requirements of FACA, including the open meeting requirement as it pertains to deliberative meetings, were unconstitutional as applied to this task force. Other requirements do apply, according to the court.

The D.C. circuit has expedited the Department's appeal. The first argument of the Department is that the Health Care Task Force is not an advisory committee within the intended scope of FACA. The Department points out that FACA by its own terms does not apply to groups of full-time Federal officers and employees. The act's purpose is to ensure openness and balance in the provision of advice by the private sector and public at large to the Government, not to regulate the formation of policy proposals entirely within the Government itself.

The district judge concluded that the Health Care Task Force is a FACA committee solely because of the participation of the task force's chair, Mrs. Clinton. The judge found that, because the First Lady, alone among the members of the task force, is not formally an employee or officer of the Government, the task force is not a purely governmental body and, accordingly, is a FACA committee.

The lower court's reading of the law is inconsistent with the approach through which the Supreme Court has directed that FACA is to be construed, and that is to fulfill, not frustrate, Congress' intent in enacting the law. There is no support for the view that Congress has ever sought to regulate the manner in which the President chooses to avail himself of advice from the First Lady in performing his responsibilities. Historically, First Ladies of both parties have made great contributions to the success of the Presidency. The key to this discussion is that they have done so solely as the representative of the President, with no other outside employment or other arrangements with private interests causing concerns about conflict of interest. Mrs. Clinton is no exception. She represents no private interests in her work on the Health Task Force. She represents only the President. The fact that she is paid no salary for her work on behalf of the President does not render her a private citizen, as the district judge apparently thought.

In fact, Congress has explicitly recognized in Federal law the official role of the First Lady as a representative of the President by authorizing in 3 U.S.C. section 105(e) that governmental services be provided, not only to the President, but also "to the spouse of the President in connection with the assistance provided by such spouse to the President in the discharge of the President's duties and responsibilities."

In light of the history and law surrounding the position, and the facts of this case, the First Lady clearly has a unique relationship to the President and occupies a unique role in our Government. As the spouse of the President, Mrs. Clinton is the only individual, who, by virtue of that relationship, is unequivocally a representative of the President, whether or not an officer or employee of the Government

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under title V of the United States Code. The fact that this is a class of one does not diminish the importance of recognizing, as the Department of Justice is arguing, that Mrs. Clinton is not a private citizen within the contemplation of FACA. Construing FACA as seeking to regulate the participation of Mrs. Clinton in advising the President would lead to a result which does not fulfill the intent of Congress in enacting the law, and therefore, that interpretation should be avoided.

The gravity of the court's inaccurate reading of the intent of Congress is augmented by the court's subsequent determination, having decided that the act applies to the First Lady's role in the Health Care Task Force, that FACA is unconstitutional as applied to the task force's deliberations. The court eschewed the well-known rule, which the Supreme Court has applied in FACA litigation, to construe laws as to avoid interpretations that create serious constitutional questions. Instead, the district court chose to construe the law in order to force the resolution of a constitutional issue, which led to the court's invalidating the statute in this circumstance.

It is unfortunate that the district court felt it necessary to address questions about the constitutionality of the advisory committee statue in a setting so removed from its intended operation. FACA has served us well over the 20 years of its existence. It has led to accountability for advisory committees, better management of their operations, and the attainment of public scrutiny. These were all key goals of the three Senate sponsors of FACA, Senators Lee Metcalf, Charles Percy, and WILLIAM V. ROTH, JR. The executive branch has proven able to function under the law with no sacrifice to the performance of its functions. Invalidating this law on objections so abstract and theoretical, and so ungrounded in the practical reality and history of the law's operation would, in my view, be lamentable and unwarranted.

That is not to say that there is no occasion to examine the legal issues raised by the district court's opinion, for there is always room for improvement. In my mind, Mr. President, this recent controversy merely reinforces the basis for Congress to revisit the law of advisory committees to see where the Act may be revised and improved. During the course of this Congress, we should do what we in the Senate can to revise FACA in the areas in which it needs improvement and to provide legislative solutions to the interpretative issues that have taxed the courts. In addition to the elements contained in last year's bill, the current litigation suggests two other topics for examination.

First, we should consider adding a definition to the phrase "officer or employee" in the act, so as to put finally to rest any suggestion that a governmental task force includes private interests solely because a President has asked his or her spouse to represent the President by chairing the task force.

Second, we should renew our effort with the Department of Justice to consider the constitutional concerns which it has raised about applying FACA to Presidential advisory committees. Although last year's bill went far toward addressing the issuesraised by the Department of Justice, the overall issue of applying FACA to Presidential advisory committees is clearly on the table and could bear further analysis.

We now have a 20-year history of Presidential advisory committees under the act, which should provide a useful empirical record upon which the abstract legal arguments that have been made by the Department of Justice about FACA's intrusion into executive operations can be studied and evaluated. Speaking just for myself, I believe that those arguments have been overstated and that the record will show little, or more likely no, actual interference with the President's ability to perform his constitutionally committed functions resulting from the advisory committee law.

According to a study published by the Congressional Research Service, President Reagan appointed more than 20 advisory committees in the areas of foreign affairs, organized crime, the arts and humanities, housing and Social Security reform. See "Presidential Commissions: Their Purpose and Impact," by Stephanie Smith, August 7, 1987, page 39 (CRS No. 87-668 GOV). It appears his ability to receive advice in order to make legislative proposals to Congress pursuant to article II, section 3 of the Constitution was enhanced, not diminished, by his numerous blue ribbon FACA committees. For example, the National Commission on Social Security Reform, chaired by Alan Greenspan, was charged with developing recommendations for reform of the Social Security system, and its success in forging a bipartisan proposal ultimately led to the enactment of the Social Security Amendments of 1983. Ibid., pages 40-41. President Bush had a similar experience with his Commission on Federal Ethics Law Reform, whose legislative recommendations formed the basis for the Ethics Reform Act of 1989.

Moreover, it was the clear intention of the Congress in enacting FACA to include committees used by the President. During debate on the original FACA legislation, several key Senators criticized the Executive order that governed advisory committees at that time for its failure to cover such committees. (See 118 CONGRESSIONAL RECORD 30274, remarks of Senator Percy; 30278, remarks of Senator Metcalf; and 30280, remarks of Senator ROTH). I note that these Senators were particularly concerned that the record of some Presidential advisory committees showed a lack of:

* * * adequate administrative guidelines and any mechanism for evaluation and followup of their public reports and recommendations, including what action was taken by the Executive—positive or negative—on such recommendations.

(See 118 CONGRESSIONAL RECORD 30272, remarks of Senator Metcalf; 30274, remarks of Senator Percy). For this reason, FACA's section 6(b) requires a report from the President or his delegate stating "either his proposals for action or his reasons for inaction, with respect to the recommendations" contained in a public report of a Presidential advisory committee.

Nevertheless, my mind remains open and the inquiry should be instructive. On the basis of our 20 years of experience with FACA, we can ask whether any of the asserted problems and issues regarding Presidential advisory committees are different from those involving the far more numerous agency committees. For example, we can study whether the high level of public scrutiny that Presidential committees naturally receive may take the place of some of the regulatory elements that have proven to be so critical at the level of agencies' advisory committees.

Although it has been the Congress' judgment, and my own opinion, that the present law serves faithfully to accommodate the mutual concerns of the legislative and executive branches, consistent with the Constitution's requirements, I am willing to reserve judgment until we have had an opportunity to reexamine the issues that I have discussed. It should be clear, however, that the focus will be on studying and refining and improving FACA, not on weakening or gutting the law.

Ultimately, examination of these various questions may contribute substantially to our ability to preserve the most important goals underpinning the advisory committee law and ensure that, when the Government calls upon individuals from the private sector for advice and assistance through the advisory committee system, it receives balanced views, subject to appropriate scrutiny from the public on whose behalf the Government acts.

With regard to the pending litigation, it is my strong hope that the courts will recognize that adherence to the intent of Congress will enable the courts to avoid an unnecessary judgment on constitutionality, and that the Congress and the President will then be able to resolve through the legislative process outstanding questions about the proper accommodation of executive and legislative interests.●

● Mr. LEVIN. I fully support Senator Glenn's analysis of the legislative history of FACA and its application to Presidential advisory committees. I

also agree that Mrs. Clinton's presence on the Task Force on National Health Care Reform does not transform it into a FACA committee and I conclude that as one who has intimate association with the FACA legislation.•

HONORING THE FLINT URBAN LEAGUE

• Mr. RIEGLE. Mr. President, on April 14, the Urban League of Flint will celebrate its 50th anniversary. I commend the Rev. James Kennedy, the board chairperson; Melvyn S. Brannon, the board president; members of the board; and the thousands who have provided years of valuable service to their community.

The Flint Urban League has contributed a great deal to my hometown of Flint and has played a critical role in building a stronger community. For 50 years, it has provided meaningful assistance to people in search of better job opportunities, quality housing, and decent medical care. It has been a powerful force against racism and bigotry. Through the work of the Urban League, our society has moved closer to the high ideals that we have set for our Nation.

In 1943, when the Flint Urban League was founded, there was a great need for people to organize themselves to tackle difficult problems related to race and poverty. Under the leadership of William Valentine, the first executive director, and Edward Cumings, the first board president, the Flint Urban League began to tackle the deep-rooted problems that have prevented America from truly becoming one country. At the very beginning of that quest, they focused on the basic human needs of the people: education, employment, health care, and housing.

The Flint Urban League has always recognized that the ability to obtain a good job was at the core of what we want in our society. The Flint Urban League developed their first employment program back in 1946 that helped returning veterans, and others, find jobs. In 1950, it worked with the State of Michigan to get an agreement to minimize discriminatory hiring practices. In the ensuing years it has developed and implemented countless programs to provide job training and provide opportunity to young people through youth job programs.

Through the leadership of Art Edmonds, the executive director from 1952 to 1960, the Urban League in Flint sought to improve housing for all. The Flint Urban League was among the first to point out the disparity between the housing needs of African-Americans and the opportunities available to them. In 1954, it found that many more African-Americans would buy homes if good housing were available to them. Two years later it documented the poor living conditions that many residents of Flint faced.

In the 1960's, under the leadership of John Mack and others, the Urban League of Flint played a major part in the civil rights movement. Twenty-five years ago, Flint became the first city of its size in America to adopt an open-occupancy ordinance. In countless other ways, the Urban League confronted inequality and helped our Nation move ahead during that period.

Since 1970, led by its current president, Mervyn S. Brannon, the league continues to help to forge a better future. The Salute to Black Scholars Program brings the community together to recognize high academic achievement by young African-Americans. This annual dinner honoring these young people has become an important event in the Flint community.

The league's tradition of concern for the living conditions of our people remains strong. As we now try to address the health care crisis, we can look to the decades of effort and achievement by the Flint Urban League to bring quality health care to people in need. From its inception in 1943, the Urban League of Flint surveyed the health care opportunities of the community and began to address the problems. Today, the Urban League is fighting contemporary problems such as AIDS and barriers that many face in obtaining access to health care.

The Flint Urban League has made perhaps its biggest impact by serving as the conscience of the community by chronicling and confronting racism and bigotry. By making the living conditions of African-Americans and other people of color in Flint known to the wider community, it has sparked the attention of others and spurred action. The Flint Urban League has given many a stronger voice. It has helped to provide opportunity where little had existed in the past.

I know I join thousands in Flint in honoring the Urban League's 50 years of fighting for equal opportunity and equal justice. We are grateful for the service of so many in Flint who have given much through the Urban League. And as we look ahead to the progress that still must be made, we are grateful that the Urban League will continue to work to make Flint a better place to live.•

FREE DOAN VIET HOAT: POLITICAL PRISONER IN VIETNAM

• Mr. WELLSTONE. Mr. President, I rise today to condemn the harsh sentence recently meted out to Dr. Doan Viet Hoat, a respected Saigon academic who has been detained since 1990 on charges of trying to overthrow the government there by establishing a political organization and publishing a typewritten newsletter called Freedom Forum.

Several months ago, relatives of Dr. Doan, who live in Minnesota, contacted me about his detainment and about the work that respected human rights organizations, including Asia Watch and the Committee to Protect Journalists, were doing on his behalf.

After a long detention in violation of Vietnam's own laws on pretrial detention, Dr. Doan Viet Hoat was tried this week, found guilty, and sentenced to 20 years in prison—solely for peacefully exercising his rights to freedom of expression and association. The Vietnamese Government has denied him access to his family, and prohibited visitors from the trial in violation of international covenants to which Vietnam is a party.

I and numerous other Members of Congress, including Senators MCCAIN, KERRY, House Foreign Affairs Committee Chairman HAMILTON, and others have intervened on behalf of Doan Viet Hoat, but have gotten little response from the Government of Vietnam. The State Department has also intervened to urge that he be allowed access to counsel, but so far to no avail.

I ask to include in the RECORD a letter I sent on January 6, 1993, to Trinh Xuan Lang, the Ambassador to the Socialist Republic of Vietnam's Permanent Mission at the United Nations, urging Dr. Doans' release, along with a March 31 statement and an extensive background report on the case prepared by Asia Watch, whose staff have worked intensively to secure his release for many months. The Committee to Protect Journalists and other human rights monitors have also been very active in his defense, and should be commended for their work.

I hope that the Vietnamese Government will immediately reconsider its decision not to allow him access to counsel for his upcoming appeal, and will reconsider the potentially grave implications for normalization of relations between our two nations of this and other similar cases. While substantial progress with respect to POW-MIA's and the situation in Cambodia are important yardsticks by which to measure our relationship with Vietnam, they are not exclusive measures. As we consider United States-Vietnamese relations in the months to come, I urge my colleagues to keep in mind its troubling human rights record, and to insist on respect for the internationally recognized human rights of all in Vietnam.

The material follows:

JANUARY 6, 1993.

Hon. TRINH XUAN LANG,
Permanent Representative, Permanent Mission of the Socialist Republic of Vietnam to the United Nations, New York, NY.

DEAR MR. AMBASSADOR: I have recently been contacted by a constituent of mine, Mr. Hiet Doan, regarding the imprisonment of his brother, Dr. Doan Viet Hoat, who I understand has been held in Phan Dang Luu jail since November, 1990.

Dr. Hoat has remained in pre-trial detention for over two years, in violation of Vietnam's obligation to set reasonable limits on

pre-trial detention as required by Article 71 of the Law on Criminal Procedure of the Socialist Republic of Vietnam. This long and unwarranted detention has even exceeded all possible extraordinary extensions allowed by Vietnamese law.

I am deeply concerned that Dr. Doan has been imprisoned simply for the peaceful expressions of his views. I understand that his long detention has exacerbated his already serious kidney problems, for which he still requires medication. His detention violates not only Vietnamese law but also international norms of procedure which Vietnam has pledged to uphold under the International Covenant on Civil and Political rights.

I urge your government to release immediately and unconditionally Dr. Doan Viet Hoat, and allow him to be reunited with his family. If your government has any evidence of criminal wrongdoing by him, it should promptly charge him and give him a fair and speedy trial before a tribunal which meets internationally-recognized standards of judicial fairness, and which is open to international observers.

The due process of law and observance of internationally-recognized human rights and judicial standards are basic prerequisites to any normalization of relations between Vietnam and the United States. Your prompt action on this case would send an important signal of your renewed commitment to these international standards.

Thank you for your consideration. I look forward to hearing from you.

Sincerely,

PAUL DAVID WELLSTONE,
United States Senator.

[From Asia Watch, Mar. 31, 1993]

ASIA WATCH CONDEMNS HARSH SENTENCE GIVEN TO VIETNAMESE DISSIDENT

The human rights organization, Asia Watch, a division of the New York-based Human Rights Watch, condemned the harsh sentence given to Vietnamese dissident, Dr. Doan Viet Hoat, and said it was in clear violation of international human rights standards.

A respected Saigon academic, Dr. Hoat was sentenced to 20 years in prison on March 30 after a two-day trial on charges of trying to overthrow the government by establishing a political organization and publishing a typewritten newsletter called Freedom Forum (Dien Dan Tu Do). He was arrested in November 1990, held over two years in violation of Vietnam's own laws on pre-trial detention, and brought to trial on March 29, 1993. Seven other dissidents were sentenced by the Ho Chi Minh City court, together with Dr. Hoat. Pham Duc Kham, a former South Vietnamese military officer, received 16 years and Nguyen Van Thuan, reportedly a former member of South Vietnam's Ministry of the Interior, received a 12-year sentence.

"We believe Dr. Hoat was arrested, detained and convicted solely for exercising his rights to freedom of expression and freedom of association, as proclaimed in Articles 19 and 20 of the Universal Declaration of Human Rights," said Sidney Jones, Executive Director of Asia Watch, at a United Nations-sponsored human rights meeting in Bangkok today. She noted that an Asia Watch request to attend the trial had been turned down by the Vietnamese government.

Jones said that while Dr. Hoat had been a sharp critic of the Vietnamese government, he had never advocated its violent overthrow, and it was difficult to understand how his call for the release of political detainees, implementation of political freedoms, and free and fair elections could constitute a serious threat to national security.

"The government may not agree with his opinions, but under international law, he has every right to express them," Jones noted.

She said Dr. Hoat's right to be presumed innocent of the charges against him had also been compromised by the publication last May 6 of a newspaper article in the daily of Saigon, Saigon Giai Phong, about Dr. Hoat's newsletter. The article was headlined "Smash the Dark Schemes of Reactionary Forces at Their Inception."

"The article suggests that Dr. Hoat's guilt was established long before he came to trial," Jones said.

The trial itself was closed, according to the Asia Watch sources, in violation of Article 14 of the International Covenant on Civil and Political Rights, to which Vietnam is a party. Asia Watch was also concerned that Dr. Hoat was being denied access to his family in violation of United Nations Standard Minimum Rules for the Treatment of Prisoners (Article 37).

"Asia Watch takes no position on the political opinions advanced by Dr. Hoat," Jones said, "But as there is no indication that he or his colleagues used or advocated violence, he should have been free to form an organization or disseminate his ideas. We urge the government of Vietnam to make available all documents presented at Dr. Hoat's trial so that the nature of the evidence against him and the fairness of trial procedures may be thoroughly examined and evaluated. On the basis of the information available now, we can only conclude that by international human rights standards, Dr. Hoat should be immediately and unconditionally released."

On January 3, 1993, Asia Watch released a report entitled "The Case of Doan Viet Hoat and Freedom Forum: Detention for Dissent in Vietnam."

Asia Watch was founded in 1985 to promote internationally recognized human rights in the region. The Chair is Jack Greenberg and the Vice Chairs are Harriet Rabb and Orville Schell. The Executive Director is Sidney Jones.

Asia Watch is a division of Human Rights Watch, which also includes Africa Watch, Americas Watch, Helsinki Watch and Middle East Watch. The Chair of Human Rights Watch is Robert L. Bernstein and the Vice Chair is Adrian DeWind. The Executive Director is Aryeh and the Deputy Director is Kenneth Roth.

[From Asia Watch, Jan. 3, 1993]

THE CASE OF DOAN VIET HOAT AND FREEDOM FORUM: DETENTION FOR DISSENT IN VIETNAM

INTRODUCTION

In November 1990, public security officials in Ho Chi Minh City began to arrest intellectuals who had been prominent in South Vietnam prior to 1975. At the center of this loose circle of intellectuals was Doan Viet Hoat, an academic, who was charged with publishing and circulating a reformist newsletter called Freedom Forum [Dien Dan Tu Do]. The charges appeared on May 6, 1991 in an article in the official newspaper Saigon Giai Phong (Appendix I). Freedom Forum, according to the article, was the group's prime vehicle for aiming to "overthrow the people's power," a capital offense.

Freedom Forum, in fact, was a collection of typewritten sheets passed from hand to hand by readers, that included writings by Vietnamese citizens associated with both the former South Vietnamese regime and the present government and translations of articles from abroad. Although some of the writings included criticism of government policies and various proposals for political reform, none advocated violent overthrow of the present government.

Among the intellectuals arrested and subsequently named in the Saigon Giai Phong article were Nguyen Xuan Dong,[1] Le Duc Vuong, Pham Thai Thuy, and Nguyen Thieu Hung (pen name Mai Trung Tinh), all writers; Pham Duc Kham, a former South Vietnam military officer, Hoang Cao Nha, and Nguyen Van Thuan.[2] Another writer not named in the article is also believed to be under arrest, Thai Vi Thuy, (pen name Chau Son). The article named as collaborators Bui The Dung and Le The Hien, although both had emigrated to the United States well before the crackdown. Also named was Nguyen Mau, arrested in December 1990, who was released from jail at the end of 1991 and died on January 25, 1992. Freedom Forum came to the attention of the Vietnamese authorities when Nguyen Mau, on a visit in June 1990 to his wife, who lives in Canada, brought out copies of the group's writings which were reprinted in a Vietnamese language publication in the United States.

Asia Watch is concerned that Doan Viet Hoat and those associated with Freedom Forum are being detained for nothing more than the peaceful expression of their views. Their prolonged detention without trial violates both Vietnamese law and international standards of fairness. The appearance of a condemnatory article in the official press suggests that their case has been prejudged by Party officials, and that they will not face an impartial tribunal in a trial open to international observers.

DOAN VIET HOAT

Public security officials arrested Dr. Hoat at 2:00 pm on November 17, 1990 at his house at 18 Le Van Sy, Phu Nhuan district of Ho Chi Minh City. His family did not learn of his place of detention, Unit 4 of Phan Dang Luu jail, until six months later. Dr. Hoat had been previously arrested without charge on August 28, 1976 during a campaign to "reeducate" South Vietnamese intellectuals, and was detained without trial in Chi Hoa prison in Ho Chi Minh City until February 9, 1988. His release form charged him with being an anti-socialist reactionary. Following his release, Dr. Hoat taught at the University of Agriculture and Forestry, where his wife is still employed. In the course of his earlier 12-year imprisonment, Doan Viet Hoat developed kidney problems, for which he still requires medication. At present, Dr. Hoat's family has been allowed to deliver medication for him and on occasion to visit him.

Dr. Hoat's wife Tran Thi Thuc, also an English professor, issued a public letter to the authorities in response to the Saigon Giai Phong article (Appendix II). Fearing that the article in effect announced a verdict in her husband's case before he had ever been tried, she protested its publication to national and local authorities, charging that its publication had violated her husband's right to an impartial trial. Tran Thi Thuc

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[1] One of the men arrested in conjunction with Doan Viet Hoat is named Ho Xuan Dong, so "Nguyen Xuan Dong" may be an error.

[2] In a different official Vietnamese publication, an article describing the case against another dissident, Dr. Nguyen Dah Que, mentions one Nguyen Van Thuan who was a former member of the South Vietnamese regime's Interior Ministry. However, sources familiar with Freedom Forum did not know of any connection between a Nguyen Van Thuan and Doan Viet Hoat. See infra note 6.

has not suffered any retribution for her appeal so far, but neither has she received a response.

Dr. Hoat has remained detained without trial for over two years, in violation of Vietnam's obligation to set reasonable limits on pre-trial detention.[3] On November 1, 1992 he issued a public statement from jail to the leaders of the Communist Party calling on them to launch the process of "dialogue and national concord among all Vietnamese patriots within and outside the communist party, inside Vietnam and abroad" (Appendix III). To that end, he appealed for the release of all political detainees, the implementation of civil and political freedoms, and the commitment to free and fair elections in which all citizens, regardless of their political orientation, can run for office.

As a student, Doan Viet Hoat had been a member of the Buddhist Students' Association which led a protest movement against the policies of the Diem government. He earned a bachelor's degree in education from the University of Saigon in 1964, and a doctorate in education from Florida State University in Tallahassee in 1971. Upon his return to Vietnam, he was appointed Vice-President of Van Hanh University, a Buddhist university in Saigon.

Prior to his latest arrest, Doan Viet Hoat, his wife and youngest son had been approved by the Orderly Departure Program to emigrate to the United States, where Dr. Hoat's two older sons already live. However, US officials have declined to proceed with the mother and child's emigration since Dr. Hoat's detention.

THE ROLE OF THE STATE-CONTROLLED PRESS

Important political trials are often heralded by the appearance of condemnatory articles in the official press, such as that published in Saigon Giai Phong concerning Freedom Forum. In such cases, no room for doubt is left as to the verdict, and the official pretrial accusations are intended to caution the public as to the limits of acceptable criticism of the government and Communist Party. According to a report on a recent seminar sponsored by the Vietnam Journalists' Association and attended by a Politburo member, the mass media, "an efficient weapon on the ideological and cultural front," has also "laid bare the schemes and manoeuvres of the anti-socialist forces who want to negate the party's leadership and divert Vietnam from the socialist path."[4]

Condemnatory articles, which often appear to be written by persons with access to police records, provide virtually the only clue as to the specific case against the accused. Similar articles appeared before the trials of other political prisoners such as Nguyen Dan Que, an endocrinologist sentenced to twenty years' hard labor for publicly calling on the government to respect human rights and implement political reforms, and Doan Thanh Lien, a lawyer sentenced to 12 years for circulating proposals for constitutional reform.[5]

In Dr. Que's case, an article that accused him of advocating human rights for the purpose of overthrowing the communist party was published in the October 28, 1991 issue of the Ho Chi Minh City edition of Phap Luai, an official magazine on legal matters, a month before he was convicted of "activities aimed at overthrowing the people's government" on November 29, 1991. There are numerous details that show the author of the article was intimately familiar with the interrogation of Dr. Que and other suspects. Phap Luai names three men as Dr. Que's followers who earlier had been described by Saigon Giai Phong as Doan Viet Hoat's collaborators, and had been in jail since late 1990.[6] One, Le Duc Vuong, is cited as "confessing" that Dr. Que had told him that he had sent a telegram to protest the Japanese government's decision to return a pilot who had hijacked an airplane in a bid to escape from the People's Republic of China. Another, Nguyen Van Thuan, is actually quoted as saying Dr. Que "understood little about Marxist doctrine and Eastern philosophy" and "is the type of person who wants to act on everything he wants to accomplish, to act on it immediately, and to force everyone to join in his cause in the way that politics are done in the West."[7] The article describes Dr. Que's "phlegmatic" demeanor before the investigating committee, and his "insolent attitude" in insisting that missing documents be included in the file of papers the police confiscated, so that his actions would not be misrepresented.

In the case of Doan Thanh Liem, an article in the June 8, 1991 edition of Saigon Giai Phong and a five-part series published in July 1991 in the Ho Chi Minh City edition of Cong An (the latter an official publication of the public security authorities) accused Liem and others of participating in a spy ring led by Americans. Although the Cong An article was sensationalistic, the Saigon Giai Phong article appeared more carefully researched, drawing on material elicited from police interrogation of those arrested in the affair, among them Michael Morrow, an American businessman, and Nick Malloni, a freelance journalist. Liem was not tried until May 14, 1992, following strong protests against his detention by foreign governments, including that of the United States. According to Asia Watch sources, Liem's actual conviction rested not on the charges of espionage suggested in the articles published prior to his trial. Instead, the main evidence at his trial was that he received an article from an American friend on the role Catholicism played in the transformation of East Germany, that he circulated proposals for constitutional and governmental reform, and that he had written down thoughts on socialism and education in Vietnam in a private notebook. This account appears to be consistent with a May 15, 1992 article in Saigon Giai Phong, which reported his conviction for the crime of "spreading anti-socialist propaganda."

CONCERNS

Asia Watch is concerned that Doan Viet Hoat and his associates have been detained simply for the peaceful expression of their views. Their prolonged detention violates not only domestic but also international norms of procedural and substantive justice which Vietnam has pledged to uphold, as a signatory to the International Covenant on Civil and Political Rights. Asia Watch therefore calls on the government of Vietnam to release Doan Viet Hoat and others implicated in the Freedom Forum affair. If the government has evidence that these individuals have committed criminal acts, it should promptly charge them and bring them to trial before a tribunal which meets international standards of fairness, and the trial should be open to international observers.

APPENDIX I: THE CASE AGAINST DOAN VIET HOAT IN THE OFFICIAL PRESS

"Smash the Dark Schemes of Reactionary Forces at their Inception"

[Excerpt from article published May 6, 1992, in Saigon Giai Phong, p. 2.]

II. The "Freedom Forum" Case

From July to October 1990 in the urban areas, a reactionary document in the form of a newsletter called Freedom Forum [Dien Dan Tu Do] was surreptitiously circulated among a number of bad elements in Ho Chi Minh City. This was an extremely reactionary document containing articles written in the country and some translations of articles published in foreign papers (by overseas Vietnamese). These articles aimed at distorting the methods and policies of our party and our government, attacking socialism, denying our people's achievements, and calling and agitating for the abolition of the Communist Party and the overthrow of the people's government.

The Freedom Forum "newsletter" was essentially a document used by a reactionary group as a most important means of rallying forces to oppose and sabotage our country. This reactionary group was led by Doan Viet Hoat. Hoat was formerly head of the Modern Language Department of Van Hanh University. From 1968 to 1971 he went to the United States for study, and became Vice-President of the University upon his return. In early 1989, when the situation in socialist Eastern Europe became increasingly complex, Hoat and his gang—including Pham Duc Kham, Bui The Dung, and Le The Hien, all of whom once served in the former Saigon administration—thought that their opportunity had fi-

[3] Vietnam's criminal procedure law sets four months as the normal period for temporary detention for the purpose of police investigation of serious crimes, subject to extension. Law on Criminal Procedures of the Socialist Republic of Vietnam, Article 71. The relevant language governing extensions is as follows:

2) In cases involving many complicated details and requiring a longer period for investigation, the head of a people's organ of control at the provincial level and higher and the head of a military organ of control at the military region level and higher is authorized to extend the period of temporary detention but not to exceed two months for less serious crimes, and not to exceed four months for serious crimes. The Chief Procurator and Chief Central Military Procurator may extend the period for serious crimes, but not to exceed four months. When necessary, for crimes of particular danger to national security, the Chief Procurator may further extend the period.

Once the decision has been made to initiate legal proceedings, similar rules govern the time period and extensions for the government's preparations to bring a case before the court. See Article 97. In theory, Doan Viet Hoat's continued detention, if authorized by all relevant authorities, may be consistent with the requirements of the criminal procedure law. That law, however, appears to authorize indefinite detention subject to no outside review, in direct contradiction to Vietnam's obligations under its 1992 Constitution, which strictly prohibits "all forms of persecution" (Article 71) and the International Covenant on Civil and Political Rights, which prohibits "arbitrary arrest or detention" and stipulates that criminal defendants are "entitled to trial within a reasonable time or to release" (Article 9, §§1 and 3).

[4] "Nguyen Duc Binh Attends Mass Media Seminar," Hanoi VNA Broadcast in English on December 8, 1992, Reprinted in FBIS-EAS-92-236 (December 8, 1992).

[5] For descriptions of the cases of Dr. Nguyen Dan Que and Doan Thanh Liem, see Asia Watch, "Vietnam: Repression of Dissent," News from Asia Watch, (New York: Human Rights Watch, March 1991) and Asia Watch, "Vietnam: Citizens Detained for Peaceful Expression," News from Asia Watch, (New York: Human Rights Watch, June 1991).

[6] These were the writer Pham Thai Thuy, Le Duc Vuong, described as "one of Nguyen Dan Que's best 'friends'," and Nguyen Van Thuan, described also as a "close friend" and a former member of South Vietnam's Interior Ministry who at one time was also involved with the Chien Hoi program of the South Vietnamese government to promise amnesty to communist defectors.

[7] Ellipses in original.

nally arrived because "the communist party will have to accept political pluralism as the Eastern European countries did." Doan Viet Hoat's group feverishly pressed forward with establishing a political organization to operate in secret. The most important political ploy they chose was the argument for "democracy." Therefore, they lost no time in drafting an "appeal to all the people to struggle for democracy in Vietnam" which fully and clearly exposed their sinister intention and dark and crazy ambition in four programs of action. These were to disseminate propaganda about the adverse political developments in Eastern Europe, to exploit Vietnam's economic difficulties, to take advantage of the so-called internal conflicts, and to design ways to rally the masses to struggle in the manner of "peaceful evolution." At the same time, they planned three stages of action. The first stage would be building up their forces, publishing a newsletter, making declarations, secretly recruiting bad elements and inciting the people. The second stage would consist of recruiting more people, expanding misleading propaganda, creating a "political opposition movement" to first demand better living conditions, democracy, freedom of the press and freedom of expression, and then demand political pluralism and a multiparty system, and eventually to set up openly an opposition party which would openly oppose the revolution through the newsletter Freedom Forum. The third stage would involve continuing to use Freedom Forum as a vehicle for criticism and attack, leading to the demand of the abolition of the communist party, the government, socialism, as well as the dissolution of the National Assembly. At the same time, demagogic activities would be intensified to mislead the people in order to increase the prestige of Hoat's group, creating the right conditions for them to run for elections for a new "parliament" and seize power. Between July and October 1990, Hoat published the first issues of Freedom Forum and, at the same time together with [Pham Duc] Kham, [Bui The] Dung, and [Le The] Hien, Hoat sought out a number of people who had once served in the former Saigon puppet army and administration. Eventually, they admitted seven more persons into their group. They were Nguyen Van Thuan, Hoang Cao Nha, Nguyen Xuan Dong, Le Duc Vuong, Pham Thai Thuy, Nguyen Thieu Hung and Nguyen Mau.

In order to increase their numbers and appeal to the outside world, Hoat and his gang sought alliances with reactionary elements living in exile overseas. In July 1990, when Nguyen Mau went to Canada to visit his wife, Hoat assigned him the task of contacting Nguyen Dinh Thiep, Nguyen Ngoc Huy, Nguyen Truong Ba, Vo Van Ky, and Phan Nhu Toan, who are members of the Vietnam Kuomintang (in the United States),[8] and Bui Duc My and Nguyen Van Tiet (in Canada). During this trip, Nguyen Mau tried to establish contacts and introduce the activities and organization of Hoat's group in Vietnam. He also tried to draw public attention in the United States and other countries to this organization, hoping to increase its backing and support overseas, especially for the future when there would be opportunities for development. Mau had the United States-based magazine The People of October [Ngoi Dan Thang Muoi] publish an article called "A Forward by the Editorial Staff of Freedom Forum". Mau also carried out a special mission: He wrote a petition and asked Pham Duc Trung Kien, a nephew of Pham Duc Kham, to relay it to President Bush,[9] urging him to continue the trade embargo against Vietnam, thereby creating favorable conditions for Hoat's reactionary group to intensify its opposition to and sabotage of the country. On another front, Nguyen Mau also worked hard to study anti-communist activities by reactionary exiles, especially in the United States, so he could report back to Hoat and his accomplices to help them in their planning.

The entire plot of this reactionary group led by Doan Viet Hoat was uncovered at an early date and smashed right in November 1990. Hoat and his accomplices were arrested and are being prosecuted before the law for the crime of "carrying out activities aimed at overthrowing the people's power."

[8] Nguyen Truong Ba and other members of the Vietnam Kuomintang Party (Viet Nam Quoc Dan Dang) named have denied having any contact with Nguyen Mau.

[9] Pham Kien has denied having any contact with Nguyen Mau.●

ORDERS FOR TOMORROW

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate complete its business today, it stand in recess until 9:15 a.m., on Saturday, April 3; that following the prayer, the Journal of the proceedings be deemed approved to date, and the time for the two leaders reserved for their use later in the day; that the Senate then resume consideration of H.R. 1335, the emergency supplemental appropriations bill, with the time until 11:45 a.m. for debate only, and that the time be equally divided and controlled between Senators BYRD and HATFIELD, or their designees; that at 11:45 a.m., without intervening action or debate, the Senate vote on the motion to invoke cloture on the committee substitute to H.R. 1335.

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

RECESS UNTIL TOMORROW AT 9:15 A.M.

Mr. MITCHELL. Mr. President, if there is no further business to come before the Senate today, I ask unanimous consent that the Senate stand in recess, as previously ordered.

Thereupon, the Senate, at 7:44 p.m., recessed until Saturday, April 3, at 9:15 a.m.

NOMINATIONS

Executive nominations received by the Senate April 2, 1993:

DEPARTMENT OF STATE

HARRY J. GILMORE, OF VIRGINIA, 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 ARMENIA.

PATRICK FRANCIS KENNEDY, OF ILLINOIS, TO BE AN ASSISTANT SECRETARY OF STATE, VICE ARTHUR W. FORT, RESIGNED.

DEPARTMENT OF LABOR

GERI D. PALAST, OF CALIFORNIA, TO BE AN ASSISTANT SECRETARY OF LABOR, VICE FRANCES CURTIN MCNAUGHT, RESIGNED.

ENVIRONMENTAL PROTECTION AGENCY

STEVEN ALAN HERMAN, OF NEW YORK, TO BE AN ASSISTANT ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY, VICE HERBERT TATE.

IN THE COAST GUARD

PURSUANT TO THE PROVISIONS OF 14 USC, 729, THE FOLLOWING NAMED COMMANDERS OF THE COAST GUARD RESERVE TO BE PERMANENT COMMISSIONED OFFICERS IN THE COAST GUARD RESERVE IN THE GRADE OF CAPTAIN.

LAWRENCE W. RYAN, JR.
GEORGE L. MEHAFFY
ROBERT V. BARROW
JAMES E. WHITE
ROBERT E. COSBY
PAUL W. LJUNGGREN
LARRY W. FOGERSON
DANIEL J. GOGGINS
RONALD T. WHITE
DUNCAN C. SMITH, III
IGNACIO RIVERA-CORDERO
MICHAEL J. FERRIOLA
JAN T. RIKER
JOSEPH R. CHERRY
CHARLES H. MAGUIRE, JR.
GORDON N. HANSON
ROBERT A. CASE
MICHAEL J. RAUWORTH

IN THE AIR FORCE

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:

To be lieutenant general

MAJ. GEN. JOHN S. FAIRFIELD [redacted] UNITED STATES AIR FORCE.

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:

To be lieutenant general

MAJ. GEN. MICHAEL E. RYAN [redacted] UNITED STATES AIR FORCE.

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:

To be lieutenant general

MAJ. GEN. DALE W. THOMPSON, JR. [redacted] UNITED STATES AIR FORCE.

IN THE ARMY

THE FOLLOWING NAMED OFFICERS FOR PROMOTION IN THE REGULAR ARMY OF THE UNITED STATES TO THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 611(A) AND 624:

To be permanent major general

BRIG. GEN. WILLIAM H. CAMPBELL [redacted]
BRIG. GEN. HENRY A. KIEVENAAR, JR. [redacted]
BRIG. GEN. ALFONSO E. LENDARDI [redacted]
BRIG. GEN. GEORGE A. FISHER, JR. [redacted]
BRIG. GEN. JOHN W. HENDRIX [redacted]
BRIG. GEN. JOHN M. KEANE [redacted]
BRIG. GEN. JAMES W. MONROE [redacted]
BRIG. GEN. JOHN J. CUSICK [redacted]
BRIG. GEN. TOMMY R. FRANKS [redacted]
BRIG. GEN. ERIC K. SHINSEKI [redacted]
BRIG. GEN. ROBERT F. FOLEY [redacted]
BRIG. GEN. ALBERT J. GENET II, JR. [redacted]
BRIG. GEN. WILLIAM J. BOLT [redacted]
BRIG. GEN. JOHN N. ABRAMS [redacted]
BRIG. GEN. CARL F. ERNST [redacted]
BRIG. GEN. JAMES J. CRAVENS, JR. [redacted]
BRIG. GEN. DAVID R.E. HALE [redacted]
BRIG. GEN. JOHN A. DUBIA [redacted]
BRIG. GEN. JOE N. BALLARD [redacted]
BRIG. GEN. JOSEPH E. DEFRANCISCO [redacted]
BRIG. GEN. LEONARD D. HOLDER, JR. [redacted]
BRIG. GEN. GEORGE A. CROCKER [redacted]
BRIG. GEN. THOMAS A. SCHWARTZ [redacted]
BRIG. GEN. DOUGLAS D. BUCHHOLZ [redacted]
BRIG. GEN. PATRICK M. HUGHES [redacted]
BRIG. GEN. LARRY R. JORDAN [redacted]
BRIG. GEN. WILLIAM F. KERNAN [redacted]
BRIG. GEN. DAVID A. WHALEY [redacted]

THE UNITED STATES ARMY RESERVE OFFICERS NAMED HEREIN FOR APPOINTMENT IN THE RESERVE OF THE ARMY OF THE UNITED STATES IN THE GRADES INDICATED BELOW, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 593(A), 3371 AND 3384:

To be major general

BRIG. GEN. WALTER E. KATUZNY, JR. [redacted]
BRIG. GEN. THOMAS W. SABO [redacted]

To be brigadier general

COL. JAMES M. AUBUCHON [redacted]
COL. JAMES W. DARDEN [redacted]
COL. ROBERT H. MCINVALE, JR. [redacted]
COL. JOEL G. BLANCHETTE [redacted]
COL. JACK H. KOTTER [redacted]
COL. MICHAEL T. GAW [redacted]

In the marine corps

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. MARTIN L. BRANDTNER [redacted] USMC.

THE FOLLOWING NAMED OFFICER, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, FOR ASSIGNMENT TO A POSITION OF IMPORTANCE AND RESPONSIBILITY AS FOLLOWS:

To be lieutenant general

MAJ. GEN. JOHN J. SHEEHAN [redacted] U.S. MARINE CORPS.

ENVIRONMENTAL PROTECTION AGENCY

DAVID GARDINER, OF VIRGINIA, TO BE AN ASSISTANT ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY, VICE J. CLARENCE DAVIES.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 2, 1993:

OFFICE OF PERSONNEL MANAGEMENT

JAMES B. KING, OF MASSACHUSETTS, TO BE DIRECTOR OF THE OFFICE OF PERSONNEL MANAGEMENT FOR A TERM OF FOUR YEARS.

DEPARTMENT OF STATE

STROBE TALBOTT, OF OHIO, TO BE AMBASSADOR AT LARGE AND SPECIAL ADVISER TO THE SECRETARY OF STATE ON THE NEW INDEPENDENT STATES.

DEPARTMENT OF THE TREASURY

EUGENE ALLAN LUDWIG, OF PENNSYLVANIA, TO BE COMPTROLLER OF THE CURRENCY FOR A TERM OF FIVE YEARS.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.