HOUSE OF REPRESENTATIVES—*Tuesday, March 15, 1994*

The House met at 10:30 a.m.

MORNING BUSINESS

The SPEAKER. Pursuant to the order of the House of Friday, February 11, 1994, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority and minority leaders limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Georgia [Mr. GINGRICH] for 5 minutes.

THE POLITICS OF SELF-DESTRUCTION AND SELF-DECEPTION

The SPEAKER. Under the Speaker's announced policy of February 11, 1994, the gentleman from Georgia [Mr. GINGRICH] is recognized for 5 minutes.

Mr. GINGRICH. Mr. Speaker, I am going to talk this morning about the politics of self-destruction and the politics of self-deception. I am citing, as my text, two articles in this morning's Washington Post, because today's Washington Post has two stories that will help Americans understand the bizarre and destructive world of Washington.

On page 1, President Clinton is quoted in a Boston speech attacking the Republican Party for what he calls the politics of personal destruction, and quotes the President as saying that the Republicans have no proposals, no solutions, and are unwilling to cooperate. He goes on apparently to say no, no, no, eight times as a sign of Republican intransigence.

Let me suggest if I might, Mr. President, that the speech in Boston is an exercise in the politics of self-destruction, and the politics of self-deception. Let me take those two independently.

It was not Republicans who delivered subpoenas to the White House and to the Treasury. That was an independent counsel. It is not the Republicans who raised the question about Mr. Hubbell's law firm. That was the partners of the Rose law firm themselves. It is not Republicans who talk about Small Business Administration fraud. That is Judge David Hale in Little Rock. It is not Republicans who have raised question after question. That has been the New York Times, the Washington Post, the national networks, the Wall Street Journal.

It is, in fact, very self-destructive for the President to continue to deny the reality of his problems, and as late as today there is apparently confusion now about whether they invested $69,000 or $13,000, and there is apparently confusion about whether they paid all of their taxes or owe as much as $16,000 in back Federal taxes.

Now, it is self-destructive for President Clinton to avoid the reality that this is a mess, not a mess made by any Republican. We did not create the Whitewater Corp. We did not run the Madison Guaranty Savings & Loan. We are not partners in the Rose law firm. And we have not been involved in having improper conversations in the executive branch.

There is a second part of this, which is the politics of self-deception. I have to say, as somebody who cooperated totally in helping pass NAFTA on a bipartisan basis, I find it very sad and very, very lacking in fairness and in truthfulness for the President to pound the table and yell no, no, no as though it was the Republican position. The President personally hosted Senator DOLE and five other Republican Senators recently to talk about health care. They had dinner together talking about health care on a bipartisan basis. The President knows full well, from personal meetings, we have offered to help on welfare reform, where the House Republicans have a welfare reform bill and the Democrats have not even submitted one.

The President knows that we have offered to help pass a crime bill, because I have been in personal meetings with him and have offered to provide Republican votes to pass a strong crime bill with a three-strikes-and-you-are-out provision that locks up violent criminals.

The President knows that what he said in Boston last night did not communicate fairly and accurately to the American people what in fact has been going on as Republicans have offered again and again to be bipartisan.

But on page 4 of the Post today, my good friend, the majority leader, is quoted as saying they are going to have to pass a health bill in the House with only Democratic votes. Now, the President claims there is no Republican plan. In fact, there is a Chafee plan, which has been talked about a great deal.

There is a Nickles-Stearns plan, which has been talked about. Senator GRAMM has a plan. But the plan which has the most supporters is the Michel-Lott plan.

Let me report to the House how ironic this is. H.R. 3080, the Michel-Lott bill, has 141 cosponsors. The bill introduced by the majority leader, which is the President's plan, has 103 cosponsors. So not only do Republicans have a plan, Republicans have a plan which has more cosponsors in the House than the Democratic Presidential plan.

My only point is this: Mr. President, it is self-destructive to circle the wagons around the White House and avoid getting to the heart of this stuff and getting Whitewater behind us, and it is self-deceptive to believe that the only pure person seeking to be bipartisan is yourself.

On behalf of the Republicans in the House, I want to say that on welfare, on crime, on illegal aliens, on the issue of national defense, on foreign policy, and on health, we are prepared today to meet with the Democratic leadership, and we are prepared to work with the President, and any other assertion on his part is disingenuous.

THE BALANCED-BUDGET AMENDMENT

The SPEAKER pro tempore (Mr. JOHNSON of Georgia). Under the Speaker's announced policy of February 11, 1994, the gentleman from Wyoming [Mr. THOMAS] is recognized during morning business for 5 minutes.

Mr. THOMAS of Wyoming. Mr. Speaker, I want to take my time this morning and take advantage of this opportunity to talk about the balanced budget, and more specifically the balanced-budget amendment.

This week, the House will be considering a balanced-budget amendment. This is an issue, it seems to me, of utmost importance to the country and to the future, and I am glad that we are having the debate.

I think the basic principle is we cannot continue to expect things to change as we do the same things over and over again. We have been through this year after year after year expecting different results by continuing to do the same things. Obviously that principle does not work.

I hope Americans will watch this debate closely, because it clearly defines two different philosophies of Government, two different philosophies about the operation of the Federal Government.

Frankly, as we come upon an election time, that is what elections really ought to be. There ought to be a great debate about choices, general choices

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of how we proceed, what we expect, what our expectations are.

Do we want more Government? Do we want less? Do we want more Federal Government? Do we want less? Do we want more taxes? Or would we like less? Are there appropriate roles for the Federal Government to expand? Could we transfer more and more of that to local government? These are basic debates that ought to be carried on and carried into the election so that we have candidates that have a philosophy.

Obviously voters will never know of all the kinds of issues that Members of Congress or other elected officials will deal with, but they should know the philosophy against which they measure those issues, and that is what this great debate is about.

Opponents of the balanced-budget amendment will come back this year with the usual, I think, trite, wornout statements of opposition to doing something about the balancing of the budget. They will have scare tactics, half-truths, and twisted logic. But the American people will not be fooled by that.

The Chicken Little arguments that the world will end and the sky will come crashing in, or watered-down substitutes, will not serve a purpose.

What will we hear? First of all, we will hear the defenders of the status quo who will tell us the amendment is not needed. Wait a minute; wait a minute. How many times have we balanced the budget in the last 55 years? I think about three or four. It has been 25 years since we have had a balanced budget, 25, so we say, "Oh, it is not needed, all we need is the political will to balance."

They will say that the deficit is down this year, and it is. I am pleased for that. Why is it down? It is down because we had the largest tax increase in the history of the Congress. It is down because we have a continuation of the 1991-92 economic growth, and that is good. It has increased revenue.

Look where it is projected over the next several years, back up, $1 trillion added to the debt. Not needed?

Give me a break. Of course it is needed. We have to have the political will to do something about the process.

In my view, we need a balanced budget amendment. We need a line-item veto. Those are things that we need very, very clearly.

We will hear the notion that it is a gimmick, the balanced budget is a gimmick, that it does not work. Let me tell you I can certify it works from my State of Wyoming. We have a balanced-budget amendment in the constitution. We have to balance the budget. You either raise taxes to get more revenue, or you cut the budget to make it fit. Those are the appropriate decisions you have to make. That is the kind of cost-benefit ratio that each of us ought to consider and taxpayers ought to have a chance to consider.

□ 1040

Defenders of the status quo will say, "Oh, we will need draconian, crippling changes in the budget," and, "We just can't stand doing that." The fact is that it does not insist that it be done over the next 3 years or 5 years, I suppose even 10 years; the important part is that we are on a course of a balanced budget with the constitutional discipline.

So, we can take some time, and it will take some time. It will not be as difficult as we think, however. If you ever take a look, go back home in your own town or county and try to decode all the Federal spending that takes place there and ask yourselves with each one, "How is my life impacted by that? Is my life going to end if we do not do that one," there are plenty of places to cut. Remember, this budget that we are talking about, the President has talked about a lot of tough cuts; but there are no cuts, just transfers from one program to another. This budget is $30 billion more than last year. There are no cuts. So we need to remember that.

The status quo-ers will tell us that economic devastation would follow; of course that is not true. We have to make a decision as to what the role of the Federal Government is, whether or not the people in this country can take their money and spend it as they choose—that is, the bureaucrats—or if the American public can take it themselves and make a better decision. This is one of the most important basic philosophical decisions we will have this year, certainly, or any year, because it has to do not with the numbers in a budget, it has to do with how do you get the Government's role out of your life, how do we deal with the increases in entitlements, those kinds of things, as opposed to solving problems by putting effort into certain sectors, more investment for jobs so people can own their own home, so people can pay for their children's education, have a retirement program of quality, secure employment which is created in the private sector.

So these are broad issues, issues that I think should be addressed in a balanced budget discussion. I hope they are. I hope we are not fooled by all the ideas that it will not work. In fact, it will work.

CLINTON'S WHITE-HOT WHITEWATER

The SPEAKER pro tempore (Mr. JOHNSON of Georgia). Under the Speaker's announced policy of February 11, 1994, the gentleman from Texas [Mr. SMITH] is recognized during morning business for 5 minutes.

Mr. SMITH of Texas. Mr. Speaker, the White House has taken Whitewater from white lies to whitewash to white knuckles. Now Webster Hubbell, the No. 3 person at the Department of Justice, has left. He follows the White House Counsel Bernard Nussbaum. As yet another shoe falls, it is hard to believe that this case doesn't have more legs than a centipede.

This most recent revelation raises more questions to the ever-lengthening list. By all accounts, Hubbell had a major role in running the Justice Department. Even before he was officially in place, he seemed to be the White House's chief contact and coordinator at Justice. He played a role in the firing of all 50 U.S. attorneys.

These are the same firings that have hindered investigations into alleged wrongdoings here in the House of Representatives.

Everywhere these actions are raising more questions, everywhere they are front-page news. For instance, today, USA Today's top story reads, "Clinton's Friend Quits Justice Job."

The Washington Times says, "Hubbell Resigns Post, Cites Distractions. His Rose law firm dealings remains under investigation."

The Washington Post today, "Hubbell Resigns at Justice in Rose Law Firm Dispute. Accused of Overbilling Clients, Improper Expenses." In the New York Times:

> Senior Official Quits Justice Post as Pressure Rises. Ethics Are Questioned. Webster Hubbell, an old friend, leaves to spare the Clinton's further embarrassment.

Everywhere these issues are important—except in this institution. The problem seems to be that it is the wrong party calling for hearings and the wrong party being investigated. So scandal after scandal tiptoe past this sleeping watchdog. There was a House bank scandal. Then a House post office scandal. Then there was a new administration which immediately began adding to the list.

They started off with a scandal in the White House travel office. They have added the questionable handling of the suicide of a top White House aide. They have still left large numbers of their appointed posts unfilled. And we find large numbers of the appointees that are in place lack basic security clearances. Then of course, there is Whitewater. And the seemingly endless number of issues that it is spawning.

Mr. Speaker, I would like to take just a moment to read to you from an article by the gentleman from Iowa, Representative JIM LEACH, the ranking Republican on the Committee on Banking, Finance and Urban Affairs:

> In a nutshell, Whitewater is about the arrogance of power—political conflicts of interest that are self-evidently unseemly. It all began in the late 1970s when an S&L owner named James McDougal formed a 50-50 real estate venture with a young politician, the then-attorney general of Arkansas, Bill Clinton. In this venture called Whitewater, the S&L owner and S&L subsidiaries provided

virtually all, perhaps all, the money; the governor-in-the-making provided his name.

Over the years, the company received infusions of cash from the S&L as well as from a small business investment corporation that diverted, allegedly at the governor's request, federally guaranteed funds from a program designed for socially and economically disadvantaged people to the governor's partners and thence, in part, to Whitewater.

Some of these funds were used to pay off personal and campaign liabilities of the governor; some to purchase a tract of land from a company to which the state had just given a significant tax break. Whitewater records have apparently been largely lost. A review of the numerous land transactions, however, raises questions of what happened to the money that came into the company and a review of the president's tax records raises questions about tax deductions that were taken and taxes that were not paid.

It is no surprise that Special Counsel Robert Fiske, Jr. initiated March 4 a series of subpoenas reaching into the White House. What these subpoenas indicate is the movement of an investigation from possible illegal acts committed by a president prior to taking office to possible illegal actions committed in office. Obstruction of justice is now clearly at issue.

There are simply too many questions with too few answers.

The point of all this is that there is a disjunction in this administration between public policy and private ethics. Americans abhor privilege; hypocrisy gnaws at the American soul; it leaves a dispiriting residue of resentment.

Can, for instance, a president credibly rail against Michael Milken values if he has himself benefited from Milkenesque dealmaking?

Can a president credibly ask the people to pay taxes, let alone raise them, if he refuses to pay his own fair share?

Can a president credibly espouse open government if he applies a hide-and-seek standard to his own actions?

Can a president ask others to play by the rules—i.e., obey the law—if he doesn't play by them himself?

Can a president credibly advance an ethic of national service if his own model is one of self-service?

Can a president credibly advocate campaign reform if his own campaign has been sullied by illegal contributions from an S&L, which, with its failure, had the effect of causing deferred federal financing of a gubernatorial election?

Can a president credibly lead an ethical society if he doesn't set an ethical standard?

Despite all these questions, Congress has slept serenely in a shroud of secrecy. The same people who thought Whitewater not worthy of an independent counsel also cannot be troubled to hold even one hearing.

OFF AND RUNNING: A HEALTH RACE WITHOUT A WINNING HORSE

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, the gentleman from Florida [Mr. GOSS] is recognized during morning business for 5 minutes.

Mr. GOSS. Mr. Speaker, the great health care derby of 1994 is officially underway. This week the Ways and Means Subcommittee on Health will begin formal consideration of the so-called Stark bill, which media handicappers list as an unexpected early leader in the race to health reform. The frontrunner is not the much-ballyhooed one-time favorite known as Clinton health, But a no-name, dark horse bill which appeared from nowhere and is now judged to lead the pack.

□ 1050

In fact, Mr. Speaker, so new to the field is the proposal being offered by the gentleman from California [Mr. STARK] that Members who are considering the bill are not even sure how much it is going to cost unless they read the New York Times this morning, and I am not even sure the New York Times has the answer. I certainly do not. Most of the rest of us have not had a chance to see this bill, an opportunity to read the language. Is this the right way to start what is going to be the most consequential domestic policy debated in our time?

Mr. Speaker, health care reform involves nearly $1 out of every $7 spent in our economy, as we all know and comprehensive reform will literally affect each and every American in their daily lives. We ought to know what are doing. Yet despite more than year of planning, control of the Presidency, and a lock on both Houses of Congress—the Democratic Party is in such disarray over health reform that it has begun the legislative process by trotting out a completely new dark horse that we do not know anything about after reading the betting sheets on the Clinton plan recently, maybe this dark-horse strategy does make some sense, and I want to quote here now from an article taken this weekend by Donald Lambro out of one of the Washington papers on the 14th, and I quote:

The Washington Post's Jodie Allen asks: "Does anyone seriously believe this will work? Are the president and his wife, who declined to entrust the education of their child to their local government, really willing to let it take over the major role in deciding their health care options? Are you?"

Mr. Speaker, I think the answer is clear. The Clinton thoroughbred has turned out to be a loser, and Americans by and large are rejecting it the more they know about it. Those who know a thing or two about health policy are running from the Clinton plan faster than the White House can crank out its press releases and spin-controlled media events, which go on as we speak, with prominent committee chairman suggesting that employer mandates, global budgets, and mandatory alliances are all but dead—there really is not much left of the President's bill to ride. It is time to put the fantastical wishes and bloated reality of the Clinton plan out of their misery once and for all. But rather then depend on another unknown, Government-dominated bill like that proposed by our colleague, the gentleman from California [Mr. STARK], it is time for the Congress to make the wise bet on reform ideas that have proven reliable and worthy of support in the past. For instance, we all know the value of simple insurance reforms that would end preexisting condition exclusions and give Americans access to group-rated insurance guaranteed to be renewable and portable between jobs.

That is something we need, and we want, and we all know it. Let us attack costs and increase the accountability of those in the system by reforming our malpractice laws and cracking down on fraud and abuse in a meaningful way, not in the light touch that the Clinton plan put on it, and let us give individuals the power and incentive to seek out quality and preventive care by adopting medical savings accounts and taking advantage of individual deductions for health insurance costs. We can do this today—without all the posturing and rhetoric that has bogged down the reform process so far. Bills adopting these commonsense reforms have gained consensus support in both Houses and most even passed the Democratic Senate in the last Congress. It makes sense. These reforms would bring immediate relief to the majority of people who are without adequate coverage and who are waiting for us to act.

I do not think we should stake our future on a unknown, dark horse now when we have no better choices. We cannot afford to get so caught up in the politics of this issue that we end up losing the race for real and lasting reforms in order to bring home a winner, we need a health bill that builds on what works—and that has a broad-base of support, and we need those things.

Mr. Speaker, I urge my colleagues to look again at H.R. 3080 and also at H.R. 3955, two bills which responsibly address the obvious problems with our system with carefully measured solutions. They provide workable answers for the cost crisis dominating our system—and they make access to affordable insurance possible without huge new taxes or bureaucracies. Those are good things. Let us get this race for reform off to a good start, and I think we want to start with a horse that we know is going to finish, not one we do not know about.

A lot has been said recently in the rhetoric about Whitewater, that Republicans are not doing their share. Well, let me tell my colleagues that two of the best bills out there, the Rowland-Bilirakis bill and the Cooper-Grandy bill that have been much discussed, and the Michel-Lott bill, all have significant Republican participation, so it is not fair, and it is not true to say that the Republicans are not positive contributors to the process of health care reform.

WHITEWATER

The SPEAKER pro tempore (Mr. JOHNSON of Georgia). Under the Speaker's announced policy of February 11, 1994, the gentleman from Ohio [Mr. BOEHNER] is recognized during morning business for 5 minutes.

Mr. BOEHNER. Mr. Speaker and my colleagues, yesterday the President of the United States said at a Democratic fund raiser in Boston—he decided to use the occasion to attack the Republican Party, and he attacked the Republican Party as the party of no—no to this and no to that—and he began to blame the Republican Party for his problems with regard to Whitewater.

Well, Mr. Speaker, with regard to the party of no, if he is calling the Republican Party the party of no because we are saying no to his health care reform that would socialize medicine, case rationing and put Government in charge of the Nation's health care, he is right. And if he is calling us the party of no because we do not want watered-down welfare reform that will not end welfare as we know it, that will do nothing more than expand the welfare state, he is right. And if he is saying that we are the party of no on the budget that called for higher taxes on American families, he is right. And if he is calling us the party of no on real crime reform; the bill that he supported last year would weaken the penalties against drug dealers, he is right, and it would have been legislative malpractice for Republicans to put aside our principles only to work with the party in power at the White House. But in each of these cases the Republican Party has met their duty as the opposition's party and have supported alternatives, real alternatives, to his programs.

In health care, Mr. Speaker, the Michel bill, supported by over 140 House Republicans is a bill that has more cosponsors with regard to health care than any other health care bill that has been entered. With regard to welfare reform, Mr. Speaker, the House Republican proposal was put together and introduced last September. The only comprehensive welfare reform bill to be put into the hopper in this session of Congress, it will promote work over dependency. It will take incentives that break up American families out of the current system. And with regard to the budget, Mr. Speaker, we have had a real budget alternative, not only last year, but again last week, for this year, and this year's version of the House Republican budget would give every American family a $500 tax credit per child to help foster the families in America. It would also bring real reform of Government so that we can begin to meet the dream of all of us, a smaller, less costly, more effective Federal Government. And with regard to crime we have a real crime bill here in the House, one that will put more cops on the streets, one that would build more prisons, one that would add tougher penalties and one that would put more money in to rehabilitate those prisoners that have a chance for rehabilitation.

Mr. Speaker, we stood together with the President last year for his toughest legislative victory, and that was over NAFTA. We put our partisan differences aside, and we stood toe and toe with the President to move NAFTA through this House. But it seems that the White House's strategy is emerging with regard to Whitewater, and that is just to blame Republicans.

Republicans were not involved in making Whitewater happen. Bill and Hillary Clinton, and their friends in Little Rock, caused Whitewater to occur. The media have been after this for over 2 years, and it is the media that is driving this.

Why? Because it has become clear to the media that the White House is not being forthcoming in delivering the facts to the American people. Neither was the Clinton campaign in 1992 when this issue first surfaced, and if, in fact, Mr. and Mrs. Clinton in 1992 would have put the facts forward, this issue may not still be here today.

But Congress has the responsibility in our Constitution, as elected by the people of this country, to provide oversight, oversight over Government, and Congress has a role in looking at this issue and bringing before the American people the facts.

Yes, there is a special prosecutor. We ought to allow him to do his job. The Congress also has another responsibility, and that is to also bring those facts before the American people. Mr. Fiske is looking at criminal activity. I think the American people want the Congress of the United States to hold the President to a higher standard than nothing more than criminal culpability. The President has a responsibility to stand above that, to be the moral authority of Government in our country. That is the role that Congress ought to be doing, is holding the President responsible for his conduct and activity, and we have a rightful role.

But more so, Mr. Speaker, let me say this:

The President himself and Mrs. Clinton should not have to endure this, nor should they require the American people to endure this. They could come forward today and lay the facts out on the table so that we in this country and our system of government are not jeopardized because we are going to allow the media and a special prosecutor to lay all of this out.

Put the facts before the American people, and end the sad day in our history.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12, rule I, the Chair declares the House in recess until 12 noon.

Accordingly (at 11 a.m.) the House stood in recess until 12 noon.

□ 1200

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 12 noon.

PRAYER

Rabbi Aron Lieberman, Synagogue of Inverrary Chabad, Lauderhill, FL, offered the following prayer:

Our Father in Heaven, we beseech You to bless the Members of this august body, who represent the people of the United States of America. We ask also for Your blessings for our President Bill Clinton, and for the members of his cabinet. We pray that you guide this body in its task to protect and defend the welfare of the citizens of this great United States of America.

It is particularly fitting that we stand before you, Almighty God, on this the day when Members of the United States Congress and Senate join with representatives of the Lubavitch movement nationwide and here in Washington to celebrate the 92d birthday of the revered leader of the world Lubavitch movement, Rabbi Menachem Mendel Schneerson. The Lubavitch Rebbe has been an inspiration to many hundreds of thousands of people world-wide. Included among them Presidents, Members of Congress, international leaders, and heads of state, who have sought and received his advice and blessings.

The Rebbe now needs our prayers as he has suffered recently a second stroke and is in critical condition. Dear God, we pray that You allow all of us to join the many others in extending our prayers for a complete and speedy recovery to the Lubavitch Rebbe, Menachem Mendel Schneerson. It is in this spirit that we supplicate you, O God, to grant every Member of this Congress, good health, happiness, peace of mind and tranquility, and they be given the wisdom, understanding, and sensitivity to fulfill the important tasks bestowed upon them by the citizens of this great country.

Together, let us all answer this prayer with a resounding amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. The Chair recognizes the gentleman from Maryland [Mr.

BARTLETT] to lead the House in the Pledge of Allegiance.

Mr. BARTLETT of Maryland led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1926. An act to amend the Food Stamp Act of 1977 to modify the requirements relating to monthly reporting and staggered issuance of coupons for households residing on Indian reservations, to ensure adequate access to retail food stores by food stamp households, and to maintain the integrity of the food stamp program, and for other purposes.

WELCOME, RABBI ARON LIEBERMAN

(Mr. DEUTSCH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEUTSCH. Mr. Speaker, I want to formally welcome Rabbi Aron Lieberman, of the Synagogue Inverrary Chabad, Lauderhill, FL, in my district, who joins us today both to offer the prayer at the start of the session but also to be here with the members of the Lubavitch movement from throughout the world celebrating both the rabbi's 92d birthday as well as education for all the children, not just in this country but throughout the world.

CONGRATULATIONS TO THE LADY MOUNTAINEERS OF MOUNT ST. MARY'S COLLEGE

(Mr. BARTLETT of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTLETT of Maryland. Mr. Speaker, I rise today to congratulate the Lady Mountaineers of Mount Saint Mary's College in beautiful Frederick County, MD, on their first ever appearance in the NCAA Division 1 Women's Basketball Tournament.

Since moving to division 1, 5 years ago, the Lady Mountaineers have compiled an impressive record with five straight regular season NEC championships. They have continued a tradition of excellence that has resulted in winning seasons in 18 of the last 20 years. Their hard work and determination paid off this year in an impressive 78 to 67 win over Saint Francis College to give them the NEC tournament championship. The Lady Mountaineers were led by Susie Rowlyk who scored 26 points and was named tournament MVP as well as NEC player of the year.

Mr. Speaker, in addition to the Lady Mountaineers excellence on the basketball court, these young women have proven a commitment to learning in the classroom by compiling a composite GPA that would place them on the dean's list.

Mr. Speaker, I would like to wish the Lady Mountaineers the best of luck in the tournament game against the Hawkeyes of Iowa, and congratulate them on a job well done.

LET US GET BACK TO HEALTH CARE REFORM

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, the Republicans went off for a conference and studied to try to come up with a proposal for health care. After going to their camp for the weekend, they came away and they had nothing. There was nothing they could agree on as a health care reform package. And so I think what they decided to do at that point was go and come up with a new strategy, and that was to divert America's attention from health care and engage in "pillory Hillary." So that is what we have seen over and over again and over again.

When you think about it, imagine what would have happened if the Clintons had made money on this real estate deal.

Here is an example where we have a special prosecutor investigating it, you have a deal where they lost money, you have all sorts of other groups investigating it, and in the private sector as a private attorney dealing with many other things.

What in the world is going on here? I think this country has to get health care back in focus and we have to get moving on this issue, and let us stop all the distractions and pretending like every night's news show is an extension of "Geraldo."

LET US KEEP ECONOMIC GROWTH ON TRACK

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, the news just out this morning of slower than anticipated productivity and higher than expected inflation demonstrates that we need to do something to ensure that we keep economic growth on track.

Last December 15 we saw the completion of the Uruguay round of the General Agreement on Tariffs and Trade, and most everyone has acknowledged that the economic growth that we have seen in this country has been led through exports.

That is why it is imperative that this Congress move ahead as expeditiously as possible to pass the Uruguay round of the General Agreement on Tariffs and Trade so that we can ensure a higher level of productivity and a lower rate of inflation and a higher standard of living for people here in the United States of America and throughout the world.

NO ONE IS ABOVE THE LAW

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, no one, not the President and not members of his family or staff, should be above the law. After the distressing Ames revelations and reports of mishandled documents in executive offices, Americans now learn that White House staff—some high-ranking—have neglected to obtain security clearances. Since this fact became public, we have been unable to get straightforward answers about the damage that may have been done, about the numbers of staff involved, about the risks that were taken with sensitive information. Questions are understandably being raised about why this routine, but vital clearance procedure is being circumvented at the White House. So far, we are told that staff just has not made the time to submit to the rules. This excuse begs two serious questions:

First, are the rules no longer important in this administration?

Or, second, what do these people have to hide? Americans deserve to know.

YES, YES, YES

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, Yes, yes, yes, yes, yes, yes, yes, yes.

That is the Republican response to the President's tirade yesterday. Republicans want to work with the President to help this country. We want strong anticrime legislation. It is the liberal Democrats who say no. We want welfare reform. Again, the Democrats say no.

We want workable health care reform. The Democrats say no. We want a middle-class tax cut. The Democrats, no. We want hearings on Whitewater. The Democrats say no.

We want to pass the balanced budget amendment. Once again it is the Democrats who say no way.

Mr. Speaker, the President is way off base, and he knows it.

Republicans say yes, yes, yes. The Democrats say no, no, no.

NATIONAL ANGLER'S LICENSE

(Mr. ZIMMER asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. ZIMMER. Mr. Speaker, I have just introduced legislation instructing the Director of the U.S. Fish and Wildlife Service to study the feasibility of a national angler's license.

Currently, anglers who fish along State borders must purchase more than one license to enjoy a day on the water. Vacationing fishermen often cannot afford to buy a license for every State in which they would like to fish.

A constituent of mine named Arnold Ropeik has suggested a common sense solution to this problem, a national angler's license. National license holders would be able to pay one fee to fish anywhere in the United States. Proceeds would be allocated so that no State would lose revenue.

The goal of my legislation is to make fishing as accessible as possible to both veteran anglers and new fishermen. This will result in more conservation funding, more private sector revenues from travel and tourism and more Americans enjoying the pleasures of fishing throughout this beautiful Nation.

□ 1210

DR. MARTIN LUTHER KING HOLIDAY COMMISSION

(Mr. HILLIARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILLIARD. Mr. Speaker, many years ago, in the very early 1960's, when I was a student at Morehouse College in Atlanta, GA, I met a man who was a preacher from Montgomery, AL, Dr. Martin Luther King.

This man changed my life and the lives of millions of Americans who before "his dream" were treated as second-class citizens. After I met him, I enlisted in the movement and became one of Dr. King's foot soldiers in the war for racial equality. I was personally harassed by those who were against changes. It is hard for many of my colleagues to remember just how evil it was during the days of racial segregation before Dr. King helped change things, but, believe me, times were hard, cruel, and difficult. Because of my race, Mr. Speaker, none of Alabama's white public colleges would admit me as a student. We were cleverly denied the right to vote. Anyone would say, "If you travel after dark in many cities in Alabama," and I would say in the rural South, "as a black man, you took your life in your own hands," and, as many of my colleagues know, I am the first African-American since Reconstruction to be elected to the U.S. Congress by the people of Alabama.

It is not accidental that I am here. It is because we fought the struggle. Times have changed. We have not reached the promised land. Without the continued presence, involvement and funding of the King Holiday Commission, Mr. Speaker, we would never reach our full potential of building both unity and understanding between the races.

Mr. Speaker, the past is history, but history must be treated as knowledge and in its proper perspective so that mistakes of the past will be known so that hopefully they will be prevented and corrected. The Martin Luther King Holiday Commission helps us to remember. Hopefully it will help us to correct and prevent mistakes of the past.

THE AMERICAN PEOPLE DESERVE SOME ANSWERS

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, members of the Clinton administration and high officials in the Democratic National Committee all insist that there is no scandal. I beg to differ. The scandal is that 80 percent, 80 percent of the State chartered S&L's in Arkansas, failed. Could it be that there were some good old boys, regulators, who were asleep at the switch? I do not know the answer, but I do know that the American people deserve the answers, and I do know that the Arkansas State government did not pay a dime to bail out those institutions. Taxpayers from across the country from States like my own, from Wisconsin, did. The incredible mismanagement of Madison Guarantee cost the American taxpayers alone in that one S&L $60 million.

Why, Mr. Speaker, if there is nothing to hide is there such a resistance to congressional hearings? The American people have legitimate questions about this administration, Mr. Speaker, and it is time that we got some straight answers for a change. Let us go on with the hearings. Let us clear the air so we can get on with our Nation's business. We have got a lot of issues to address, and we have got to be addressing those.

President Nixon was not above the law. President Clinton cannot be above the law either. No American can be above the law.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MONTGOMERY). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, March 16, 1994.

KING HOLIDAY AND SERVICE ACT OF 1994

Mr. SAWYER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1933) to authorize appropriations for the Martin Luther King, Jr. Federal Holiday Commission, to extend such Commission, and to support the planning and performance of national service opportunities in conjunction with the Federal legal holiday honoring the birthday of Martin Luther King, Jr., as amended.

The Clerk read as follows:

H.R. 1933

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 "King Holiday and Service Act of 1994".

SEC. 2. MARTIN LUTHER KING, JR. FEDERAL HOLIDAY COMMISSION.

The Act entitled "An Act to establish a commission to assist in the first observance of the Federal legal holiday honoring Martin Luther King, Jr.", approved August 27, 1984 (36 U.S.C. 169j and following) is amended—

(1) in section 3(1) by inserting "(including service opportunities)" after "activities";

(2) in section 4(a) by striking "and" at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting "; and", and by adding at the end the following:

"(7) the Chief Executive Officer of the Corporation for National and Community Service, appointed under section 193 of the National and Community Service Act of 1990 (42 U.S.C. 12651c).";

(3) in section 6(a) by striking "maximum rate of pay payable for grade GS–18 of the General Schedule under section 5332" and inserting "rate of pay for level IV of the Executive Schedule under section 5315";

(4) by amending section 7 to read as follows:

"SEC. 7. There are authorized to be appropriated to carry out this Act—

"(1) $300,000 for fiscal year 1995;

"(2) $350,000 for fiscal year 1996;

"(2) $400,000 for fiscal year 1997;

"(2) $450,000 for fiscal year 1998; and

"(2) $500,000 for fiscal year 1999.";

(5) in section 8 by inserting after "under this Act" the following: "or under the National and Community Service Act of 1990"; and

(6) in section 9 by striking "April 20, 1994" and inserting "September 30, 1999".

SEC. 3. MARTIN LUTHER KING, JR., SERVICE DAY.

(a) ADDITIONAL CORPORATION ACTIVITY TO SUPPORT NATIONAL SERVICE.—Section 198 of the National and Community Service Act of 1990 (42 U.S.C. 12653) is amended by adding at the end the following new subsection:

"(s) MARTIN LUTHER KING, JR., SERVICE DAY.—

"(1) ASSISTANCE.—The Corporation may make grants to eligible entities described in paragraph (2) to pay for the Federal share of the cost of planning and carrying out service opportunities in conjunction with the Federal legal holiday honoring the birthday of Martin Luther King, Jr. Such service opportunities shall consist of activities reflecting the life and teachings of Martin Luther King, Jr., such as cooperation and understanding among racial and ethnic groups, nonviolent conflict resolution, equal economic and educational opportunities, and social justice.

"(2) ELIGIBLE ENTITIES.—Any entity otherwise eligible for assistance under the na-

tional services laws shall be eligible to receive a grant under this subsection.

"(3) CONSULTATION.—In making grants under this subsection, the Corporation shall consult with the Martin Luther King, Jr. Federal Holiday Commission established under section 2 of Public Law 98-399 (36 U.S.C. 169j-1).

"(4) FEDERAL SHARE.—Grants provided under this subsection to an eligible entity to support the planning and carrying out of a service opportunity in conjunction with the Federal legal holiday honoring the birthday of Martin Luther King, Jr., together with all other Federal funds used to plan or carry out the service opportunity, may not exceed 30 percent of the cost of planning and carrying out the service opportunity.

"(5) CALCULATION OF ENTITY CONTRIBUTIONS.—In determining the non-Federal share of the costs of planning and carrying out a service opportunity supported by a grant under this subsection, the Corporation shall consider in-kind contributions (including facilities, equipment, and services) made to plan or carry out the service opportunity.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) REFERENCE TO REPEALED SECTION.—Section 101(a)(3) of the National and Community Service Trust Act of 1993 (Public Law 103-82; 107 Stat. 788) is amended by striking "through 136" and inserting "through 135".

(2) INCORRECT REFERENCE TO ACT.—Section 203(a)(3) of the National and Community Service Trust Act of 1993 (Public Law 103-82; 107 Stat. 891) is amended by striking "Act of 1993" and inserting "Act of 1990".

(3) DESCRIPTION OF NATIONAL SERVICE PARTICIPANTS.—Section 137(c) of the National and Community Service Act of 1990 (42 U.S.C. 12591(c)), as added by section 101(b) of the National and Community Service Trust Act of 1993 (Public Law 103-82; 107 Stat. 809), is amended by striking "subsection (a)(5)(A)" and inserting "subsection (a)(5)".

(4) EDUCATIONAL AWARD ELIGIBILITY REQUIREMENTS.—Section 146(a) of the National and Community Service Act of 1990 (42 U.S.C. 12602(a)), as added by section 102(a) of the National and Community Service Trust Act of 1993 (Public Law 103-82; 107 Stat. 818), is amended by striking the second paragraph (3).

(5) CIVILIAN COMMUNITY CORPS.—

(A) USE OF INCORRECT TERM.—Section 155(e) of the National and Community Service Act of 1990 (42 U.S.C. 12615(e)), as redesignated by section 104(b)(3) of the National and Community Service Trust Act of 1993 (Public Law 103-82; 107 Stat. 840), is amended by striking "CORPS" and inserting "CAMPS".

(B) REFERENCE TO SECTION.—Subsection (C)(2)(C)(i) of section 159 of the National and Community Service Act of 1990 (42 U.S.C. 12619), as amended by section 104(e)(2)(E)(ii) of the National and Community Service Trust Act of 1993 (Public Law 103-82; 107 Stat. 847), is amended by striking "section section 162(a)(2)" and inserting "section 162(a)(2)".

(C) CROSS REFERENCE.—Section 162(a)(1)(B)(ii) of the National and Community Service Act of 1990 (42 U.S.C. 12622(a)(1)(B)(ii)), as redesignated by section 104(b)(3) of the National and Community Service Trust Act of 1993 (Public Law 103-82; 107 Stat. 840), is amended by striking "section 4462 of the National Defense Authorization Act for Fiscal Year 1993" and inserting "section 1143a of title 10, United States Code".

(6) PUNCTUATION.—Section 198(q)(1) of the National and Community Service Act of 1990 (42 U.S.C. 12653(q)(1)), as added by section 104(c) of the National and Community Service Trust Act of 1993 (Public Law 103-82; 107 Stat. 840), is amended by striking "1995" and inserting "1995,".

(7) REDESIGNATED PARAGRAPH.—Subsection (b)(6) of section 103 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4953), as redesignated by section 323(b)(3) of the National and Community Service Act of 1993 (Public Law 103-82; 107 Stat. 900), is amended by striking "(6)" and inserting "(5)".

(8) SUBPARAGRAPH INDENTATION.—Subsection (c)(1)(F) of section 103 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4953), as amended by section 323(c)(1)(D) of the National and Community Service Trust Act of 1993 (Public Law 103-82; 107 Stat. 900), is amended by moving the left margin two ems to the left.

(9) CORRECT EXECUTION OF AMENDMENT.—Section 224 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5024) is amended by striking "volunteer projects for older Americans" and inserting "National Senior Volunteer Corps projects".

(10) EFFECTIVE DATES.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this subsection shall take effect on the date of the enactment of this Act.

(B) RETROACTIVE EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) shall take effect as of October 1, 1993.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio [Mr. SAWYER] will be recognized for 20 minutes, and the gentleman from Wisconsin [Mr. PETRI] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. SAWYER].

Mr. SAWYER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to bring the King Holiday and Service Act before the House. I want to commend the bill's chief sponsor, my good friend from Georgia, Congressman JOHN LEWIS, for his dedication to keeping Dr. King's dream alive.

I also want to recognize the work of Congressman RALPH REGULA, who is the Vice Chairman of the Martin Luther King, Jr. Federal Holiday Commission, and to thank him for his guidance and assistance.

Finally, Mr. Speaker, I want to thank Congressman BILL CLAY, chairman of the Committee on Post Office and Civil Service, and Congressman BILL FORD, chairman of the Committee on Education and Labor, for their efforts in getting this measure to the floor today.

H.R. 1933 would extend the life of the Martin Luther King, Jr. Federal Holiday Commission and authorize an annual appropriation for its operation. It also broadens the Commission's legislative mandate to make the promotion of community service opportunities an explicit part of the Commission's purpose.

As a member of the Commission since 1989, I have firsthand knowledge of its worthwhile activities. I believe that all Americans will benefit enormously if the Commission's work continues.

Thanks to the tireless efforts of the Commission, all 50 States recognized Dr. King's birthday with a paid holiday this year. Despite that work, however, many continue to perceive the King holiday as a holiday for black Americans alone.

Only 18 percent of private sector employers observe the occasion. Dr. King did not represent one segment of our population. He worked to ensure equality of opportunity for all Americans. Clearly, more work is needed to ensure that this holiday is truly inclusive and meaningful, as it was intended to be.

The Commission devotes considerable time and resources to promoting racial harmony and understanding through the holiday, at a time when our Nation is becoming more diverse. Equally important, with its limited resources, the Commission uses the holiday to focus attention on community involvement, and efforts to combat violence, crime, drugs, and illiteracy, as well as the importance of voter registration and urban economic development.

While the Commission sponsors activities throughout the year, it is the Federal holiday that casts the necessary light on the continued importance of Dr. King's legacy to so many facets of our lives today. I believe that the Commission is a modest investment for the Federal Government to make in bridging the often wide gap between people of different races and cultures that threatens both social and economic progress in our country.

Dr. King left our Nation, and the world, a legacy that is priceless. Surely, passage of H.R. 1933 is not too high a price to pay to hold on to that dream.

Mr. Speaker, H.R. 1933 has 3 major provisions.

First, the bill extends the life of the Commission for 5 years, through fiscal year 1999. We all agree that the Commission has accomplished a great deal since its inception. However, there is still a lot of work ahead if we want the King holiday to be a point from which we can educate all Americans about Dr. King's philosophy and contributions to our progress as a Nation. Extending the life of the Commission will allow it to accomplish that important goal.

Second, the bill authorizes $300,000 for fiscal year 1995; and increases that amount by a modest $50,000 each year through fiscal year 1999.

Third, H.R. 1933 authorizes the Corporation for National and Community Service to make grants for planning and carrying out community service opportunities in conjunction with the King holiday. The bill limits the Federal share of any such grants to 30 percent of the funds used to plan and carry out those activities.

I know that some of my colleagues are concerned that the extension of the King Commission represents a personal

benefit to Mrs. King and her family. While I understand that concern, I think it is wrong and unfounded.

Dr. King's legacy transcends his family. Neither Mrs. King nor any of her children are employees of the Commission. Their service on the Commission is borne out of a commitment to their country and its future well-being.

The work of the King Commission provides us with an opportunity to renew our commitment to Dr. King's dream. Americans of all races and ethnic backgrounds are entitled to share in the challenge of economic recovery and social healing.

Mr. Speaker, I urge my colleagues to support this important legislation.

□ 1220

Mr. Speaker, I reserve the balance of my time.

Mr. PETRI. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Ohio [Mr. REGULA].

Mr. REGULA. Mr. Speaker, I rise today as the Vice Chairman of the Martin Luther King, Jr. Federal Holiday Commission. It has been my real privilege to serve with many fine and dedicated individuals on this Commission and especially with my friend Coretta Scott King.

One of the reasons that I support the King Holiday is that Dr. King was largely responsible for leading our society through the upheavals we faced in the 1960's with the doctrine of nonviolence as his banner. We are affirming that nonviolence is the honorable way to promote change in our society.

I support the extension of this Commission because this is an unusual Federal holiday; this holiday is more than a day off. We honor Dr. King by setting aside this day to serve other people—to work on behalf of people who are less fortunate than ourselves.

Thus, the legislation to reauthorize the King Holiday is designed to transform the observance of Dr. King's birthday into a national day of service. It is not enough to write laws that punish people for criminal behavior. It is not enough to prohibit certain actions and to criticize people for hurting others. We must act positively—help people find ways to work within the community, to support each other and to keep busy helping others.

Mr. Speaker, I might add that historically the King Commission has worked on the education program, and now the focus has shifted to one of community service to encourage young people in the communities around the United States to work with each other and to work with the institutions to improve the quality of life, and that is the real way in which we will solve many of the problems of our urban society. According to Martin Luther King, Jr.:

Peace is not merely the absence of some negative force, it is the presence of a positive force. True peace is not merely the absence of tension, but it is the presence of justice and brotherhood.

Those are certainly words we should all live by. While we are engaged in a national debate on crime and safety—I hope that we can consider the value of encouraging positive forces and activities in our communities.

Mr. Speaker, I urge all the Members to join me in voting to reauthorize the King Holiday Commission and to continue its great work under the leadership of Coretta Scott King that has been accomplished thus far and that will take place likewise in the future.

Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. SAWYER. Mr. Speaker, it is my privilege to yield 2 minutes to the gentleman from Alabama [Mr. HILLIARD], whose 1-minute speech preceded this debate.

Mr. HILLIARD. Mr. Speaker, Martin Luther King was truly an American. He was a loyal American. He took the difficult side. He took the dark side and brought light to it. He enlightened all of America on the evils. He enlightened all of America on the worst part of our system. But he also moved to correct the evil, to shed not only light but to bring those evils to the forefront and to terminate them and eradicate them from our society. During his lifetime he was only partially successful in doing this. It is up to the rest of us to continue his good work. To reauthorize this act means that we reaffirm what he had started. It means that we wish to continue what he has done. It means that we wish to continue to strengthen democracy. His legacy proves to us that it was needed. To remember him is to improve on that legacy. As we look at our society, all those things that are good and all those things that we wish to preserve, we often think of our heroes and what they have done to improve the past.

Mr. Speaker, this is one hero whose legacy we must preserve. We must preserve what he started. We must continue to improve on it. And we do that when we reauthorize the act that set his date as a national holiday. It is not a day just to remember him but is a day to be joyful that a man of his caliber came along and set the record straight and changed America.

It was his desire to do good. It ought to be our desire to continue goodness.

Mr. PETRI. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, I rise in opposition to H.R. 1933. While I by no means question the past important and successful work of the Commission, I feel its work is complete. We cannot and should not authorize the use of taxpayers' funds for the continuation of a commission that has done its job. All 50 States, the District of Columbia and the Federal Government now commemorate Dr. King's birthday and his legacy with a paid holiday.

President's Day, Independence Day, Memorial Day, Veterans' Day, and other public holidays, all of which serve as equally important reminders of our national heritage, do not have a holiday commission. There is no precedent for a commission of this type, much less the appropriation of Federal funds for its operation. No other Federal holiday has ever had anything similar.

Mr. Speaker, H.R. 1933 completely changes the original legislative purpose of the Martin Luther King, Jr. Holiday Commission, which was charged only with assisting in the first observance of the Federal legal holiday honoring Dr. King and his legacy. It was to sunset in 2 years and was not to receive any Federal funds. It was only after the second extension in 1989 that the Commission began receiving Federal dollars.

H.R. 1933 would permit the Commission to become involved in a number of activities which are totally unrelated to its original mandate.

Mr. Speaker, the Commission's justification in requesting an extension is that it believes there is a need to continue promoting Dr. King's ideals of community service, racial harmony and economic opportunity. While I in no way question the importance of these activities, they are not related to the original legislative mandate of the Commission. Many Members of Congress supported establishing the Commission because it was not to become a permanent structure and was to be funded only by private donations.

Those who support H.R. 1933 to extend the life of the Commission and its appropriations contend that the Commission would be in a position to encourage and sponsor more activities aimed at combating violence, crime, drugs and illiteracy as well as promoting voter registration and urban economic development.

I feel that our Federal, State and local governments, along with hundreds of private and professional organizations, presently have outreach programs similar to those programs and activities which the Martin Luther King Jr. Holiday Commission is now seeking to undertake.

Mr. Speaker, rather than declaring victory and closing down, the Martin Luther King Jr. Holiday Commission is searching out new programs and activities to justify its existence.

Martin Luther King, Jr. has a special honored place in our history and the heart of the Nation. All 50 States, the District of Columbia, the Federal Government, and many foreign countries now celebrate and honor Dr. King's legacy and ideals of nonviolence and social change. The Commission has successfully completed its congressional mandate. It is time we terminate the Commission.

Mr. Speaker, I reserve the balance of my time.

□ 1230

Mr. SAWYER. Mr. Speaker, I am pleased to yield 1 minute to the gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK of Florida. Mr. Speaker, I rise in support of H.R. 1933, which will, among other things, extend the life of the Martin Luther King, Jr. Federal Holiday Commission to September 30, 1999. The Congress must not be silent on this extension.

H.R. 1933, through its provisions, will bring focus and understanding on the life and the teachings of Dr. King. In doing so, it seeks to ensure the continuity and universal acceptance of one day of commemoration. That day commemorates one man who, more than any other, symbolizes the sometimes painful and frequently painfully slow embodiment of Judeo-Christian racial justice in 20th Century American society.

There are many—many of all races—who feel that the freedoms dreamed and sought by the Reverend King are as significant to every American as were the freedoms sought by the American Revolution. The strength and acceptance of those freedoms—the freedoms that accompany equality—will grow with each generation, unless we allow them to atrophy. If we do allow our commitment to those freedoms to diminish, we as a nation become equally diminished. The objectives sought by H.R. 1933 are those that will pass to our children the common hope, shared by all Americans, in the emergence of a society of harmony, equality, and peace.

Mr. Speaker, I hope that it will be the pleasure of each and every one of my colleagues to join me in passing this bill.

Mr. SAWYER. Mr. Speaker, I yield 2 minutes to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Speaker, I rise in support of the continuation of the Martin Luther King, Jr. Holiday Commission. There are those who would say this commission is no longer necessary because we now celebrate the King holiday nationwide.

But, one needs only listen to the daily news, and read the headlines to know that we need this commission, now more than ever.

Our young people are dying in great numbers on the streets, in their classrooms, and in their homes, from violent acts, Mr. Speaker. That is a fact. And the most frightening thing about that fact is—our children are killing each other.

The King Holiday Commission is dedicated to teaching the tenants of nonviolence, and the value of community service to our young people. Children who are taught to respect the sanctity of life and to serve their fellow human beings, do not commit acts of random violence.

There was a time when the entire community accepted responsibility for teaching the young, that is no longer the case.

We also have to acknowledge that there are many children who come from dysfunctional families, families that do not offer them the kind of support they need to become productive citizens.

We should not abandon these young people, Mr. Speaker. We should empower them with the tools they need to grow up safe, well and happy.

We need to teach them to hold high the banner of nonviolence. The King Holiday Commission will ensure that we make the teaching of nonviolence a national priority. It will reinforce the words of Dr. King, who said:

> Non-violence is a powerful and just weapon. It is a weapon unique in history, which cuts without wounding and ennobles the man who wields it. It is a sword that heals.

Let us empower our young people to save their own lives. Let us empower them with the tools of nonviolence and community service. Mr. Speaker, we have at our disposal the Martin Luther King Holiday Commission, an organization that is ready, willing and able to carry out this mission.

Let us give them the financial resources they need to be successful. I can think of no better investment than the lives of our children.

Mr. SAWYER. Mr. Speaker, it is my privilege to yield such time as he may consume to the gentleman from Georgia [Mr. LEWIS], the chief sponsor of the measure before us.

Mr. LEWIS of Georgia. Mr. Speaker, I wish to thank my good friend and colleague, the gentleman from Ohio [Mr. SAWYER], for yielding. The gentleman from Ohio is more than a cosponsor, but a wholehearted sponsor and supporter of this piece of legislation.

Mr. Speaker, today I rise in support of a very important piece of legislation which I have introduced in the House and which Senator HARRIS WOFFORD has introduced in the Senate, the King Holiday and Service Act of 1993.

In 1963, Dr. King said that, "violence is the voice of the unheard." These are still important words today.

I ask my colleagues, how can we ask our children to call upon their inner strength if we do not teach them to recognize the value of their own souls? How will our children resolve conflicts if the greatest strength they know is a gun or a knife in their hand? How will we justify our negligence if we do not make an active effort to pass the teachings of Dr. King on to our children?

We must use every resource to show our children that they can work together and that together they can achieve a common good, a higher good.

The Martin Luther King, Jr., Federal Holiday Commission has made important inroads. When the Commission began its work, only 17 States celebrated the King holiday. Now, Dr. King's birthday is celebrated in all 50 States, the District of Columbia, and more than 100 nations.

When the Commission began its work, many of the children now involved in Commission activities spent their free time in the streets. Now, the Commission has enlisted over 27,000 youth in "Youth Against Violence Symposiums." The Commission has recruited 4 million young people to sign a pledge committing themselves to a life of nonviolence. And the Commission has brought together 1,000 youth leaders at youth assemblies that address major social problems such as drug abuse and illiteracy.

I believe we can do more. We must.

Today, some 100,000 students take guns to school every day. Another 160,000 stay home out of fear of violence at school. We are still a society divided by race and class. Our cities and our schools have become centers of crime and violence. They have become places of despair.

Dr. King's method was love. His weapon was truth. And his goal was the "Beloved Community"—a community based on justice, a community at peace.

Dr. King could speak and the masses understood from his words that they were somebody. He was a spokesman not only for one race, but for human beings of every kind.

□ 1240

We no longer hear his voice, but we still hear his words. We can no longer take part in his actions, but we can take actions of our own. We must not allow the King holiday to become a day of nothing in particular—a day of shopping, a day of recreating. We must make the holiday a day of action, for ourselves and for our children.

One of the most important things I tell young people today is that you must believe in the possibility for positive change. I have always had a firm belief in the idea that people of good will can work together and bring about positive change. But, change takes effort. Change takes organization.

The Martin Luther King, Jr. Federal Holiday Commission is a tremendous and important source of this effort.

It is a tremendous and important source of organization for the cause of peace, for the cause of nonviolence, for the cause of building a sense of family, a sense of community. I believe we can make a little sacrifice; we can afford a little effort to make the lives of our children better today and tomorrow. We can afford a little effort to involve our children in nonviolent activity and esteem-building activities such as a community service.

We must allow the important work of the Martin Luther King, Jr. Federal Holiday Commission to continue. I believe with the King Holiday Commission, we will witness in our country in

the days to come a nonviolent revolution, a revolution of values, a revolution of ideas that we will create a sense of community. We will create a sense of family. We will create America's house.

Mr. PETRI. Mr. Speaker, I yield 3 minutes to my colleague on the Committee on Education and Labor, the distinguished gentleman from New York [Mr. OWENS].

Mr. OWENS. Mr. Speaker, I rise in strong support of H.R. 1933, the King Holiday Service Act of 1994. Ten years after the Martin Luther King, Jr., Federal Holiday Commission was established to institutionalize the holiday marking the birth of Dr. King and to encourage appropriate activities celebrating his life, all 50 States officially observe the King holiday. However, few private employers observe the holiday and many people continue to perceive the King holiday as an event for African-Americans alone.

Clearly, more must be done to ensure that this holiday is as meaningful and inclusive as it is intended to be. One way in which the Commission continues to work toward this objective is advancing community service opportunities which promote nonviolence, racial cooperation and understanding, and social justice. H.R. 1933 authorizes the Corporation for National and Community Service to make grants for service activities which promote Dr. King's timeless ideals of community service and racial harmony, and are a fitting tribute to his life. In his own words delivered in a June 1961 commencement address entitled "The American Dream" Dr. King said:

> * * * We have made of this world a neighborhood; now * * * we must make of it a brotherhood * * * we must all learn to live together as brothers or we will perish together as fools. We must come to see that no individual can live alone * * * we must all live together; we must all be concerned about one another.

I would like to add that I am particularly proud of the Martin Luther King Commission in my district in Brooklyn. As our diverse Nation continues to struggle with acts of racism and violence, the Commission in Brooklyn sponsors activities to promote Dr. King's teachings. This Commission recognizes the achievements of talented and thoughtful young people who, through creative essays and artwork, reflect on Dr. King's life. It is only if every successive generation of youth fully embrace Dr. King's ideals that we will achieve his dream of a nation that will "rise up and live out the true meaning of its creed—that all men are created equal," a nation where people are judged "by the content of their character, not by the color of their skin."

Mr. PETRI. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SAWYER. Mr. Speaker, I yield myself such time as I may consume.

I pause only to thank the gentleman from Wisconsin for raising the kinds of questions which he has raised in so thoughtful a manner. They are the kinds of questions that ought to be raised by any measure of this kind as it comes before us.

Mr. PAYNE of New Jersey. Mr. Speaker, I am pleased to rise in strong support of the bill to extend the life of the Martin Luther King, Jr. Federal Holiday Commission to September 30, 1999.

Although it has been over two decades since Dr. King was laid to rest, his spirit is very much with us today. His challenge to people of all races to embrace justice, equality and nonviolence is more relevant today then ever.

Our society still has a long way to go in overcoming obstacles and achieving the racial harmony envisioned by Dr. King.

When we have a school principal in Alabama telling a child her birth was a mistake because her parents are of different races, we have really not come very far in heeding Dr. King's message of tolerance and acceptance.

I feel privileged to have known Dr. King personally. About a week before his untimely death, Dr. King visited New Jersey to mobilize support for a cause that was important to him—the Poor People's Campaign. I spent some time with him that day as he spoke to students at a local high school and to a congregation at a local church.

I am proud that in my hometown of Newark we have now dedicated the Martin Luther King, Jr. Federal Building in honor of this great leader.

It is important that we as a nation keep Dr. King's dream alive. The bill we are considering today accomplished that goal in a number of ways. In addition to allowing the Commission to continue its work in addressing violence, crime, drug abuse and illiteracy, the measure also allows the Corporation on National and Community Service to make grants available to help with planning national service programs held in conjunction with the Martin Luther King, Jr. holiday.

I urge my colleagues to join me in voting for this extension to allow the Martin Luther King, Jr. Federal Holiday Commission to continue its important work.

Mr. STOKES. Mr. Speaker, I rise today in strong support of H.R. 1933, to extend the authorization for the Martin Luther King, Jr., Federal Holiday Commission. I want to commend my colleagues, Representative JOHN LEWIS and Representative TOM SAWYER for bringing this bill to the floor today.

The Martin Luther King, Jr., Holiday Commission was established in 1984 to encourage appropriate celebrations and events relating to the observance of the Federal holiday in honor of Dr. King. The Commission has been extended twice previously and its current authorization is set to expire on April 20, 1994. It is imperative that we act quickly to extend the authorization for the Commission through September 30, 1999, to continue promotion of Dr. King's ideals of racial harmony, economic opportunity for all, and process through nonviolent social change.

Mr. Chairman, this year all 50 States recognized Dr. King's birthday with a paid holiday. However, many Americans continue to perceive the King holiday solely as an African-American holiday, without relevance or meaning for other Americans. As a result, unfortunately, only 18 percent of private employers grant their employees a paid holiday in observance of the King birthday holiday. This is a tragedy and a manifest dishonor to the memory of a man who devoted his life to inclusion and opportunity for all. As a nation, we can do better to celebrate Dr. King's legacy.

H.R. 1933 extends the life of the Martin Luther King, Jr., Federal Holiday Commission for an additional 5 years, and authorizes appropriations for the Commission's work. With the limited resources provided to the Commission, it uses the holiday as a focal point for promoting activities aimed at community service; for combating violence, crime, drugs, and illiteracy; and for encouraging voter registration and urban economic development. We need to extend the life of the Commission to enable it to further develop programs to enhance the celebration of Dr. King's birthday, and spread his message of freedom, equality, and the dignity of man to every American.

Mr. Chairman, at a time in our Nation when the public is crying out for solutions to a rising tide of social problems, these timeless truths professed by Dr. King are more relevant than ever. Every one of us should be very proud of the legacy of service to one's fellow man left by Dr. King. Our National Government needs to actively promote these ideals to our young people, and to people all over the world. Extending the life of the King Federal Holiday Commission will greatly enhance the ability of the Federal Government to promote these ideals. I strongly urge all my colleagues to vote in favor of H.R. 1933.

Mr. QUINN. Mr. Speaker, I rise in strong support of H.R. 1933, the King Holiday and Service Act of 1933. I have been a cosponsor of this legislation since April 29, 1993, when it was introduced my colleague, Representative JOHN LEWIS of Georgia. H.R. 1933 would extend the life of the King Commission and make the King holiday a "national service day to promote community service." The King holiday would allow all Americans to open their hearts and offer their skills to improve the quality of life for themselves and others through community service and interracial harmony. It would seek to challenge every American to take voluntary actions to wipe out some of our pressing social problems.

This holiday is special in the history of our Nation in that it challenges every person to make a difference in someone's life. It encourages all of us to face the future with strength and an understanding to work for a better Nation and a better world. I am proud to be a cosponsor of H.R. 1933 and I sincerely believe in the Commission's goals to promote equality and human dignity for all people.

GENERAL LEAVE

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the bill, H.R. 1933, as amended.

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). Is there objection

to the request of the gentleman from Ohio?

There was no objection.

Mr. SAWYER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio [Mr. SAWYER] that the House suspend the rules and pass the bill, H.R. 1933, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to authorize appropriations for the Martin Luther King, Jr. Federal Holiday Commission, to extend such Commission, and to support the planning and performance of national service opportunities in conjunction with the Federal legal holiday honoring the birthday of Martin Luther King, Jr."

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING AMOUNTS FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY CERTAIN COMMITTEES IN SECOND SESSION OF 103D CONGRESS

Mr. FROST, from the Committee on House Administration, submitted a privileged report (Rept. No. 103–433) on the resolution (H. Res. 369) providing amounts from the contingent fund of the House for the expenses of investigations and studies by certain committees of the House in the 2d session of the 103d Congress, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING AMOUNTS FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY CERTAIN COMMITTEES FROM APRIL 1, 1994, THROUGH MAY 31, 1994

Mr. FROST, from the Committee on House Administration, submitted a privileged report (Rept. No. 103–434) on the resolution (H. Res. 387) providing amounts from the contingent fund of the House for the expenses of investigations and studies by certain committees of the House from April 1, 1994, through May 31, 1994, which was referred to the House Calendar and ordered to be printed.

RIO GRANDE DESIGNATION ACT OF 1994

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 375) to amend the Wild and Scenic Rivers Act by designating a segment of the Rio Grande in New Mexico as a component of the National Wild and Scenic Rivers System, and for other purposes, as amended.

The Clerk read as follows:

S. 375

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 "Rio Grande Designation Act of 1994".

SEC. 2. DESIGNATION OF SCENIC RIVER.

Section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)) is amended by adding at the end the following new paragraph:

"( ) RIO GRANDE, NEW MEXICO.—The main stem from the southern boundary of the segment of the Rio Grande designated pursuant to paragraph (4), downstream approximately 12 miles to the west section line of Section 15, Township 23 North, Range 10 East, to be administered by the Secretary of the Interior as a scenic river.".

SEC. 3. DESIGNATION OF STUDY RIVER.

(a) STUDY.—Section 5(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1276(a)) is amended by adding at the end of the following new paragraph:

"( ) RIO GRANDE, NEW MEXICO.—The segment from the west section line of Section 15, Township 23 North, Range 10 East, downstream approximately 8 miles to the southern line of the northwest quarter of Section 34, Township 23 North, Range 9 East.".

(b) STUDY REQUIREMENTS.—Section 5(b) of such Act (16 U.S.C. 1276(b)) is amended by adding at the end the following new paragraph:

"( ) The study of the Rio Grande in New Mexico shall be completed and the report submitted not later than 3 years after the date of enactment of this paragraph.".

SEC. 4. RIO GRANDE CITIZENS ADVISORY BOARD.

As soon as practicable after the date of enactment of this Act, the Secretary of the Interior, acting through the Director of the Bureau of Land Management, shall take appropriate steps to obtain the views of the residents of the village of Pilar and of those persons who are the owners of property adjoining the river segments described in sections 2 and 3 concerning implementation of this Act, and to assure that those views will be considered in connection with preparation of a comprehensive management plan for the segment designated by section 2 and the study required by section 3.

SEC. 5. WITHDRAWAL OF ORILLA VERDE RECREATION AREA.

(a) IN GENERAL.—Subject to valid existing rights, the lands described in subsection (b) are withdrawn from—

(1) all forms of entry, appropriation, or disposal under the public land laws;

(2) location, entry, and patent under the mining laws; and

(3) disposition under all laws pertaining to mineral and geothermal leasing.

(b) LANDS.—

(1) DESCRIPTION.—The lands referred to in subsection (a) comprise an area known as the "Orilla Verde Recreation Area", including—

(A) approximately 1,349 acres which were conveyed to the United States by the State of New Mexico on July 23, 1980, April 20, 1990, and July 17, 1990; and

(B) an additional 4,339 acres of public lands, all as generally depicted on the map entitled "Orilla Verde Recreation Area, New Mexico", and dated February, 1994.

(2) PUBLIC ACCESS.—The map referred to in paragraph (1) shall be on file and available for public inspection in the appropriate offices of the Bureau of Land Management.

SEC. 6. COMPLETION OF PREHISTORIC TRACKWAYS STUDY.

The Secretary of the Interior is authorized to contract with the Smithsonian Institution for the completion of the prehistoric trackways study required under section 303 of the Act entitled "An Act to conduct certain studies in the State of New Mexico", approved November 15, 1990 (Public Law 101–578).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentleman from Utah [Mr. HANSEN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks in the RECORD on the legislation now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 375 deals with two segments of the Rio Grande River, in northern New Mexico. it is similar to a companion bill introduced by our colleague, the gentleman from New Mexico [Mr. RICHARDSON].

The Rio Grande is the fifth-longest river in North America and one of the great rivers of the Southwestern United States. It rises in southwestern Colorado and continues for more than 1,800 miles through Colorado, New Mexico, and Texas before reaching the Gulf of Mexico. From El Paso to Brownsville, it marks our Nation's boundary with Mexico.

A segment of the Rio Grande immediately south of the Colorado-New Mexico boundary was included in the National Wild and Scenic Rivers System when that system was first established by enactment of the Wild and Scenic Rivers Act.

The two Rio Grande River segments covered by this bill are immediately downstream from that already-designated segment and are in a part of New Mexico increasingly popular for recreational uses, including river rafting.;

Under the bill, one segment of 12 miles would be added to the National Wild and Scenic Rivers System, to be managed as a scenic river under the Wild and Scenic Rivers Act. Another segment, covering an additional 8 miles, would be required to be studied for possible future designation, with a report on the results of the study required to be submitted within 3 years after enactment.

Both segments are bordered by extensive tracts of public lands managed by the Bureau of Land Management [BLM], which will be responsible for

managing the designated segment and for conducting the study. The designated segment is becoming increasingly popular for recreation, which of course would continue after designation but which BLM would manage to emphasize protection of the biological and other resources of the area.

The bill would also withdraw the public lands in an area known as the 5,600-acre Orilla Verde Recreation Area from disposal under the public land laws, from mineral entry under the mining laws, and from operation of the mineral and geothermal leasing laws, and would also authorize the Secretary of the Interior to contract with the Smithsonian Institution for completion of a study of prehistoric track ways required under section 303 of Public Law 101–578.

In amending this bill, Mr. Speaker, the committee dropped the Senate's provision for a new advisory body consisting only of a village representative and a specified number of local landowners. Instead, we have substituted a requirement that the BLM Act to obtain local views and to give those views appropriate consideration in connection with the development of the management plan for the designated segment and in connection with the study of the other segment. We understand that BLM may well do this through establishment of a task force or working group, including the parties that would have been included on the statutory body provided for in the original Senate bill.

We believe that instead of requiring the establishment of another permanent statutory body, it is better in this case to give more flexibility to the BLM on ways to assure that the villagers and landowners be actively involved in future decisions about these areas.

The committee also increased the acreage of the adjacent public lands withdrawn from mineral entry and mineral geothermal leading, as suggested by the administration, to reflect the current total area BLM wants to manage for recreational uses.

Mr. Speaker, I want to commend the gentleman from New Mexico [Mr. RICHARDSON] for his hard work and leadership on this matter. With his help, the committee has been able to further improve the bill, and I urge its approval by the House.

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Mr. Speaker, I reserve the balance of my time.

Mr. HANSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of S. 375 which, among other things, would designate a segment of the upper Rio Grande River in New Mexico as an addition to the Wild and Scenic Rivers System.

This legislation, which was introduced by Senator BINGAMAN and has already passed the other body, has been explained in detail by Chairman VENTO. Its major provisions would add a 12-mile segment of the Rio Grande to the Wild and Scenic Rivers System and authorize an additional 8-mile segment be studied for possible future designation.

Although this bill was amended in the House Natural Resources Committee, I understand it is still supported by the two New Mexico Senators, not to mention Mr. RICHARDSON, who has worked hard on this issue in the Natural Resources Committee.

I urge my colleagues to support S. 375.

Mr. Speaker, I reserve the balance of my time.

Mr. VENTO. Mr. Speaker, I yield such time as he may consume to the gentleman from New Mexico [Mr. RICHARDSON] the principal sponsor of this legislation.

Mr. RICHARDSON. Mr. Speaker, I want to thank both the gentleman from Utah [Mr. HANSEN] and the gentleman from Minnesota [Mr. VENTO] for their very generous remarks. This is an important bill for New Mexico.

Mr. Speaker, I am pleased to have the opportunity today to support S. 375, the Senate version of legislation I introduced (H.R. 1471) to grant wild and scenic river designation to a 12-mile segment of the Rio Grande in my district in New Mexico and study another 8 miles for possible inclusion in the future. I would like to thank Chairman MILLER, Chairman VENTO, and the Natural Resources Committee staff for their cooperation in moving this legislation through the committee and to the House floor today. I would also like to commend Senator JEFF BINGAMAN for introducing the Senate version of my legislation, which is the bill we are now considering.

In bringing this bill to the House floor today, my staff has worked with those of Senator BINGAMAN, the staff of the Committee on Natural Resources, the Bureau of Land Management, private landowners in the area near the affected segment and local river protection groups such as Amigos Bravos in crafting a final product that will confer protection on the river and recognize the unique character of this beautiful river.

The Rio Grande was one of the first rivers protected under the Wild and Scenic Rivers Act when it became law in 1968. S. 375 would confer this designation on an additional stretch of river downstream from the Taos Junction Bridge to the Village of Rinconada and require a study of the next 8 downstream miles for future designation. I hope that we can pass legislation to address these additional miles soon as well.

As a westerner, I have a special understanding of the importance of water to the daily lives of my constituents. In New Mexico, water really is life, and the Rio Grande is truly connected to all of our lives. The segment we will designate today is an especially beautiful stretch of river with multiple scenic views and a history of relatively undisturbed natural beauty. In recent years, however, the same qualities that make this river so valuable are threatening the future health of the river.

This bill will provide protection of this river segment from any federally built, permitted or licensed dam or other water resource project which would have a direct and adverse effect on the river. But designation will also signal that while we value the many wonderful uses of the river, we must realize that protection and preservation of this natural resource should be our ultimate goal. The prestigious national river protection group American Rivers named the Rio Grande the most endangered river in America in 1993. While S. 375 would only affect a small portion of this great American treasure, it will ensure that future generations can enjoy the beauty that is the natural heritage of New Mexico without the deleterious effects of development or overuse. Future generations deserve no less.

I am pleased to recommend this bill to my colleagues in the House today, and I look forward to its enactment into law in the near future.

Mr. Speaker, I would like to again commend the gentleman from Minnesota [Mr. VENTO] and the gentleman from California, as well as the gentleman from Utah [Mr. HANSEN] and many others who have been active in important environmental legislation in the Committee on Natural Resources.

Mr. HANSEN. Mr. Speaker, I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I commend the gentleman from New Mexico [Mr. RICHARDSON]. These riverine systems are very important for watershed protection. The recognition of this as being a very endangered river is a positive step forward. There is much more to be done. There is more study provided. There is more action by this Congress necessary to protect these great riverine systems. This bill is a positive step, and I urge support for it.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the Senate bill, S. 375, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

FARMINGTON WILD AND SCENIC RIVER ACT

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2815) to designate a portion of the Farmington River in Connecticut as a component of the National Wild and Scenic Rivers System, as amended.

The Clerk read as follows:

H.R. 2815

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 "Farmington Wild and Scenic River Act".

SEC. 2. FINDINGS.

The Congress finds that—

(1) Public Law 99-590 authorized the study of 2 segments of the West Branch of the Farmington River, including an 11-mile headwater segment in Massachusetts and the uppermost 14-mile segment in Connecticut, for potential inclusion in the National Wild and Scenic Rivers System, and created the Farmington River Study Committee, consisting of representatives from the 2 States, the towns bordering the 2 segments, and other river interests, to advise the Secretary of the Interior in conducting the study and concerning management alternatives should the river be included in the National Wild and Scenic Rivers System;

(2) the study determined that both segments of the river are eligible for inclusion in the National Wild and Scenic Rivers System based upon their free-flowing condition and outstanding fisheries, recreation, wildlife, and historic values;

(3) the towns that directly abut the Connecticut segment (Hartland, Barkhamsted, New Hartford, and Canton), as well as the Town of Colebrook, which abuts the segment's major tributary have demonstrated their desire for national wild and scenic river designation through town meeting actions endorsing designations; in addition, the 4 abutting towns have demonstrated their commitment to protect the river through the adoption of "river protection overlay districts," which establish a uniform setback for new structures, new septic systems, sand and gravel extraction, and vegetation removal along the entire length of the Connecticut segment;

(4) during the study, the Farmington River Study Committee and the National Park Service prepared a comprehensive management plan for the Connecticut segment (the "Upper Farmington River Management Plan", dated April 29, 1993) which establishes objectives, standards, and action programs that will ensure long-term protection of the river's outstanding values and compatible management of its land and water resources, without Federal management of affected lands not owned by the United States;

(5) the Farmington River Study Committee voted unanimously on April 29, 1993, to adopt the Upper Farmington River Management Plan and to recommend that Congress include the Connecticut segment in the National Wild and Scenic Rivers System in accordance with the spirit and provisions of the Upper Farmington River Management Plan, and to recommend that, in the absence of town votes supporting designation, no action be taken regarding wild and scenic river designation of the Massachusetts segment; and

(6) the Colebrook Dam and Goodwin Dam hydroelectric projects are located outside the river segment designated by section 3, and the study of the Farmington River pursuant to Public Law 99-590 determined that continuation of existing operations of these projects as presently configured, together with associated transmission lines and other existing project works, is not incompatible with the designation made by section 3 and will not unresaonably diminish the scenic, recreational, and fish and wildlife values of the segment designated by such section as of the date of enactment of this Act; therefore, section 7(a) of the Wild and Scenic Rivers Act will not preclude the Federal Energy Regulatory Commission from licensing or relicensing (or exempting from licensing) the continued operations of such projects as presently configured or with changes in configuration that the Secretary determines would be consistent with the Wild and Scenic Rivers Act and the Plan.

SEC. 3. DESIGNATION.

Section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)) is amended by adding the following new paragraph at the end thereof:

"( ) FARMINGTON RIVER, CONNECTICUT.—The 14-mile segment of the West Branch and mainstem extending from immediately below the Goodwin Dam and Hydro-electric Project in Hartland, Connecticut, to the downstream end of the New Hartford-Canton, Connecticut, town line (hereinafter in this paragraph referred to as the 'segment'), as a recreational river, to be administered by the Secretary of the Interior through cooperative agreements between the Secretary of the Interior and the State of Connecticut and its relevant political subdivisions, namely the Towns of Colebrook, Hartland, Barkhamsted, New Hartford, and Canton and the Hartford Metropolitan District Commission, pursuant to section 10(e) of this Act. The segment shall be managed in accordance with the Upper Farmington River Management Plan, dated April 29, 1993, and such amendments thereto as the Secretary of the Interior determines are consistent with this Act. Such plan shall be deemed to satisfy the requirement for a comprehensive management plan pursuant to section 3(d) of this Act.".

SEC. 4. MANAGEMENT.

(a) COMMITTEE.—The Director shall appoint a person to represent the Secretary on the Farmington River Coordinating Committee provided for in the Plan.

(b) FEDERAL ROLE.—(1) The Director shall represent the Secretary in the implementation of the Plan and the provisions of this Act with respect to the segment designated by section 3, including ongoing review of the consistency of the Plan with the Wild and Scenic Rivers Act and the review of proposed federally assisted water resources projects which could have a direct and adverse effect on the values for which the segment was established, as authorized under section 7(a) of the Wild and Scenic Rivers Act.

(2) In order to provide for the long-term protection, preservation, and enhancement of the river segment designated by section 3, the Secretary, pursuant to section 10(e) of the Wild and Scenic Rivers Act, shall offer to enter into cooperative agreements with the State of Connecticut and its relevant political subdivisions identified in the amendment made by such section 3 and, pursuant to section 11(b)(1) of such Act, shall make a similar offer to the Farmington River Watershed Association. The Secretary, pursuant to such section 11(b)(1), also may enter into cooperative agreements with other parties who may be represented on the Committee. All cooperative agreements provided for in this Act shall be consistent with the Plan, and may include provisions for financial or other assistance from the United States to facilitate the long-term protection, conservation, and enhancement of the segment designated by such section 3 and the implementation of the Plan.

(3) The Secretary may provide technical assistance, staff support, and funding to assist in the implementation of the Plan.

(4) Implementation of this Act through cooperative agreements as described in paragraph (2) of this subsection shall not constitute National Park Service administration of the segment designated by section 3 for purposes of section 10(c) of the Wild and Scenic Rivers Act, and shall not cause such segment to be considered as being a unit of the National Park System.

(c) WATER RESOURCES PROJECTS.—(1) In determining whether a proposed water resources project would have a direct and adverse effect on the values for which the segment designated by section 3 was included in the National Wild and Scenic Rivers System, the Director shall specifically consider the extent to which the project is consistent with the Plan.

(2) For purposes of implementation of section 7 of the Wild and Scenic Rivers Act, the Plan, including the detailed analysis of instream flow needs incorporated therein and such additional analysis as may be incorporated in the future, shall serve as the primary source of information regarding the flows needed to maintain instream resources and the potential compatibility between resource protection and possible water supply withdrawals.

(d) LAND MANAGEMENT.—The zoning ordinances duly adopted by the towns of Hartland, Barkhamsted, New Hartford, and Canton, Connecticut, including the "river protection overlay districts" in effect on the date of enactment of this Act, shall be deemed to satisfy the standards and requirements of section 6(c) of the Wild and Scenic Rivers Act. For the purpose of section 6(c), such towns shall be deemed "villages" and the provisions of that section, which prohibit Federal acquisition of lands by condemnation, shall apply to the segment designated by section 3.

SEC. 5. DEFINITIONS.

For the purposes of this Act:

(1) The term "Committee" means the Farmington River Coordinating Committee referred to in section 4.

(2) The term "Director" means the Director of the National Park Service.

(3) The term "Plan" means the comprehensive management plan for the Connecticut segment of the Farmington River prepared by the Farmington River Study Committee and the National Park Service, which is known as the "Upper Farmington River Management Plan" and dated April 29, 1993.

(4) The term "Secretary" means the Secretary of the Interior.

SEC. 6. FUNDING AUTHORIZATION.

There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act, including the amendment to the Wild and Scenic Rivers Act made by section 3.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentleman from Utah [Mr. HANSEN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2815, the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2815 is a bill introduced by Representative JOHNSON of Connecticut and cosponsored by the entire delegation from that State, including our colleague on the Natural Resources Committee, Mr. GEJDENSON.

It deals with a segment of the Farmington River, in Connecticut required by earlier legislation to be studied for possible inclusion in the National Wild and Scenic Rivers System.

The study determined that the segment is indeed eligible and suitable for designation as a component of that System.

The bill would provide such a designation, and would lay the foundation for appropriate management through cooperative agreements between the National Park Service, the State of Connecticut, relevant local governments, and the other parties who have participated in the study and in developing a comprehensive management plan for the affected area.

The Natural Resources Committee amended the bill to make it more closely conform with the Wild and Scenic Rivers Act and with the normal provisions that have been included in other similar bills, but the version before the House retains the most important provisions of the bill as introduced.

Like the original bill, the reported version provides for management through cooperative agreements between the Secretary, the State of Connecticut, and the relevant local governments, in accordance with the existing plan developed by the Farmington River Study Committee.

Also like the original bill, the reported bill recognizes that existing local zoning ordinances meet the requirements of the Wild and Scenic Rivers Act, so that the Wild and Scenic Rivers Act's prohibition on Federal use of condemnation will apply.

While the bill would not prevent the Federal Government from acquiring land in the area from willing sellers, implementation of the bill will not require any such acquisitions or Federal management of any lands that are not owned by the United States.

Instead, the bill provides the basis for cooperation between the National Park Service, State and local officials, and Connecticut citizens groups interested in sound management of the designated segment of the Farmington River.

I want to thank Congresswoman JOHNSON for her leadership on this matter. She has worked hard in cooperation with the committee and the administration to make it possible for us to bring to the floor a sound bill that will provide appropriate protection for outstanding resource values associated with the Farmington River. It is a bill that deserves the approval of the House, and I urge its passage.

Mr. Speaker, I reserve the balance of my time.

Mr. HANSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2815 which was introduced by the gentlewoman from Connecticut [Mrs. JOHNSON] who is a hard working member of the Committee on Ways and Means.

This legislation, which has been fully explained by the Chairman, the gentleman from Minnesota [Mr. VENTO], would add a 14-mile segment of the Farmington River to the National Wild and Scenic Rivers System. It is the result of many years of negotiations between Representative JOHNSON and the many diverse river users in her district.

Although I believed the original bill had stronger provisions protecting the rights or private landowners and the autonomy of local governments than the version reported by the Natural Resources Committee, I continue to supprot this legislation.

I urge my colleagues to support H.R. 2815.

□ 1300

Mr. Speaker, I yield 7 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise in support of the bill. It gives me a great deal of pleasure to strongly endorse this bill to designate a 14-mile segment of the Farmington River in my district as part of the National Wild and Scenic Rivers System. This designation has the support of my Connecticut colleagues in this chamber and the other body, as well as the enthusiastic support of the people in the river towns.

Mr. Speaker, let me begin my remarks by thanking the large number of unselfish citizens who have made this 10-year journey to designation possible. Starting with the Chairman and Mr. HANSEN and their able staffs, I must say that they have been nothing but gracious and professional in working with me on this unique designation, and my staff and constituents. I thank you.

This effort could not have been successful without the steadfast commitment and hands-on involvement of Nathan Frohling and his predecessor, Suzi Wilkins, and the board and members of the Farmington River Watershed Association [FRWA] based in Simsbury, CT. Suzi is now at American Rivers here in Washington, and her colleagues at that organization also have helped move the process along.

I also am pleased to recognize the efforts of the metropolitan district commission [MDC] in helping us reach this agreement. Without their willingness to acknowledge my constituents' concerns, this bill would not be before us today.

The 17 members of the Farmington River Advisory Committee also deserve our gratitude for the tremendous number of volunteer hours they have invested in this project. Representing the five towns along the river, as well as the Governor's office, the State department of environmental protection, the MDC, and the FRWA, these men and women held a number of public meetings and open workshop to share information about the importance of designation and led their respective communities to the unanimous decision to press this bill forward. This legislation is the culmination of their efforts and bears not only their fingerprints, but also their blood, sweat, and tears.

Finally, Mr. Speaker, I must single out Mr. Phil Huffman of the National Park Service's regional office in Boston for his tireless support over the years. Phil successfully quarterbacked this effort, keeping everyone at the negotiating table, and injecting a level of professionalism that is both refreshing and appreciated by all. The entire Park Service team, Phil Huffman, Drew Parkin, and John Haubert, have been trusted allies in this endeavor and, on behalf of my Farmington Valley constituents, I thank them for their efforts.

Mr. Speaker, this is a proud moment for the people of the Farmington River towns. In an area of the country that is not well known for its wide open spaces, we nonetheless have some natural wonders that deserve consideration under the Wild and Scenic Rivers Act. Thus, I am pleased that the committee has seen fit to endorse this innovative approach to protecting a relatively urban river for future generations to enjoy.

Private lands rivers like the Farmington present a special challenge to Federal legislators because most riparian landowners in my district already consider themselves stewards of the West Branch and are not willing to turn over control to a far-away bureaucracy. Consequently, this legislation relies on a detailed management plan written by local folks, and clarifies that Federal land acquisition and day-to-day Federal management are not part of the bill. With this bill, the Congress also makes clear that there are ways to craft wild and scenic legislation that addresses the concerns of private landowners in relatively populated areas.

Another unique aspect of this bill is its power-sharing arrangement between

the local and Federal governments. Because we are a region with a strong tradition of town meeting governance, we have not been able to benefit from Federal programs that require a relinquishing of local authority. In this bill, we have created a new model that should enable us to participate more fully in federally supported land and river preservation programs.

Local land management programs, adopted as town ordinances, have put in place a preservation plan that, coupled with the comprehensive management plan, meets Federal wild and scenic standards. By resting designation on the enforcement of those local laws implementing the river management plan, we have created a Federal/State partnership that achieves wild and scenic goals in harmony with New England tradition.

For these reasons, this legislation is important to all of the Northeast, as there are other rivers in my part of the country that may need the same attention given to the Farmington. In the absence of changes in statutory language, the Wild and Scenic Rivers Act should, under the committee's able stewardship, continue to acknowledge the necessity of flexibility, as it has succeeded in doing here today.

Mr. Speaker, I am pleased and proud to endorse the committee's work on my bill and urge its passage.

Mr. Speaker, I include for the RECORD materials pertinent to this legislation, as follows:

STATE OF CONNECTICUT, DEPARTMENT OF ENVIRONMENTAL PROTECTION,

Hartford, CT, November 12, 1993.

Hon. NANCY L. JOHNSON,
Cannon House Office Building, Washington, DC.

DEAR NANCY: Enclosed are copies of recent testimony by the Connecticut Department of Environmental Protection on rivers issues currently before Congress.

We are supporting S. 1332 and H.R. 2815 concerning designation of the Farmington River into the National Wild and Scenic River System.

We also have a high level of interest in SB 589 and HR 1348 establishing a Quinebaug-Shetucket Heritage Corridor.

I would appreciate your assistance in helping to make these worthwhile proposals to reality. My staff and I are available to answer any questions you may have. I can be reached at (203) 566-2110.

Thank you.

Sincerely yours,

TIMOTHY R.E. KEENEY,
Commissioner.

STATE OF CONNECTICUT, DEPARTMENT OF ENVIRONMENTAL PROTECTION,

Hartford, CT, October 26, 1993.

Hon. BRUCE VENTO,
Chairman, Subcommittee on National Parks, Forests, and Public Lands, Rayburn House Office Building, Washington, DC.

DEAR REPRESENTATIVE VENTO: Thank you for the opportunity to offer strong support for HR 2815, The Farmington Wild and Scenic River Act. Governor Weicker, the members of the Connecticut General Assembly and the Connecticut Department of Environmental Protection all support designation of the 14 miles of the Farmington River immediately below the Goodwin Dam as part of the National Wild and Scenic River System. The Farmington River is a unique resource in Connecticut, providing some of the finest fish and wildlife habitats and recreational opportunities in the state, while meeting needs for water supply and waste assimilation.

The Connecticut Segment of the Farmington has been found by the Farmington River Study Committee to be eligible for designation based on the presense of outstanding fisheries, recreation, wildlife, and historic resources. The Study Committee has also found that segment to be suitable for designation based on strong state and local support for designation and the adoption of an appropriate management plan.

The development of the management plan was a key factor in gaining state support for designation. I have had the pleasure of representing the Governor of Connecticut on the Farmington River Study Committee since its inception. In carrying out this responsibility, one of my jobs has been to consider how designation would fit with out ongoing efforts to manage water and related natural resources and ensure the public health and safety of Conecticut's residents. Current state resource management and protection activities include water allocation and diversion permitting, water supply, water quality of fish and wildlife and recreation management programs.

I am convinced that the "Upper Farmington River Management Plan" developed by the Study Committee effectively balances the broader state management responsibilities for protecting public health and safety with the need for river protection. A number of elements of the plan are significant to the state, and are described below. The plan:

(1) establishes a 100 foot area on either side of the river as the focus of local land use protection efforts for the river and the immediate riparian corridor. The four towns which border the study segment have adopted river protection districts through local zoning to ensure the appropriate management of private lands.

(2) provides for maintenance and enhancement of the values which qualify the river for national designation, including water quality, recreational use opportunities, fish and wildlife, historic resources and scenic values.

(3) allows for consideration of future water supply withdrawals of up to 7.3 billion gallons per year, while maintaining the character of the river and its wild and scenic values.

(4) requires a number of state statutory changes to assure the highest level of water quality protection.

(5) establishes a Farmington River Coordinating Committee (FRCC) to coordinate implementation of the plan.

(6) requires notification of the National Park Service and the FRCC of any actions requiring a state permit, and allows NPS intervention in uses, withdrawals or other actions within or affecting the segment which require state or federal permits, funding or approvals.

The use of a comprehensive instream flow study in the planning process has allowed the analysis of varying river flows to determine the water resource management regimes needed to protect and enhance the river. A significant provision of the plan, based on this analysis, is the ability to consider future use for public water supply if it can be shown that such use is not detrimental to the wild and scenic values. This provision allows us to fulfill our responsibility to provide pure and adequate supplies of drinking water to state residents should it become necessary in the future.

It is my belief that implementation of the plan will enhance our ability to protect the river's wild and scenic values by allowing more public input into federal and state resource management programs. I fully support designation of the Upper Farmington into the National Wild and Scenic Rivers System, and implementation of the Upper Farmington River Management into the National Wild and Scenic Rivers System, and implementation of the Upper Farmington River Management Plan as the cornerstone for such designation.

It is the intent of the State of Connecticut to work with the Federal Government, the communities in the region, local interest groups and the strong base of local support to ensure effective management of the Upper Farmington once it is designated. Thank you again for the opportunity to present this statement of support for HR 2815.

Sincerely yours,

ROBERT MOORE,
Deputy Commissioner.

[From the Hartford (CT) Courant, Feb. 25, 1994]

BILL WOULD PROTECT RIVER'S BEAUTY, WILDLIFE AND RECREATION

(Nancy L. Johnson and Norman Rogers, Jr.)

Images of spectacular beauty, diverse wildlife and recreational bounty come to mind when the Farmington River is mentioned. But the Farmington is under increasing pressure for exploitation precisely because of its rare quality.

A bill before Congress would designate the upper 14 miles of the Farmington River as a national "Wild & Scenic River." If enacted, this would be Connecticut's first Wild & Scenic designation and its single greatest river-protection achievement. Wild & Scenic designation provides the highest level of protection a river can receive in the United States. It is the strongest authority for protecting rivers from harmful diversions and discharges that threaten their quality.

Designation would prohibit any water-related project licensed, permitted or funded by the federal government that would be adverse to the river. It would establish strict standards for withdrawing or diverting water—standards that exceed current state law.

In addition to the strong federal protection, a Farmington River management plan, completed last April, establishes a high standard of protection for the river and is the cornerstone for designation.

Together, Wild & Scenic designation and the management plan will safeguard the river's beauty, fish, wildlife, ecological health and recreational uses.

An unprecedented level of local control was built into the proposed designation. Special measures are included that prohibit any federal land condemnation or management. Private lands will remain private; their regulation will remain a local responsibility.

The Farmington River Management Plan embodies an unprecedented level of cooperation among diverse river interests, such as Farmington Valley towns, the Farmington River Watershed Association and other river-advocacy groups, the state, riverfront property owners, the Metropolitan District Com-

mission, the National Park Service and river recreationists.

The goal most passionately sought by Farmington Valley towns is the protection that Wild & Scenic designation provides against a harmful diversion of water from the river. Although not an absolute ban, designation will prevent all diversions that the people of the Farmington Valley are worried about—those that would adversely affect the river. Under designation, any proposed diversion that would weaken the protection and integrity of the river would be considered adverse and prohibited.

An independently conducted study was performed to determine the flows needed to protect the river's natural, recreational and scenic characteristics. It found that at peak flows, such as those that cause spring flooding, there is more water than is needed to protect these characteristics. In extreme high-flow conditions, water could theoretically be stored to help augment river flows later and, if sufficient, provide for some withdrawal.

However, Wild & Scenic designation is by no means a permit, encouragement or invitation for withdrawal. To the contrary, designation and the management plan establish strict conditions and standards that guarantee protection of the river if a limited diversion is ever proposed. These standards will protect fish habitat, canoeing and kayaking, tubing, fishing and water quality.

Although a diversion is theoretically compatible with strong river protection, the burden of proof would be on the applicant to demonstrate compatibility between an actual diversion proposal and the river-protection standards established in the management plan.

With Wild & Scenic designation, the river's characteristics must remain as they are—or be enhanced—before any diversion could proceed. Without Wild & Scenic designation, there are no such guarantees.

The Wild & Scenic Study has been conducted through an open public process, and there is extensive public support for designation. In addition to public forums, workshops, open study-committee meetings, thousands of volunteer hours have been dedicated toward achieving designation.

The Wild & Scenic Study Committee, which includes representatives of Hartland, Colebrook, Barkhamsted, New Hartford, Canton, the Farmington River Watershed Association, the Department of Environmental Protection. Gov. Lowell P. Weicker, Jr. and the Metropolitan District Commission, gave its unanimous support. Several committee leaders also contributed to this article: Nathan Frohling, director of the watershed association; state Sen. James T. Fleming, R-Simsbury; Robert Moore, deputy commissioner of DEP, Anthony Gallichio, chairman of the MDC, and Philip Huffman, study manager for the National Park Service.

Other local groups, such as the Farmington River Anglers Association and the Farmington River Club, have participated actively and endorsed designation. Many other organizations have also endorsed designation, including American Rivers, the National Audubon Society and the Sierra Club.

The greatest achievement, however, is that residents of the Farmington Valley have dared to make a difference and acted to protect something they love.

Mr. GEJDENSON. Mr. Speaker, I rise today in strong support of H.R. 2815, the Farmington Wild and Scenic River Act. I am an original cosponsor of the bill, which is supported by the entire Connecticut congressional delegation. This legislation strikes a balance between many interests, and will allow us to protect some of the most magnificent river segments in my State.

The segment of the Farmington that this bill will protect includes a spectacular gorge, know as Satan's Kingdom, which is renowned for its white water and is extremely popular with many river users. The river also provides habitat for Atlantic salmon, which the Fish and Wildlife Service is studying for designation as a threatened species. Numerous historic structures can be found on the river's banks as well.

Residents in several towns along the Farmington River have been working for wild and scenic designation for about 6 years. Many varied interests and river users have been involved in developing plans for the region. The National Park Service has studied the area and concluded that it has significant resources worthy of protection. The Farmington River Study Committee produced a management plan last spring which was unanimously approved by its members. This bill is the result of a consensus process.

Mr. Speaker, by passing this bill we will be able to protect valuable natural resources, which provide habitat to numerous species, and many historic sites. In addition, wild and scenic designation will ensure that various river users will be able to enjoy it for years to come. I urge my colleagues to support this important measure.

Mrs. KENNELLY. Mr. Speaker, we are considering today a bill to protect one of Connecticut's most treasured resources—the Farmington River. This bill, sponsored by my good friend Mrs. JOHNSON and supported by all of us in the Connecticut delegation, would protect 14 miles of the west branch of the Farmington River by including it in the National Wild and Scenic Rivers System.

A wild and scenic designation is the only protection that can permanently guarantee that no federally licensed or funded water project be allowed to harm the river. It would protect the waterway's fisheries, wildlife, and recreational potential, and contribute significantly to our enjoyment of the river.

Today's legislation will not only protect the Farmington River, but has the potential to help rivers nationwide. The bill contains important language to promote local autonomy and self-determination, which will help local governments settle the sometimes difficult issues which arise during consideration of preservation status.

This local stewardship approach states that the Federal Government cannot pursue land acquisition or management, ensuring that local authorities will retain significant influence. This can be particularly important when rivers abut private property. It is an important distinction which should contribute to greater preservation efforts.

This legislation is the result of cooperation among many different parties—Governor Weicker, the Connecticut Department of Environmental Protection, the Metropolitan District Commission, the Farmington River Watershed Association, and local municipal authorities. Many people have worked together on this project—this bill is testimony to their efforts and to the merits of their project.

Mr. Speaker, I appreciate the work of Chairman VENTO and his subcommittee for moving this important legislation forward. I would also like to commend my colleague Mrs. JOHNSON for her hard work and encourage this Chamber to quickly pass this bill.

Mr. HANSEN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I urge support for this measure.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 2815, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

THE RETIREMENT OF THE HONORABLE HAMILTON FISH, JR., MEMBER OF CONGRESS

Mr. GILMAN. Mr. Speaker, it is with deep regret that I rise to inform our colleagues of the unanticipated announcement by our colleague, the gentleman from New York, Representative HAMILTON FISH, JR., of his intention to retire at the end of this Congress. This is an irreparable loss for our region, our State, and for the Congress.

HAM FISH has been an inspiration to all of us and to the American people. His 26 years of dedicated service in this chamber is a benchmark of public service that will not soon be duplicated. His outstanding leadership, his intellect, his dedication and his sterling character will be greatly missed.

Since his first election to Congress in 1968, HAM FISH impressed this Chamber and the entire Nation with his selfless devotion to public service. His brilliant legal mind was demonstrated in the spotlight of the Watergate crisis when, as a junior member of the House Judiciary Committee, we had the benefit of his dedication to upholding constitutional law and his insistence on integrity.

Having since risen to the position of ranking Republican on the Judiciary Committee, HAM FISH led the fight to strengthen our civil rights laws and the judicial process. His crusade on behalf of a realistic and equitable immigration law is one of the many ways he was of immeasurable service to our Nation. He always maintained close contact with his own constituency and the people of the Hudson Valley always knew he could be counted on as a leading spokesperson for the interests of our region.

HAM FISH brought to this chamber a long family tradition of public service.

His father, his grandfather, and his great-grandfather blazed a path in this Chamber which would have been difficult for any individual to follow. HAM did so in a manner which would have made his forbearers and all Americans proud.

I extend best wishes for good health and happiness to HAM, to his wife Mary Ann, and his entire family. I assure them that he will be sorely missed in the Congress and by the many Americans who looked up to his particular brand of Public Service leadership and devoted Americanism.

□ 1312

COMMUNICATION FROM ACTING DIRECTOR, NONLEGISLATIVE AND FINANCIAL SERVICES, U.S. HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore (Mr. FIELDS of Louisiana) laid before the House the following communication from the Acting Director, Non-Legislative and Financial Services, U.S. House of Representatives:

WASHINGTON, DC, MARCH 9, 1994.

Hon. THOMAS S. FOLEY,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to notify you formally pursuant to Rule L (50) of the Rules of the House that the Office of Finance has been served with a subpoena issued by the United States District Court for the District of Columbia.

After consultation with the General Counsel to the House, I have determined that compliance with the subpoena is consistent with the privileges and precedents of the House.

Sincerely,

RANDALL B. MEDLOCK,
Acting Director.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. BAESLER). Under the Speaker's announced policy of February 11, 1994, and under previous orders of the House, the following Members are recognized for 5 minutes each.

SHINING STARS IN EDUCATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. GOSS] is recognized for 5 minutes.

Mr. GOSS. Mr. Speaker, this Congress is in the midst of a serious debate about education reform, and much is being said about where our schools are lacking. But as we focus on giving our communities, school boards, parents and teachers the tools to improve the education of our children, we must be careful not to focus solely on the bad news and overlook the success stories. Even the best-intentioned and most far-reaching education reform would serve no real purpose if it were not for the people involved in making learning a reality. Today I rise to salute the teachers, thousands of caring and giving individuals who face up to the tremendous challenges and distractions and go on opening the doors of knowledge for children every day. Specifically, I would like to applaud two award-winning teachers from my district. Georgia Brown is a science teacher at J. Colin English Elementary School in North Fort Myers and Janet McGregor is a math teacher at Deep Creek Elementary School in Port Charlotte. They visited me in Washington while attending a program for the 1993 presidential awards for excellence in science and mathematics teaching. These national awards confer much-deserved recognition and appreciation on some of this Nation's most outstanding teachers. Ms. Brown and Ms. McGregor bring innovation, caring, and boundless enthusiasm into their classrooms, where they serve as important role models to their children. They also stand as shining stars of example in our communities. In addition to highlighting specific efforts of certain individuals, the prestigious Presidential Award Program works to underscore the benefits and rewards of teaching, encouraging other qualified individuals to join the education field. Teachers across this country are not only educating our children—but helping to secure a promising future for our country. They deserve our gratitude and support. Mr. Speaker, I am honored to commend Ms. Brown and Ms. McGregor to your attention and to recognize them as outstanding teachers.

OUR NATION'S BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine [Mr. ANDREWS] is recognized for 60 minutes, as the majority leader's designee.

Mr. ANDREWS of Maine. Mr. Speaker, last week this body engaged in a debate over our Nation's budget, and we had a vigorous debate over a variety of proposals, and we finally passed out a budget for this country.

This week, beginning tomorrow, we are going to debate whether or not we should have a constitutional amendment to our budget, that is, a constitutional amendment to balance our Federal budget. Once again, we will be engaged in the debate and discussion about priorities and about how we can and should restructure our Government in order to have fiscal responsibility and fiscal sanity in this country.

I would like to take a few moments in between these two debates and try to gain a little perspective on where we are and where we are going.

You know, back at home in Maine, I have had a variety of people in the business community ask me, "Well, Congressman, why cannot the Government act a bit more like a business? Why can it not be more focused and disciplined? Why can it not do more and function more like we in the business world have to function?"

I thought a lot about that, and I just want everyone to think a minute about what it would be like today to take over a business that used to be very profitable, but because of bad mismanagement is now failing. Your job is to turn that business around. What do you do?

Well, I suggest that there are two basic things you are going to do at the very least. No. 1, you are going to look at the budget of your company, and you are going to ask yourself how much of the expenditures that we are engaged in have nothing to do with the success of our company. And as difficult and as painful as it may be, if you are going to succeed as a company, you are going to make the difficult and painful cuts necessary to keep that business afloat.

But the second thing you are going to do, which is probably, in my view, just as important as the first, is you are going to have a business plan. You are going to set some goals, what you want that company doing, where you want it to be. You are going to create a strategy to reach those goals, and then you are going to make investments to put that strategy to work. You may need a new wing to your plant. You may need some new equipment, perhaps some new computer technology. You may need to train or retrain some of your work force. You may need to hire people with different skill levels.

But whatever it is, whatever it takes, you make an investment that will make your strategy reach the goal that you have set for your company.

It may set you back in the short run. You may have to borrow capital to make those investments in the short run. But you measure the wisdom of those investments and the capacity of those investments to get you where you want to go to reach your goals. You look long term, and in the long term, you seek to bring your company back to life, producing the goods and services that you want it to produce and to reach that level of profit that you seek to reach.

Now, why, ladies and gentlemen, can we not in Washington look at our budget in much the same way? Why can we not have a budget like most budgets in most households of this country, like the budgets of all solvent businesses in this country, that divides itself and divides our spending into two fundamentally different categories—capital investment on the one hand and operating expenses on the other hand—so that we take a look at where we want this country to go, what are the tools and strategies that we need to get our country there, and develop a long-

range strategy, an investment strategy that puts this country to work?

Now, what does that mean? Well, I had the pleasure this morning of meeting with citizens from my State, members of the Maine Municipal Association, who came in. There were city and town managers, mayors, city and town councilors, and others who day in and day out have to struggle with municipal budgets and an economy that is in a recession, people who are facing great difficulties, and they came to ask for some help.

They were saying that, "If we are going to have to meet some of the responsibilities that you are asking us to meet, some of the responsibilities, and we think some of the goals are very laudable, very good, clean water, for example, sewage systems that work, infrastructure, roads and bridges and rail systems that serve our community and build our economy."

□ 1320

We think these are good things, but we need help. We need investment. We need the opportunity to take these things and put them into operation without breaking the backs of the property taxpayers of our community and the small businesses of our community that are having a very difficult time making ends meet.

I thought about the two debates, last week's debate over the budget on the one hand and the balanced budget amendment that we will be debating tomorrow on the other hand. I took a look at some of the alternatives to the budget passed on this floor last week, specifically the one that was sponsored by, promoted by the gentleman from Ohio [Mr. KASICH], for whom I have the greatest respect, and I saw in some of the very programs and investments that are so critical to these Maine communities, and I saw proposals for cuts.

The Community Development Block Grant Program, for example, that takes Federal dollars and helps to meet critical needs in local communities without breaking the backs of property taxpayers was proposed to be cut. I looked at important loan and grant programs, revolving fund programs to help the cause of clean water in these communities, and developing sewer systems and infrastructure that works. I saw those proposed to be cut.

I have to ask myself the question: What ultimately is going to get this budget under control? What ultimately is the key to our success as a country when it comes to our fiscal problems? The answer is: Our economy, the creation of jobs and jobs growth, investment, and productivity; that is the key.

So, we have a proposal before us that seeks to undermine and cut the very economic foundation that communities across this country need in order to be successful, investments that are needed to produce goods and services efficiently, investments that are needed to take products from plants and get them to the marketplace efficiently, investments that communities are seeking so that they can provide that kind of economic assistance while not breaking the backs of our property taxpayers.

And I look at a budget that includes as cuts those very investments, and I ask: Why? What is wrong with this picture?

Well, I frankly think, ladies and gentlemen, that what is wrong with this picture is that we have developed in this country a vision that is simply too narrow. In the business world, we look at investments too often and look at the returns that will be provided in the next quarterly profit sheets. In Government, in politics, in Washington, D.C., too often we look at these issues and these questions and these resolutions and we see them only in terms of the next election.

We have got to change. We have got to change in the private sector; we have got to change in the public sector. We have to begin to look at our investments long term, not just in terms of what the next quarterly reports are going to show us but in terms of what is the long-term strength of these communities and the corporations, what that is going to be with the long-term ramifications for our communities and our neighborhoods and our working families.

The same is true here. We should not be immune from that test. Members of Congress have got to take a look at these votes and see not just what the ramifications are in the next election cycle but what the ramifications are for the next generation of Americans, whether or not we are going to take the tough stands today to generate a return of economic strength and growth tomorrow.

We have got to look ahead. But we have got to have the tools to put the proposals before us in that prism. Judge these proposals on the basis of whether or not, A, we can afford them in terms of operating expenses day to day; B, whether or not long-term investments are going to generate economic strength and growth for tomorrow.

Ladies and gentlemen, the budget structure that we have today makes no distinction between capital investment on the one hand and operating expenses on the other. That is wrong, it is shortsighted, and it needs to change.

Mr. Speaker, I testified before the group of Members of the House and Senate who worked over the last several months to reorganize Congress, to restructure Congress, to reform Congress. And I proposed, as one of my major proposals, that we change all that by dividing our budget into those two categories and that when it comes to the first category of capital investment, that we engage in a national debate about what critical investments we need to make today in order to increase productivity, increase private investment, increase economic growth and job creation, and focus our debate on that.

Pass a capital budget geared to that, and then measure the success of that capital budget on the degree to which this country moves forward and meets those economic goals.

You know, I am a member of the Democratic Party, I am a proud member of the Democratic Party, but I like to make reference to a Republican President of a few years ago who understood this notion, Dwight D. Eisenhower.

Eisenhower looked across this country and he gave a vision of a National Highway System, and he said, "You know, it may take a few decades for us to get there, but I envision a national highway system that will not only create jobs in the creation and building of that National Highway System, but will create thousands and thousands of jobs once it is built by making our transportation system in this country that much more efficient."

Well, it took a vision, it took some investments, and it took capital, but we put thousands and thousands of people to work, and we have in fact built, 35 years later, that Interstate Highway System that is doing the job it was set out to do. It took some vision, it took some investments, and we are now reaping the returns on that investment.

You know, when I look around the planet and I see those nations that we are competing against in the new, emerging global economic competition of the future, I see nations that are making enormous investments in this kind of capital investment that we are talking about here this afternoon, investments in roads and bridges, in first-class rail systems, first-class ports, first-class communications systems, telecommunications systems, the kinds of investments that they are seeing as critical to their nations' success in new, emerging competition of the future.

President Clinton has laid out some challenges for this Congress in a very similar fashion. Vice President GORE has talked a lot about the superhighway of telecommunications. I was very pleased that President Clinton came into Maine and talked about the need to give our commercial shipbuilders the chance to compete internationally and to join with us in Congress in making an investment of dollars to assist those shipbuilders to do that job with shipyard modernization, developing new technologies, providing low-cost loans for those who want to buy American-made ships in the commercial market.

This makes sense, ladies and gentlemen. There is a $356 billion commercial market out there in this next decade that independent analysts are telling us is going to be there—for those nations who are prepared to seize that opportunity, that is. If we are going to seize that opportunity, we need to make the investments. Those are examples of investments that we are making.

But tomorrow we are going to have a debate over a balanced budget amendment that makes no distinction between those two categories of spending, that assumes that operating expenses are exactly the same as capital investments and that we are going to establish a constitutional amendment that will say that we must balance our budget at a certain period of time, period. All things look the same, all budget categories are the same. It makes no difference if it is capital investment or an operating expense, we balance that budget.

□ 1330

Well, thank goodness, while my specific recommendation did not find itself in the final report of my colleagues' recommendations for a form of this Congress, it has made its way into this debate, and tomorrow this Congress is going to have the opportunity to make a distinction between these two types of spending and establish a constitutional amendment that says that, yes, we must, and we will, balance the operating side of our budget, that like any family, like any solvent business, we can only spend what we take in in any given year when it comes to our operating expenses. But it recognizes, novel in this debate, a thing called capital investment and the need for a capital investment strategy, and it establishes, as part of this process, a capital budget within the Federal budget in which we will make decisions and take a look at the long range implications for investments that we make today on our economy tomorrow.

As my colleagues know, even the cuts in those fundamental ingredients to make economic growth that were proposed last week in the Kasich alternative, even those cuts in the things that the communities in my State care so much about in terms of giving them economic strength, even those cuts were not enough to balance this budget, that at a point in time those budget numbers go up, and we are going to have to take a look once again at what additional cuts are going to have to be made in order to balance the budget.

Mr. Speaker, I say to my colleagues, "Ladies and gentlemen, if you agree that the key to solving our deficit problem is economic growth and strength, then you must agree that we need a strategy to build on that economic growth and strength, and that includes critical investments that will help our economies grow: roads, bridges, rail systems, communication systems, ports, the basic building blocks of strong economic growth, the investments that generate a return on investment for our workers, for our families, for our companies."

My colleagues do not need to be rocket scientists or political pundits to understand how this works. Go back to that same business that we started out with trying to save, and think about the fact that we may want to make some additional investments, perhaps build a new plant. Where is it going to be? Well, in one area we have got an area that has a first class rail system. We have got a first class airport. We have got a water and sewer system that is state-of-the-art. We have got workers who are trained, who, first of all, know how to read and write, and, second, are trained with the basic skills that one needs to be a success. And we have a vocational school and a university system nearby willing to work with us and make sure that our additional needs are met. My colleagues, that is community A.

Community B has long believed that what we need to do is save our budgets by cutting, and cutting and cutting, and so we may not have the best roads, but we will have what we got. We may not have a decent rail system, we may not have decent ports, we may not have those basic building blocks that someone in Washington was once on the floor of the House talking about. But we are trying to keep our tax rate low, and of course we are not getting much help from the Federal Government, so we do the best we can.

Well, I say to my colleagues, "If you're that businessperson seeking where you're going to make that investment, where is it going to be; community A or community B? I would suggest, if you want the best return on your dollar, it's going to be community A."

As my colleagues know, very often on the floor of this House we have these pitched, ideological battles waging day after day, sometimes hour after hour. One side thinks that Government is inherently incapable, inherently incompetent, and the best thing we can do in this Chamber is to eliminate and reduce Government to the greatest degree possible. "Get out of the way," they say, "of the private sector."

And then we have another group who believes that the private sector, the business sector, cannot be trusted, that if we do not watch their every move, they are going to create dangerous work places, they are going to rip off the consumer, they are going to engage in scandals like the S&L scandal, they are going to pollute our air and water and laugh all the way to the bank, and we have got to watch their every step.

Now we have different variations of those debates, but very often we can see one of those two polarities emerging in those debates. It is time for this community to turn a corner. We cannot afford those old, tired ideological debates of the past.

The fact is, my colleagues, that wealth is generated in this country by the private sector, and, unless the private sector is strong and growing, I do not care what we want Government to do. It is not going to be able to do it because we are not going to have the resources to do it. The private sector generates wealth and growth, and we have to understand that and respect that.

But at the same time, if the private sector wants to be successful, it is going to need a vital public sector that is working and working well to get those products to market, to provide employees that are willing and ready to do the job, to provide for an environment that is clean and healthy and the kind of environment that we want to bring up our families in. The public sector and the private sector need to be working together, not pitted against one another in a senseless, ideological debate, but working together to meet the goals of this country, and that is a vital, strong, and growing economy.

We need to look ahead, beyond this next election cycle, beyond the next quarterly reports for profits for a company. We have got a look at the next generation. We have got to look at the payback and investments that we make today, tomorrow.

Perhaps this is the most critical in the area of defense. As we all know, we are reducing defense spending in this country. It is reasonable and a sensible thing to do given the change in our world, given the elimination of the cold war threat of the former Soviet Union. It is a different world with different challenges requiring a different strategy and different investments, but along the way we find ourselves confronted with the very difficult, sometimes very bitter, reality that the defense plants are going to cut down their work force, other defense plants are going to close, and defense facilities across this country are going to be shaken down, and some are going to close completely. Never in this area of debate, and nowhere in this debate, is investment more important or planning ahead more important than when it comes to those communities that are suffering the loss of defense jobs, defense facilities, and private employers building weapons.

We have a vital industrial base in place out there that has been highly successful in building things that we needed during the cold war. They won the cold war for us, and we have first class military facilities all across this country that were built, and were supplied and were maintained by people who wanted to see this country succeed and meet the challenge of the cold war.

Now that the challenge has changed, and now that we are turning a page in our history, and closing down plants and closing down defense facilities, we owe it to those communities, to those workers, to those families who were there when we needed them in the cold war, to be there when they need us in this post-cold-war era, who offer this country enormous industrial strength, and assets, first class facilities, highly trained work forces, ready to go to work to rebuild the economic foundation of this country. And what they need is a nation that is forward looking enough, bold enough, visionary enough, and courageous enough to make the investments in those plants, in those facilities, in those communities, that will allow them to be successful in the post-cold-war era.

Yes, that is going to take investment. Yes, that is going to take capital. And, yes, we may not see the return on the capital between now and the next election, or perhaps the one after that.

□ 1340

But what we are going to see is an economy that is building up from the ground, a Government willing and able to make investments in those industrial assets that are so critical for our success, and we are going to see communities beginning to thrive, building the products and producing the services that we need in the post-cold-war era just as they produced the weapons and services we needed in the cold war era. But we cannot do it if we continue this old ideological debate, if we continue to tolerate budget schemes that are way out of step with most businesses and households in this country, that do not give us the chance to look ahead and make those decisions.

Mr. Speaker, we have an enormous opportunity at this time, this week, to turn that corner, to change that budget debate, and to look ahead. I urge my colleagues and I urge everyone across America to rethink the balanced budget amendment, reject the balanced budget amendment that makes no distinction between capital investment on the one hand and operating expenses on the other, and to adopt the Wise amendment on this floor tomorrow. The gentleman from West Virginia [Mr. WISE] has taken what I just described and has put it in the form of an amendment for all to see, and he will be arguing tomorrow on the floor before this Congress and before this Nation, along with me and others who support this idea that we need to balance our operating side, because there is no question about it, we cannot take in any more than we spend in any year, but we need to distinguish between an operating budget on the one hand and a capital investment budget on the other hand and establish a capital investment strategy for this Nation that looks ahead, that recognizes that the true strength of this country lies in our work force, in our communities, in our neighborhoods, and recognizes finally that successfully dealing with this budget crisis, and finally bringing fiscal sanity to this town and this institution is going to depend first and foremost on economic strength and economic growth. That is going to take vision, and that is going to take investment.

Mr. Speaker, it is going to be an interesting debate tomorrow. I encourage my colleagues to engage in it fully, to consider this amendment, and perhaps starting tomorrow, we can turn this Nation around and get away from the silly debates, with those polarities that get us nowhere, and start talking about the working public and private, business and government, the American people, Democrats, Republicans, and Independents, so we can begin to rebuild this Nation's economic strength and give our children the future they deserve.

FEDERAL RESERVE OFFICIALS MISLEAD PUBLIC, FALL SHORT ON ACCOUNTABILITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, I have known for a long time that the Federal Reserve is not telling the American public the whole story about what it is doing. Records recently made available show how Federal Reserve officials have misled the public about their assessment of a possible recession that they knew might emerge from their own tight money policies. The situation I will describe is similar to 1994 because Federal Reserve officials publicly were warning about inflation while failing to fully report the threat of recession that Fed officials had discussed. The records now available for part of 1988 give a much better idea of what happened than the official public statements of the day.

The Fed keeps its true intentions from public view by releasing a totally unsatisfactory summary of what happens at its Federal Open Market Committee [FOMC] meetings where it decides on the Nation's monetary policy. A comparison of the summary of a 1988 FOMC meeting with the actual transcript shows disparities in what really went on and what was spoon-fed to an unwitting public when the Fed knew its policies might cause a recession. Do we still have that kind of misleading public posture by the Fed? Undoubtedly.

This lack of disclosure should come as no surprise. The public relies on officials who have been given the power to run large bureaucracies in a democratic government to act as their agents and to make decisions that promote their general interests. These officials may have other objectives, such as maintaining and promoting the power of their bureaucracy. In other words, Government officials who have been given the power to run large bureaucracies and who do not have to personally stand for election can and often do have other objectives than the public interest. Making the public interest these officials' first priority is known in the social sciences as the agency problem.

The same problem occurs in private businesses where managers of corporations may have different objectives than the stockholders who own the corporation. For example, the managers may want to enhance their salaries rather than maximize the profits of the corporation.

One way to remedy the agency problem is to require full and accurate accountability. Officials of Government bureaucracies must be accountable to the public. This means complete and accurate records of each individual performance of our Government officials.

Unfortunately, the Federal Reserve has regressed to less accountability in 1976. The FOMC stopped releasing detailed minutes because it was trying to evade Freedom of Information Act requests. It falsely announced that it kept no detailed records of these meetings until last October when I was able to uncover the fact that the Fed has in its possession, 17 years of FOMC transcripts.

As a substitute, the Federal Reserve began publishing and still publishes a summary of its meetings 5 or 6 weeks after they occur. The summary does not attribute any statements to individual FOMC members, only final votes which rarely reveal dissents. The summary is a mostly boilerplate recounting of economic conditions that could be obtained from many financial reports in the media. The critical need for individual accountability is lost.

Last Wednesday the Federal Reserve began releasing the FOMC transcripts I have persuaded them to release. However, they only issued transcripts for the last half of 1988. I checked one of these summaries to see if it was an accurate reflection of the transcripts. Not surprising, it was not.

At the December 13–14, 1988 FOMC meeting, the transcript clearly shows that Chairman Greenspan and the FOMC perceived signs of a forthcoming recession. After they were presented with a staff summary about the economy, Chairman Greenspan told the FOMC members:

> Having listened to all of this, certain things seem to be coming forth fairly clearly. One starts off with the quite credible concerns of Governors Kelley and LaWare about the dangers of a recession.

Then the transcript reveals that member after member of the FOMC

pleaded for tightening and even raising interest rates except for Governor Martha Seger who dissented. Many of these members are still on the FOMC. Here is what Governor LaWare said:

Let me just suggest that instead of ringing the gong, that in connection with this move we might just "jingle" the bell—that's a seasonal [Christmas] pun!—and perhaps not move the discount rate a full half point but rather move it a quarter point.

As history shows, they got their wish. The Federal funds rate rose to nearly 10 percent and their tightening was followed by a recession and by a recovery that the FOMC members also slowed to a crawl.

The inflation rate, which was officially 3.06 percent annual rate in December 1988, was overstated because of problems in the index known to the members of the FOMC. Nevertheless, the Fed decided to slay the chimerical dragon: The money supply fell to negative growth in February 1989, a product of the tighter Federal Reserve policy.

Buried in the six pages of summary later issued by the Federal Reserve and printed in the April 1989 Monthly Bulletin is the bland mention that some members cautioned that the risk of a recession stemming from substantial tightening of policy should not be overlooked. The tone of the summary can be summarized by the following quote:

Many expressed the concern that continued expansion at a relatively rapid pace raised the risk that inflation would intensify, given already high rates of capacity utilization in many industries and tight labor markets in many parts of the country.

Every American family knows what has happened. Unemployment rates went above 7 percent and are still high. There are continuing huge layoffs where workers leave good jobs and transfer to low-paying and part-time jobs.

It is time to have reasonable accountability from the Federal Reserve. I want complete transcripts and a record of what they are doing right now so the American public will know how each individual Fed official supports the current policy of raising interest rates to stop an inflation that no one can see.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GOSS) to revise and extend their remarks and include extraneous matter:)

Mr. GOSS, for 5 minutes, today, and March 16 and 17.

Mr. KINGSTON, for 5 minutes, on March 17.

(The following Member (at the request of Mr. ANDREWS of Maine) to revise and extend his remarks and include extraneous matter:)

Mr. GONZALEZ, for 5 minutes, today.

EXTENSIONS OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. GOSS) and to include extraneous matter:)

Mr. EHLERS.

Mr. BURTON of Indiana.

Mr. PETRI.

Mr. GILMAN in two instances.

Mr. ROHRABACHER.

Mr. LEWIS of California.

(The following Members (at the request of Mr. ANDREWS of Maine) and to include extraneous matter:)

Mr. STOKES.

Mr. HOYER.

Mr. SKELTON in two instances.

Mr. ORTIZ.

Mr. KANJORSKI.

Mr. REED.

Mr. SCHUMER in two instances.

(The following Members (at the request of Mr. GONZALEZ) to include extraneous matter:)

Ms. ESHOO.

Mrs. KENNELLY.

Mrs. MALONEY in two instances.

Mr. MILLER of California.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 51 minutes p.m.) under its previous order, the House adjourned until Wednesday, March 16, 1994, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2759. A letter from the Department of Defense, transmitting notification that the report pursuant to section 376 of the fiscal year 1994 Defense Authorization Act will be submitted on or about April 30, 1994; to the Committee on Armed Services.

2760. A letter from the Chairman, National Credit Union Administration, transmitting the 1993 annual report of the National Credit Union Administration, pursuant to 12 U.S.C. 1752a(d); to the Committee on Banking, Finance and Urban Affairs.

2761. A letter from the Secretary, Department of Health and Human Services, transmitting the annual report regarding the types of projects and activities funded under the Drug Abuse Prevention Program for runaway and homeless youth, pursuant to 42 U.S.C. 11822; to the Committee on Education and Labor.

2762. A letter from the Secretary of Health and Human Services, transmitting a compilation and analysis of State activities in implementing the fifth year of the Child Abuse and Neglect Prevention Challenge Grant Program, pursuant to 42 U.S.C. 5116a(1), 5116g; to the Committee on Education and Labor.

2763. A letter from the Secretary of Health and Human Services, transmitting a report on progress made in implementing the nursing facility staffing requirements, pursuant to 42 U.S.C. 1396r note; to the Committee on Energy and Commerce.

2764. A letter from the Secretary of Health and Human Services, transmitting a report on the prospective drug utilization review demonstration projects, pursuant to Public Law 101-508, section 4401(c)(1)(D) (104 Stat. 1388-159); to the Committee on Energy and Commerce.

2765. A letter from the Secretary of Health and Human Services, transmitting a report entitled "Progress Through Partnerships: Office of Minority Health's Report to Congress," pursuant to Public Law 101-527, section 2 (104 Stat. 2313); to the Committee on Energy and Commerce.

2766. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

2767. A letter from the Comptroller General of the United States, transmitting a report entitled "Addressing the Deficit: Budgetary Implications of Selected GAO Work"; to the Committee on Government Operations.

2768. A letter from the Chairman, National Transportation Safety Board, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 1993, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

2769. A letter from the Solicitor, U.S. Commission on Civil Rights, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 1993, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

2770. A letter from the Director, Federal Bureau of Prisons, transmitting the Federal Bureau of Prisons' annual report on functional literacy requirement for all individuals in Federal correctional institutions, pursuant to Public Law 101-647, section 2904 (104 Stat. 4914); to the Committee on the Judiciary.

2771. A letter from the Secretary, Naval Sea Cadet Corps, transmitting the annual audit report of the corps for the year ended December 31, 1993, pursuant to 36 U.S.C. 1101(39), 1103; to the Committee on the Judiciary.

2772. A letter from the Deputy Administrator, General Services Administration, transmitting an informational copy of the report of building project survey for Springfield, IL, pursuant to 40 U.S.C. 606(a); to the Committee on Public Works and Transportation.

2773. A letter from the Secretary of Energy, transmitting the annual determination regarding the viability of the domestic uranium mining and milling industries for calendar years 1983 through 1992, pursuant to 42 U.S.C. 2210b(a); jointly, to the Committees on Natural Resources and Energy and Commerce.

2774. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation entitled "Coast Guard Authorization Act of 1994," pursuant to 31 U.S.C. 1110; jointly, to the Committees on Merchant Marine and Fisheries, the Judiciary, Public Works and Transportation, Ways and Means, and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FROST: Committee on House Administration. House Resolution 369. Resolution providing amounts from the contingent fund of the House for the expenses of investigations and studies by certain committees of the House in the 2d session of the 103d Congress; with an amendment (Rept. 103-433). Referred to the House Calendar.

Mr. FROST: Committee on House Administration. House Resolution 387. Resolution providing amounts from the contingent fund of the House for continuing expenses of investigations and studies by certain committees of the House from April 1, 1994, through May 31, 1994. (Rept. 103-434). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SCHUMER:

H.R. 4030. A bill to assist victims of crime; jointly, to the Committees on the Judiciary and Energy and Commerce.

H.R. 4031. A bill to provide for the prosecution as adults of juveniles 13 years old or older for certain crimes of violence; to the Committee on the Judiciary.

H.R. 4032. A bill to provide the penalty of death for certain crimes; to the Committee on the Judiciary.

H.R. 4033. A bill to assist in the prevention of crime by initiating a comprehensive community justice program; jointly, to the Committees on the Judiciary, Education and Labor, Energy and Commerce, Banking, Finance and Urban Affairs, and Government Operations.

By Mr. MILLER of California (for himself, Mr. VENTO, Mr. LEWIS of Georgia, Mr. MARTINEZ, Mr. HINCHEY, Mr. GEJDENSON, Mr. DE LUGO, Mr. LEHMAN, Mr. FALEOMAVAEGA, Ms. SHEPHERD, Ms. MCKINNEY, and Mr. JOHNSON of South Dakota):

H.R. 4034. A bill to amend the Urban Park and Recreation Recovery Act of 1978 to authorize grants for the expansion of recreation opportunities for at risk youth in urban areas with a high prevalence of crime, and for other purposes; to the Committee on Natural Resources.

By Mr. EDWARDS of California (for himself and Mr. SCHUMER):

H.R. 4035. A bill to establish constitutional procedures for the imposition of the death penalty; to the Committee on the Judiciary.

By Mr. KING (for himself and Mr. LEVY):

H.R. 4036. A bill to authorize the Secretary of Housing and Urban Development to make organizations controlled by individuals who promote prejudice or bias based on race, religion, or ethnicity ineligible for assistance under programs administered by the Secretary, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. RAHALL (for himself, Mr. MINETA, Mr. SHUSTER, and Mr. PETRI) all by request:

H.R. 4037. A bill to amend title 23, United States Code, to provide for designation of the National Highway System, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. ZIMMER:

H.R. 4038. A bill to direct the Director of the U.S. Fish and Wildlife Service to conduct a study of the feasibility of establishing a national angler's license; to the Committee on Merchant Marine and Fisheries.

By Mr. PETRI:

H.J. Res. 337. Joint resolution to designate the month of September 1994 as "National Sewing Month"; to the Committee on Post Office and Civil Service.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 786: Mr. HUTCHINSON.

H.R. 916: Ms. VELÁZQUEZ.

H.R. 1012: Mr. REYNOLDS and Mr. HUTTO.

H.R. 1497: Ms. VELÁZQUEZ.

H.R. 2448: Mr. LEWIS of Georgia.

H.R. 2599: Mr. ROBERTS.

H.R. 2721: Mr. BORSKI, Mr. PETERSON of Minnesota, Mr. DICKS, and Mr. KREIDLER.

H.R. 3205: Mrs. THURMAN.

H.R. 3333: Mr. TALENT.

H.R. 3508: Mr. SABO.

H.R. 3527: Ms. SLAUGHTER and Ms. VELÁZQUEZ.

H.R. 3660: Mr. NEAL of North Carolina, Mr. DUNCAN, Mr. VOLKMER, and Mr. CALVERT.

H.R. 3663: Mrs. SCHROEDER and Mr. KENNEDY.

H.R. 3685: Mr. GINGRICH.

H.R. 3725: Mr. ZELIFF, Mr. CRANE, Mr. HANCOCK, Mr. BOEHNER, Mr. BAKER of Louisiana, Mr. ROYCE, Mr. GINGRICH, and Mr. ROHRABACHER.

H.R. 3771: Mr. ACKERMAN.

H.R. 3866: Mr. HINCHEY, Mr. MOAKLEY, Mr. OWENS, Mrs. UNSOELD, Mr. MATSUI, Ms. VELÁZQUEZ, Mr. HOLDEN, Ms. SNOWE, Mr. CONYERS, Mr. PENNY, and Mr. BORSKI.

H.R. 3900: Mr. EVANS, Mr. KILDEE, Mr. MURTHA, and Mr. UPTON.

H.R. 3940: Mr. RAMSTAD.

H.R. 3981: Mr. POMEROY and Ms. SHEPHERD.

H.R. 3990: Mr. ACKERMAN, Mr. RANGEL, and Ms. VELÁZQUEZ.

H.R. 4013: Mr. BISHOP and Mr. KREIDLER.

H.R. 4015: Mr. INSLEE.

H.J. Res. 61: Mr. ISTOOK.

H.J. Res. 209: Mr. FRANKS of Connecticut.

H.J. Res. 302: Ms. MARGOLIES-MEZVINSKY, Mr. PALLONE, Mr. SHAYS, Mrs. MEYERS of Kansas, Mr. LEVY, Mr. HORN, Mr. TUCKER, and Mr. KILDEE.

H.J. Res. 326: Mr. DELLUMS, Mr. RANGEL, and Ms. EDDIE BERNICE JOHNSON of Texas.

H. Con. Res. 199: Mr. LEVIN, Ms. SCHENK, Mr. COX, Mr. KENNEDY, Mr. STOKES, Mrs. ROUKEMA, and Mr. BERMAN.

H. Res. 362: Mr. WILSON.

H. Res. 377: Mr. DREIER.

PETITIONS, ETC.

Under clause 1 of rule XXII,

79. The SPEAKER presented a petition of the city of Clearwater, FL, relative to unfunded mandates upon local governments, which was referred to the Committee on Government Operations.

SENATE—*Tuesday, March 15, 1994*

(Legislative day of Tuesday, February 22, 1994)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable BEN NIGHTHORSE CAMPBELL, a Senator from the State of Colorado.

The PRESIDING OFFICER. Today's prayer will be offered by the guest chaplain, Rabbi Kenneth I. Segel of Temple Beth Israel, Phoenix, AZ.

PRAYER

Rabbi Kenneth I. Segel, Temple Beth Israel, Phoenix, AZ, offered the following prayer:

Let us pray:

Eternal God, we ask Your blessing upon the United States of America and the U.S. Senate. Bless our Senators with vision and idealism, courage, and sensitivity. May they help create a nation worthy of our admiration—a nation reflecting justice and excellence and compassion.

May our Senators be challenged to cut through life's superficialities, its conventional insincerities. Out of sheer dreams may they be pointed to pressing purpose.

Fill our elected officials with the pride that keeps them from self-limitation. Purge them from the pride which leads to self-exaltation.

Spark, O God, their creativity and sense of responsibility. Through their integrity and devotion may they banish pettiness, cynicism, and divisiveness and create harmony and better understanding.

Inspire our U.S. Senators to promote a renewal of hope. Hope that will lead us to strive for human relations nourished by mutual concern and care. Hope that will see fear and suspicion yield to confidence and trust. Hope that will witness prejudice yield to tolerance. Hope which is necessary for our self-respect and for the fulfillment of our worthy common aspirations. 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, March 15, 1994.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable BEN NIGHTHORSE CAMPBELL, a Senator from the State of Colorado, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

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

RESERVATION OF LEADER TIME

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

NATIONAL COMPETITIVENESS ACT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of S. 4, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 4) to promote the industrial competitiveness and economic growth of the United States by strengthening and expanding the civilian technology programs of the Department of Commerce, amending the Stevenson-Wydler Technology Innovation Act of 1980 to enhanced the development and nationwide deployment of manufacturing technologies, and authorizing appropriations for the Technology Administration of the Department of Commerce, including the National Institute of Standards and Technology, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

(1) Brown amendment No. 1493, to institute a cost share requirement for single businesses applying for funding under the Advanced Technology Program of the National Institute of Standards and Technology.

(2) Brown amendment No. 1496, to amend rule 11 of the Federal Rules of Civil Procedure.

The ACTING PRESIDENT pro tempore. The time until 10 a.m. is equally divided and controlled by the Senator from South Carolina [Mr. HOLLINGS] and the Senator from Missouri [Mr. DANFORTH] or their designees.

Who yields time?

Senator HOLLINGS addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from South Carolina [Mr. HOLLINGS] is recognized.

Mr. HOLLINGS. Mr. President, the concept of this measure, S. 4, commenced a good 10 years ago.

We have report after report from all the technology groups that you could possibly imagine who studied the need, and urged that the U.S. Government play a more affirmative role in promoting the development of technology. These groups include the MIT commission from Cambridge, MA, called the Commission on Industrial Productivity; the Council on Competitiveness; and the Critical Technology Subcouncil.

Again and again these groups have reiterated that failure to confront this particular challenge what would result in the loss of some 2 million jobs in the nineties.

As a result, this Senator and others, the distinguished Senator from West Virginia, the Senator from Montana, and many others on the Committee of Commerce, started with the approach of trying to develop technology in the Department of Commerce.

In the trade bill in 1988, and the Finance Committee asked each of the committees to report their contribution to our competitiveness in international trade and, more particularly, what each committee might have under its own discipline, for instance, technology under the Department of Commerce.

So, we had a report and an amendment that was reported out unanimously in 1988 by the Committee of Commerce. It was included in the Finance Committee's work. We had then, on the floor, an amendment by our distinguished colleague from Ohio aimed at reorganizing the Department of Commerce with a different approach than what we in the Commerce Committee, had invisaged.

My point here is we discussed it, we deliberated over it, we not only reported it out unanimously from the Committee of Commerce, but more particularly we debated this particular issue in 1988. That approach at that time was tabled, and the Department of Commerce was found to be the lead agency. And that was written into the 1988 law. The 1988 law included the technology extension activities, the Clearinghouse on State and local initiatives, the regional centers for the Tansfer of manufacturing technology and, of course, the Advanced Technology Program.

So, the Department of Commerce was designated as the lead agency. And we had another authorization in 1990.

In 1990, the committee reported out again, unanimously, the authorization for the National Institute of Standards and Technology, which included a 26-percent increase in the advanced technology program. It still was a modest sum of money.

It was at that time then that the Bush administration finally picked up

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

on the initiative and they moved to get America competitive in the field of technology.

That bill was held up on the floor for a year by my former colleague, Senator Kasten of Wisconsin, who was trying to get, at that time, a product liability measure up for debate, and it was not until December 1991 that we actually passed the NIST bill. It was held up for a solid year. But in December 1991, it passed. The House passed it then in February 1992, and on February 14, 1992, President Bush signed into law the authorization that we are now under and is presently law.

I guess somehow it has been missed in this entire debate over the last solid week, that this is an ongoing program; that it was well conceived.

John Young of Hewlett-Packard; George Fisher, then of Motorola; and other business leaders, say:

U.S. public policy does not adequately support American leadership in critical technologies.

Other nations already spend more nondefense R&D as a percent of GDP than the United States, and they are steadily increasing these levels. The United States needs to increase support for R&D and focus more resources on nondefense R&D that is commercially relevant.

Well, commercial relevance is the concern of the Commerce Department. I emphasize this because time and again in the debate last week, the question was asked: Do we really want the Department of Commerce in this?

We decided, you see, over 5 years ago that Commerce was the appropriate lead agency. And it has been recommended by the best of the best of minds in the fields of technology and industry.

The report says:

The most effective programs are those that encourage sharing of the cost and results of precompetitive research and that stimulate private-sector proprietary R&D and commercialization.

And, of course, that is exactly the course we followed. Specifically, we emphasized cost sharing, so you would not have picking winners and losers by the Government; but rather the industry itself, under this particular bill, must launch the initiative; industry must make the application; industry must come up with at least 50 percent of the funding. Indeed, experience has shown that industry puts up nearly 70 percent of the money.

And, at that time, on the counsel of the distinguished Senator from Missouri, we put in the matter of peer review, and we selected the National Academy of Engineers. So we have the merit selection; we have the requirement that industry initiate the activity. Industry brings in the money, then the projects get merit selection and peer review by the National Academy of Engineers; very deliberately done.

But they found, again and again:

Make technological leadership a central theme in the administration's public communications effort and highlight it in the President's annual State of the Union address, budget submissions and other messages on national priority.

So we also took in this particular bill the admonition of the Council on Competitiveness to make technological leadership a focus of the administration's public communications effort.

We also provide for the information superhighway. None of this is political pork or political plum, or winners and losers, but rather all initiated by the industry itself.

And that is why, Mr. President, every industry that is connected to technology and technological development has endorsed this bill. I have been in search of even one industry group that is opposed to it. We have not found a business group that is opposed to it.

When the question was asked, should we put these technology programs in the Commerce Department, we debate it and reported out unanimously two or three times, debated on the floor and passed the Senate, passed it out again.

So there is no new philosophy here. It is a steady philosophy, an intentional philosophy, an intention of the folks trying to play catchup ball for the United States of America in this global competition.

I yield the floor and reserve the remainder of my time.

Mr. PRESSLER addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from South Dakota is recognized.

Mr. PRESSLER. Mr. President, this is a historic debate in the sense that we are struggling in the Senate of the United States as to which direction to go in terms of research and development and technology in our society. We are debating about a $2 billion to $3 billion authorization here over a period of the next 2 years. But, more importantly, we are wrestling with the question: How much should the Government contribute to research? Should the Government give subsidies and grants and low-interest loans to selected high-technology companies across the country?

It has been a good debate. I salute the Senator from South Carolina for his leadership. I know he has his point of view. I salute our ranking Member from Missouri, who has reservations about this measure.

We are going to have a cloture vote at 10 o'clock, and I would guess that most Republicans will vote against cloture and most Democrats will vote for cloture. So there is a division by party here or by political philosophy, with some Members seeing Government's role as limited will vote not to proceed with the question, and those who believe in a more active Government role in terms of funding and participation will vote for it.

Now, over my years in this body, I have observed that those activities in our free enterprise system that receive direct Government grants tend to atrophy and tend to not to do as well as those other industries that have to compete and change with the times.

Indeed, we are sending people over to Russia as part of our aid program to teach them how to privatize industries, how to implement more free enterprise, how to get them to get the Government out of people's lives. There has been a change since the fall of communism. But it seems that in the United States we are moving more and more toward what we call socialism. The Clinton health-care plan, if adopted as originally proposed, would socialize about 10 or 12 percent of our total economy.

But here today, again, we are not talking about socialism, but we are talking about the Government, under the Secretary of Commerce, giving out money and grants to selected high-technology companies, and many of which would be in the Silicon Valley of California, and Government would be picking the winners and losers. This has not worked well in many other countries.

For example, let us take the drug industry. The drug industry has been under much attack in the United States, and I have been part of that. I have been a cosponsor of some of Senator PRYOR's bills in the Special Committee on Aging. Our motivation is a concern that there has been some price gouging, some unfairness.

On the positive side, most of the new pain-killing drugs that have been developed in the last 10 years have been developed in the United States or in for-profit laboratories. Nearly all the new drugs and the marvelous new procedures that have been developed have been created in a for-profit situation, with stockholders investments. Investors realize it is going to take 8 to 10 years to develop the drug and to get it through the FDA and to market it and to advertise it, and then there will be a financial reward at the end. So that ugly word to some—profit —has meant a lot of comfort to a lot of medical patients.

Europe has not produced new drugs at the same rate. They have produced a few, granted. Japan, with all of its research, has produced a lot of "me-too" drugs, but they have not produced very many new, innovative drugs.

So I would say to you, if you are interested in finding a cure for AIDS, if you are interested in finding a cure for cancer, if you are interested in finding a cure for heart disease, the evidence is that it will probably come from a for-profit laboratory where people have invested their money and their resources, picked a target and have gone forward.

For some reason, we believe that that is not true with the type of scientific and technological research we are talking about here today. The Gov-

ernment is embarking down a road of giving grants and loans to certain companies that the Government thinks are the best bets.

I would cite another example. Those agricultural commodities that have received the most direct payments are in the worst shape in terms of overall agricultural competition. And those agricultural products that have not received direct cash payments, such as cattle, pork, soybeans, are in the healthiest state. They have had their tough times and their ups and downs, but they have proved to be the most profitable for farmers and ranchers in the last few years.

There is also the issue of international competition. I know my colleague from Missouri has one example, where the Japanese Government picked a winner in Japan and it turned out to be a loser. I would like to ask my colleague from Missouri to share any information he has about this. Can the Government pick winners and losers better than the free enterprise system?

Mr. DANFORTH. Mr. President, let me thank my friend from South Dakota for getting right to the heart of the question that is before the Senate. The question really is do we believe that the Government has the special wisdom to lead the way—in advanced technology, especially? That is the heart of this legislation. It says right in the committee report that, "We believe we are moving into a new era of competitiveness and the Department of Commerce is to be a leader in this movement."

It is my position that the Department of Commerce is not well equipped to do that, and market forces work better than Government in guiding our economy.

I think the Senator is absolutely right. The leading example of a total failure is the decision of the Japanese Government, through MITI, which some hold out as an example of the way other countries and our country should operate. But MITI picked the wrong technology for getting into high-definition television. They were just absolutely wrong. The government said here is the way we should go. And it turned out to be the wrong way. So the Japanese Government not only wasted a lot of money, the Japanese Government marched that particular sector in exactly the wrong direction.

Murray Weidenbaum, who is the former Chairman of the Council of Economic Advisers and a professor of economics at the Washington University in St. Louis, has other examples. He said at one point MITI attempted to get Sony out of the electronics market. He said MITI tried to keep Honda and Mazda out of the automobile business at one point because it underestimated the growth of Japan's automobile export market.

Another example—I do not know whether people would call it a success or not, it certainly has been very injurious to a major industry in the United States—is aerospace. Airbus industry has never made a profit as of 1990 or 1991, I cannot remember which. But there was a major study of Airbus. As of that time the European governments had spent $26 billion propping up Airbus through, among other things, research and development grants, the same kinds of things we are talking about here. Is it a successful product? It certainly is successful insofar as it has captured about a third of the commercial aircraft industry. But it is not successful as a business enterprise because Airbus has always lost money.

One of the things that happens when the Government makes these decisions and the Government puts its dollars behind those decisions and people get employed in these businesses that are backed by Government, it is very, very hard for Governments to ever pull the plug. That I think is the situation with Airbus in Europe.

I think the Senator has made a very good point.

Mr. PRESSLER. I thank my friend and I thank him for his leadership on this issue.

I would add another aspect to this whole debate that troubles me somewhat. Whenever our Secretary of Commerce has the ability to give money out in grants or low interest loans to companies, the specter of who is influencing the Government always arises. Last year we had a campaign reform bill on this floor. I thought it was a good campaign reform bill. I voted for it, although I was only one of seven on my side of the aisle who did, because I had an amendment in it that would eliminate political action committees. When campaign reform came up in the other body, the majority party in the other body tailored their bill so that it fits perfectly the people who are receiving PAC money and does not cut any campaign spending. It simply accommodates the practices that exist currently. Their bill has been called campaign reform and it is not campaign reform at all, it is incumbents protection reform—if anything.

But when I look at the bill that is before us, it means the Secretary of Commerce is going to be selecting companies and handing them grants of taxpayers' money. Those companies will have political action committees, or will form them—many of these are in the computer and electronics industry where many have not yet formed PAC's. But they will form PAC's, they will raise money for candidates, they will be giving money. They will be asked to give money to the National Democratic Party, to the National Republican Party, and there will be newspaper articles written. You can say you heard it first on the Senate floor today. There will be many articles written saying how could Congress have set up such a conflict of interest? Because the very companies that are getting these grants will be asked for—and shaken down for—campaign contributions to the respective parties and candidates. You will be reading about this in 3 or 4 years if this bill passes.

So it is yet another area where there is a conflict of interest. I wish there was a way to say none of the companies that receive these handouts from the Secretary of Commerce could make political contributions, but that would be a violation of free speech, I am told. I was going to offer an amendment to that effect.

So I am concerned about that aspect. When taxpayers' money is handed out to selected companies, the average taxpaying citizen always has those questions.

I view this debate as far more than the $2 billion we are talking about for the first period of time. I view this as a fundamental question about which direction we are going in terms of Government involvement in our research. I would be one who would be much more attuned to some form of a tax incentive system, perhaps, or some other incentive system. But for the Government to give out subsidies, it makes me very uncomfortable.

I predict this bill may well become law. In 2 or 3 years we may regret this step because it will dry up private money for research. Government bureaucrats will make decisions regarding what type of research should be done rather than the marketplace. It is a fundamental debate as to which direction our country is going, not only in scientific research but in other areas.

Mr. President, I shall vote against the cloture motion.

The ACTING PRESIDENT pro tempore. The Senator from South Carolina [Mr. HOLLINGS].

Mr. HOLLINGS. Mr. President, before yielding to another distinguished colleague, let me emphasize here, just in an editorial years back by Business Week:

> The critics will chorus that government shouldn't interfere with the marketplace. An industrial policy, they argue, puts government in the position of picking winners and losers. An industrial policy costs billions of dollars. An industrial policy smacks of central planning, the critics charge, citing the catastrophic failure of the Soviet command economy.
>
> A coherent, knowledge-based growth policy can avoid the pitfalls the critics worry about. First, policies must be designed in such a way that no particular industries are favored. Parceling out research dollars via a scientific peer-review process and requiring business to make matching investments in some cases should protect the process from being hijacked by political interests. Shifting federal dollars out of other existing programs, such as military R&D spending, is one way to hold down costs. No, America doesn't want a Ministry of International Trade & Industry or a Gosplan. But even in

the former Soviet Union, the diversion of good ideas to the defense industry produced some unparalleled high-tech accomplishments, just as in the U.S., the diversion of talent and resources to the defense sector brought new advances. It's clear that when government sets out to achieve something, the returns can be high. In the post-cold-war world of ideas, industry and government can be partners for growth.

That is the present law. Just exactly as they say:

No particular industries are favored. They must be designed.

We got it not for the semiconductor industry or Sematech, not for NASA and aerospace, not for Chrysler and alone for automobiles. This is for all of technology.

Then second it said:

Parceling out research dollars via scientific peer review process * * *

That is exactly what we have in the law today.

and in some cases should protect the process from being hijacked. Then shifting Federal dollars out of other existing programs such as military R&D * * *

That is exactly what we are doing. We brought over the Director of DARPA, Arati Prabhakar, who oversaw the transfer of some 85 programs in some 31 States, shifted from the Department of Defense to the Department of Commerce, and that process is what is ongoing. Yet they act as though these programs are something just being started. Nonsense. They have been on course for 5 years. They were the focus of very deliberate study. They are merit based and peer reviewed.

I yield to the Senator from Connecticut.

The ACTING PRESIDENT pro tempore. The Senator from Connecticut [Mr. LIEBERMAN] is recognized.

Mr. LIEBERMAN. I thank the Chair and I thank my distinguished friend and colleague from South Carolina.

Mr. President, in this body, which has been called the greatest deliberative legislative body in the world, we sometimes end up, I suppose, by our deliberations, in a place that at least puzzles this Senator. I turn around and I scratch my head and say, "How did we end up here?"

I have that feeling this morning, which is to say: How did we end up divided essentially by party on this measure which has been and should be totally bipartisan? How did we end up at a point where we are in the midst of a filibuster, unfortunately, on partisan lines on a program that is not partisan and most critically of all is not seen as partisan by the thousands of workers in Connecticut who have been laid off who are looking forward to retraining programs but, more important, are looking forward to jobs that will only be created by programs supported by the kind of governmental partnerships created in this bill.

I am puzzled and, in that sense, I am disappointed, and I hope in some way we can get back to a strong bipartisan ground of support for the creation of new high-technology jobs that so many thousands, hundreds of thousands of people in our country are going to need if they are going to get back to work.

S. 4 did not spring miraculously out of nowhere. It is the progeny of a long history of American Government efforts—bipartisan efforts—to support economic growth. As has been stated repeatedly in this debate, probably the best example is American agriculture policy going back more than 100 years in which the Government has intervened much more aggressively than S. 4 suggests the Government involve itself in manufacturing technology. Those governmental programs of our private sector agriculture have created the most successful productive agricultural sector in the history of the world, certainly in the world right now.

But in a more limited timeframe, S. 4 is the offspring of a bipartisan policy of governmental support for research and development that has been bipartisan since the end of the Second World War and its most notable success has been the growth and dominance of the American aerospace industry in the world.

So I am troubled and I am puzzled again about how we ended up in such a partisan dispute on this bill.

Let me go to more recent history. During the administration of President Bush, debate did break out about industrial policy, about taking some of these basic principles—bipartisan principles—of Government entering into partnership to support the growth of new businesses that would create new jobs. As has been pointed out here, both the Bush and Reagan administrations backed significant increases in research programs that were very important in creating new jobs. But there was also an understandable ideological concern about intrusions into the marketplace.

The Bush administration, particularly, enunciated a series of ground rules for when and how it was appropriate for Government to play a role in R&D. They never, in my opinion, by all the documents, had any doubt about whether or not the Government should play a role in research and development.

I quote, Mr. President, from the 1993 final budget submitted by the Bush administration in the section "Enhancing Research and Development."

The Federal Government has a long history of funding research and development with the goal of spurring innovation. It is widely acknowledged that research and development investments lead to new knowledge and innovation, which in turn leads to economic growth. There is also strong analytical evidence that research and development is an important contributor to productivity growth.

And it goes on and it goes on and it goes on.

Mr. President, what is most significant, as I look back at the Bush administration, is that that administration, speaking particularly through Dr. Bromley, who was the science adviser, enunciated a series of ground rules for when and how the Government should play a role in R&D without getting into this business of winners and losers. There were clear ground rules:

One, while the Government should support technology development, its support should occur at what the Bush administration called the early precompetitive stage, before it gets commercial, before it gets into the marketplace, so the Government was not intervening to help one marketplace competitor against another, which would be picking winners and losers.

Second, the Bush administration said that it wanted technology investment decisions to be led by industry, not by Government. And it wanted all investment decisions to be peer reviewed to help ensure quality programs were selected.

Third, the Bush administration wanted to make sure that the investments Government made in research and development made sense; that they were not just economic dead ends in the mind of some Government bureaucrat.

So the Bush administration required that every Government dollar in research and development in these programs had to be matched by an industry dollar; industry had to be ready to absorb an equal and, in fact, a primary, a first risk, 50–50, on these new investments.

In my opinion, Mr. President, those are strong ground rules, those are sound ground rules and they were supported by Congress. But please note that each and every one of these ground rules is for governmental involvement in stimulating research and development, and the growth of high-technology jobs that was enunciated by the Bush administration is reflected, is fundamental to S. 4, this bill that is now the victim of a filibuster. That is why I say I do not know how we ended up in this partisan division on this bill, which is the logical continuum from years of bipartisan support.

Mr. President, the Bush administration spoke on behalf of these kinds of programs, not just in the principles that I have described, but they put their money where their mouth was.

In the final Bush administration budget, two of the programs that are supported in S. 4 were recommended for substantial increases. The Advanced Technology Program recommended fiscal year budget 1992 of $35,900,000; recommended increase, almost twice, to $67,880,000 recommended by the Bush administration. Manufacturing technology centers and outreach, 1992 budget, $10,300,000. The final Bush administration budget, $18,187,000,

almost a doubling of the recommendation.

So there has been long bipartisan support for the basic elements contained in this bill. These manufacturing technology extension center programs were begun under President Reagan. They are based on a longstanding and successful effort in agriculture that dates back to the 19th century. The Manufacturing Extension Center Program is, in many ways, a traditional small business program similar to the programs that both parties have supported for years for small businesses.

The Advanced Technology Program was also started under President Reagan. Again, this is a major part of S. 4 that we are trying to support here.

The business community strongly supports this program. This program is led by the private sector, not by Government. It is designed to build a bridge between basic research and technology development. It is comparable to many of the R&D programs both parties have supported in many fields for many years.

Finally, this bill creates a pilot program called the Civilian Technology Investment Program, but this again did not spring out of nowhere. This program builds on an old bipartisan idea. It is based on, and would be administered by, the Small Business Administration's Small Business Investment Company Program, which dates back to the 1950's and has strong bipartisan support.

Mr. President, I am not just puzzled and troubled, disappointed by this partisan division, but I am pained by it because I know how much the thousands of workers in Connecticut, laid off by Electric Boat, Pratt & Whitney, Aetna, and a host of other big companies that have downsized in this recession, good people, hard-working people, skilled people, want to go back to work, whose families need them to go back to work, who know that their jobs ultimately will have to come from the private sector, and who will be benefited by the kinds of governmental programs, precompetitive of the private sector, that are part of this bill.

So, Mr. President, I hope that as we approach this cloture vote and, if it does not succeed in achieving cloture, the one that follows it, our friends and colleagues on the other side of the aisle will step back, look at the bipartisan history and presence of this whole concept of S. 4, and once again find a way to join with us on this side of the aisle to create a bipartisan future that will not intervene in the marketplace but will help the market create the jobs that our constituents so desperately need.

I thank the Chair, and I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. HOLLINGS. How much time do I have?

The ACTING PRESIDENT pro tempore. The Senator has 3 minutes and 58 seconds.

Mr. HOLLINGS. I yield to the distinguished Senator from Arkansas.

The ACTING PRESIDENT pro tempore. The Senator from Arkansas [Mr. PRYOR] is recognized.

Mr. PRYOR. Mr. President, I will try to be brief because we have only a few minutes.

Mr. President, I do not quite know or understand what has happened to this piece of legislation. This is one of those mystery events that takes place every once in a while in the legislative process. This legislation came to the floor, from this Senator's impression, at least having broad-based support from both sides of the aisle. Something happened. I do not know exactly what, as I said. But here we have the National Association of Manufacturers writing a letter to all Members of this body talking about the necessity of S. 4.

Mr. President, I ask unanimous consent to place this letter in the RECORD.

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

NATIONAL ASSOCIATION OF MANUFACTURERS,
Washington, DC, March 9, 1994.

Hon. DAVID H. PRYOR,
U.S. Senate,
Washington, DC.

DEAR SENATOR PRYOR: The National Association of Manufacturers (NAM) supports S. 4, the National Competitiveness Act, and urges you to vote for its passage. This legislation will markedly enhance the ability of U.S. manufacturing firms to access and adopt modern manufacturing technologies and techniques. It does so by improving the coordination of existing, yet unconnected, institutions at the federal, state and local levels. The industrial extension network provided for by S. 4 would be a resource that companies of all sizes and sectors could use to help modernize their manufacturing operations. The result will be a stronger manufacturing base and a stronger U.S. economy.

The National Competitiveness Act also builds on existing legislation, championed by then-Senator Gore and signed into law by President Bush, that boosts research and development efforts in the area of high-performance computing and networking. High-performance computing will be a key generic technology underpinning our 21st century information infrastructure.

The agenda for improving U.S. competitiveness does not end with passage of the National Competitiveness Act, but we believe enactment of S. 4 will be a significant step in the right direction. Again, we urge your support for this legislation.

Sincerely,

PAUL R. HUARD,
Senior Vice President.

Mr. PRYOR. Mr. President, also a letter from the Advanced Technology Coalition talking about the importance of job creation and moving from a defense-based economy into the private sector, and what we can do and what we must do as a country.

Also, the Council on Competitiveness supports S. 4 in a letter dated March 7. This is not something that came in last year or in January. This is a very recent indication of this particular Council on Competitiveness and their support for S. 4 now before the Senate.

Mr. President, I ask unanimous consent to have printed in the RECORD, in addition to those three letters in support of S. 4, a letter from the National Coalition for Advanced Manufacturing, once again a strong vote in support of S. 4 in its present form.

Also, the American Association of Engineering Societies. I think that we need to read a paragraph from it.

There is no question that investment in technology fosters productivity, economic growth and creation of high quality jobs. We support S. 4 because it represents a balanced effort—

I repeat that, Mr. President—

a balanced effort to strengthen the U.S. civilian technology enterprise that forms the core of our global industrial competitiveness.

Mr. President, I hope our colleagues will reflect, look back, use a little common sense and some wisdom, and put aside some of the rhetoric that has been used in this Chamber for the last few days. I hope we will vote for cloture so that we can have a vote on this legislation. It has strong support; it merits support; and it justifies the support of this body. I hope our colleagues will support cloture.

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

ADVANCED TECHNOLOGY COALITION,
Washington, DC, February 9, 1994.

Hon. BOB DOLE,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR DOLE: On behalf of the Advanced Technology Coalition, we want to express our strong support for the Senate version of the National Competitiveness Act, S.4.

We believe that the bill deserves bipartisan support. We ask that you vote for the bill when it reaches the floor in the very near future. Its passage is essential to strengthening the ability of our companies and members to compete in the international marketplace; in short, S.4 means jobs and will contribute to our nation's long-term economic health.

Combined, the Advanced Technology Coalition represents 5 million U.S. workers, 3,500 electronics firms, 329,000 engineers, and 13,500 companies in the manufacturing sector. The Coalition is a diverse group of high-tech companies, traditional manufacturing industries, labor, professional societies, universities and research consortia that have a common goal of ensuring America's industrial and technological leadership.

The members of the Advanced Technology Coalition have invested an enormous amount of time working with both the House and the Senate in developing and refining the National Competitiveness Act. The Coalition believes that its views have been heard by Congress and reflected in the bill.

In short, we believe that S.4 will promote American competitiveness and enhance the

ability of the private sector to create jobs in this country. We hope that you will play a leadership role in ensuring its passage. We would be happy to sit down with you or your staff to discuss the bill in greater detail.

Sincerely,

American Electronics Association (AEA).
National Association of Manufacturers (NAM).
The Modernization Forum.
Microelectronics and Computer Technology Corporation (MCC).
Honeywell, Inc.
National Society of Professional Engineers.
Business Executives for National Security.
IEEE-USA.
Semiconductor Equipment and Materials International (SEMI).
Institute for Interconnecting and Packaging Electronics Circuits (IPC).
Wilson and Wilson.
American Society for Training and Development.
Catapult Communications Corporation.
Dover Technologies.
Texas Instruments, Inc.
Columbia University.
Motorola.
Intel Corporation.
Cray Research.
Electron Transfer Technologies.
Electronic Data Systems (EDS).
American Society for Engineering Education.
U.S. West, Incorporated.
Electronic Industries Association.
Tera Computer Company.
Southeast Manufacturing Technology Center.
Convex Computer Corporation.
Association for Manufacturing Technology.
Semiconductor Research Corporation.
American Society of Engineering Societies.
AT&T.
Hoya Micro Mask, Inc.

COUNCIL ON COMPETITIVENESS,
Washington, DC, March 7, 1994.

Hon. DAVID PRYOR,
U.S. Senate, Washington, DC.

DEAR SENATOR PRYOR: On behalf of the Council on Competitiveness—a coalition of chief executives from U.S. industry, higher education and labor—I would like to express my support for S. 4, the National Competitiveness Act.

As a leading bi-partisan private-sector voice on U.S. competitiveness, the Council is dedicated to helping make America more competitive in the global marketplace and more prosperous at home. We believe that S. 4, through its support for civilian technology and manufacturing, is an important step towards these ends. The Council is on record as supporting several programs, in particular.

Significantly expand the Advanced Technology Program (ATP). S. 4 increases funding for ATP to $567 million in FY 1996 and requires that the Department of Commerce develop a long-term plan for the program. These provisions will promote increased private-sector investment in critical enabling technologies and allow ATP to have a more strategic impact on U.S. industrial competitiveness.

Support development and diffusion of technology, especially to small and medium-sized manufacturers. S. 4 directs the Department of Commerce to work with industry to develop new generic advanced manufacturing technologies and consolidates existing NIST quality programs into a NIST National Quality Laboratory. It also combines existing federal and state extension programs into an integrated Manufacturing Extension Partnership (MEP) to help small and medium-sized manufacturers in all geographic regions adopt modern manufacturing technologies and create high performance workplaces. These initiatives will enhance U.S. industry's ability to develop and manufacture competitive products and promote long-term economic growth.

Stimulate investment in high performance computing and communications applications. S. 4 authorizes over $350 million in FY 1995 and FY 1996 for a coordinated interagency program to support research, technology development and pilot projects for computing applications in health care, education and manufacturing. These applications will help translate the potential of a 21st century information infrastructure into tangible economic and social benefits for the American people.

We commend our continued support for these initiatives and urge you to play a leadership role in their implementation through timely passage of S. 4.

Sincerely,

PAUL ALLAIRE,
Council Chairman.

THE NATIONAL COALITION
FOR ADVANCED MANUFACTURING,
Washington, DC, February 8, 1994.

Hon. DAVID PRYOR,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR PRYOR: On behalf of the National Coalition for Advanced Manufacturing (NACFAM), I want to express our strong support for the Senate version of the National Competitiveness Act, S. 4.

We believe that the bill deserves bipartisan support and ask that you join many of your colleagues in supporting the bill when it reaches the floor. Its passage will enhance the ability of U.S. manufacturing companies to compete in the international marketplace. S. 4 would also help to expand the pool of high skill, high wage jobs for the American workforce.

NACFAM especially supports the manufacturing provisions of the bill (Title II) which, among other things, will develop a national system of manufacturing extension centers and technical services. This system will improve the ability of the nation's 360,000 small and medium-sized manufacturers to modernize through the adoption of advanced manufacturing technology and related processes critical to increasing their productivity, product quality, and competitiveness.

These small- and medium-sized manufacturers are the backbone of our domestic industrial base. Manufacturing establishments with fewer than 500 employees represent 98% of the nation's total, employ two-thirds of the manufacturing workforce, and produce nearly half of the nation's value added in manufacturing.

NACFAM, a non-partisan, non-profit, industry-led coalition, has worked as a catalyst for public-private cooperation in modernizing America's industrial base for over 5 years. NACFAM's rapidly growing membership includes 65 corporations, 175 manufacturing technology centers (making NACFAM the largest association of such centers) and 27 national trade and technical associations (representing between them over 80,000 companies and thousands of technical education institutions).

Thanking you in advance for your kind consideration of S. 4, I remain,

LEO REDDY,
President.

Washington, DC, March 3, 1994.

Re: National Competitiveness Act (S.4).

Hon. DAVID PRYOR,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR PRYOR: On behalf of the Engineers' Public Policy Council of the American Association of Engineering Societies (AAES), I am writing to express our strong support for passage of the National Competitiveness Act (S.4).

AAES is a multidisciplinary organization dedicated to coordinating the collective efforts of over 800,000 members represented by 28 engineering societies to advance the knowledge, understanding and practice of engineering.

There is no question that investment in technology fosters productivity, economic growth and the creation of high quality jobs. We support S.4 because it represents a balanced effort to strengthen the U.S. civilian technology enterprise that forms the core of our global industrial competitiveness. S.4 seeks to leverage the efforts of industry by increasing authorized funding levels for the Department of Commerce Advanced Technology Program which supports the development of industry-led, pre-competitive technologies on a competitively-awarded, cost-shared basis. The legislation would also bolster federal and state industrial extension programs across the country that provide technical expertise and help small and medium-sized companies adopt modern manufacturing technology.

S.4 was approved by the Senate Commerce Committee in May, and the bill was modified to meet the concerns of industry and other parties. The legislation has the strong backing of the Clinton Administration and thousands of U.S. manufacturers. The House counterpart to S.4 (H.R. 820) passed on May 19.

We believe a vote for S.4 is a vote to help make U.S. industry more competitive. And if the bill is debated on its merits, we believe it will receive strong bipartisan support. Attached is a copy of the testimony we presented to the Senate Commerce Committee in March.

Thank you for considering our views on the importance of this legislation to the engineering community.

Sincerely,

M. JACK OHANIAN,
AAES, Chairman.

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

Mr. DANFORTH. Mr. President, how much time is remaining?

The ACTING PRESIDENT pro tempore. The Senator from Missouri has 13 minutes 57 seconds.

Mr. DANFORTH. Mr. President, if the Chair would notify me when 10 minutes have expired, I would appreciate it.

Mr. President, let me attempt to answer some of the questions asked by various Senators but especially by the Senator from Connecticut.

There is no doubt that research is very good, and there is no doubt that technology is very good; that they do promise great things for the future of this country, and that they are the pride and joy of this country.

That really is not the issue. The issue is what is to be the role of Government? To what extent should we in

Government get ourselves entangled in the process of research and development decisionmaking which otherwise would take place in the private marketplace?

I would like to make about three points with respect to this legislation.

The first has to do with overall cost. It is a little bit of apples and oranges, I suppose, in that there are brand new programs which are created in this bill. But in the areas covered, in the general thematic areas covered in this legislation, this bill represents a very dramatic increase in dollars.

I do not think there is any doubt about that. This is not just ratcheting up or building on something that has been going on in the past. This really is an increase in dollars. In 1993, $389 million were appropriated for these programs—389. In 1994, the figure has grown to 526—$526 million, and this bill would authorize $1.37 billion for 1995, and $1.478 billion for 1996.

That is, I submit, not something that is just more of the same. But it is a fundamental change in the Government's willingness to involve itself in what would otherwise be private sector research and development.

Now, I would like to discuss two programs that I think are the heart of the problem with this legislation. The first is the so-called Advanced Technology Program.

The Advanced Technology Program began in 1990. In fiscal year 1989, nothing was spent on the Advanced Technology Program. It began in 1990 as a $10 million program. In 1991, it grew to almost $37 million. In 1992, it grew to $49.5 million; in 1993, to almost $68 million. This year, it has grown to $200 million, and in this authorization for the Advanced Technology Program, we would authorize $475 million for 1995 and $575 million for 1996. In other words, this is a program which started from nowhere and we would take it up for 1996 to a $575 million authorization.

This is a program which provides direct grants to selected businesses doing research and development. That is the whole point of the grant. It is selective grants to those businesses that are chosen, that are selected, picked out as being beneficiaries of the program.

Are we in a position, even if we think that this is a good idea—I do not happen to think it is—but even if we think that it is a good idea, is this the time for such a major increase in the amount of funding of this program?

This is a GAO report that was made to the ranking minority member of the Committee on Science, Space, and Technology in the House of Representatives, Congressman WALKER, last September. I want to say this is last September. It is now 6 months later. We have checked with the General Accounting Office and asked them if they still stand by this. My understanding is that they do. But let me just read one sentence from this report.

However, the small number of completed projects and other factors impede a program of valuation of ATP.

So the General Accounting Office says as of September we are not in a position to make a value judgment quite yet on whether this program works, and we would carry it in this legislation from $200 million to $575 million over a 2-year period of time.

This program, the ATP present program, in fact is unlike other ways in which Federal Government has spent money for research. I have a document which is entitled "The Advanced Technology Program, an Engine for Enhancing U.S. Economic Growth," and it is my understanding that this is a publication of the Commerce Department. I just want to read a paragraph from the document.

Historically, the Federal Government has focused R&D funding on support of, one, basic research, primarily at universities via NSF, NIH, and mission agencies, and two, technology development to meet specific requirements of the mission agencies such as DOE, NAFTA and DOD.

Then it goes on and says:

In contrast, the ATP is open to proposals from industry in all areas of technology.

In other words, this is not basic research money—maybe universities—and it is not research for the purpose of a product that the Government needs. This is getting involved in the development or potential development. It is down the road, somewhere between basic and actually producing the product in the private sector. It is a different kind of research, a different kind of involvement by the Federal Government in business.

The second program that I would like to call the attention of the Senate to is the Venture Capital Program. This would have a $50 million authorization for each of the 2 years of this authorization bill for a grand total of $100 million. But I would like to call the Senate's attention to the committee report which is on everybody's desk, and especially to the bottom of page 20 and the top of page 21 of the book because what the committee report says is what we allow venture capital companies to do is to borrow money with the Federal Government guaranteeing the loan.

So this is not just a $100 million program. According to the committee report, and I really suggest people read it:

Therefore, CBO estimates that the $50 million authorized for this program in 1995 would permit the Government to make or guarantee about $300 million of loan guarantees for risky projects.

That is the point of doing this program, $300 million in the first year, $300 million in the second year, a total of $600 million in loan guarantees with the Federal Government getting in the business of venture capital—venture capital companies coming to the Commerce Department and the Small Business Administration getting licensed if they meet the right standards, and then getting loan guarantees or grants or stock being bought by the Federal Government.

I think venture capital is very important. But I question whether we want to make venture capital decisions here in Washington, either in the Commerce Department or the Small Business Administration.

Mr. President, I would simply conclude by saying this really is new. This is new in the total amount. It is new in concept. It is new in the Federal Government's willingness to get involved in applying its wisdom to what would otherwise be private sector decisions with respect to research and development for product development. I think it is a mistake. If the Senate wants to do it, it is my opinion it should do it with its eyes open after sufficient debate.

Mr. HOLLINGS. Mr. President, do I have any time remaining?

The PRESIDING OFFICER (Mr. DORGAN). The Senator has 52 seconds.

Mr. DANFORTH. I yield the Senator 1½ minutes of my time.

Mr. HOLLINGS. I appreciate the courtesy of the distinguished Senator.

How can it be new, Mr. President? In 1980, we instituted the Competitiveness Policy Council. They were appointments by the Congress and President Bush. President Bush appointed Erich Bloch, the distinguished fellow who had been President Reagan's National Science Foundation Director, and he was head of the Critical Technology Subcouncil. I read from there just one section.

The Government should reorient its own R&D spending from purely military to civilian and dual use R&D. At the height of the cold war, almost two-thirds of all Government R&D went for narrow military purposes. The ratio has already declined to less than 60 percent, and should fall to 50 percent in the coming years as major defense systems are delayed or canceled. The reductions in development and testing budgets, a range of perhaps $4 billion to $8 billion, should be applied to civilian and dual use R&D. Defense research and exploratory development should be kept strong. But the new R&D budgets should also emphasize generic technologies including new materials, biotechnology, computers, especially manufacturing processes.

And continuing:

Expanding the Advanced Technology Program in the Department of Commerce to an annual program level of about $750 million.

We do not have $750 million for any of these entities. Yet, we go in NIST from $226 million to $320 million. That is the old Bureau of Standards. We go from the extension centers, from $30 million to $70 million. We go from the Advanced Technology Program, which this minute is $199 million, to $475 million. They say take the R&D from DARPA and defense, and put it over in Commerce. They recommended that we

fund it at $4 billion to $8 billion, and we are under $1 billion.

I thank the distinguished Senator.

Mr. DANFORTH. Mr. President, again, reading from the Commerce Department's publication, this one called the National Institute of Standards and Technology and Investment in U.S. Economic Growth, one of the paragraphs is:

The cross-hatch bars on the following figure show the administration's planned ATP budget from FY 1994 through FY 1997. The planned short increases will enable a substantially higher Federal investment in technology with strong commercial application as called for by the Clinton Administration's economic plan. The economic plan as described in the February 1993 document entitled "The Vision of Change for America and Technology for America's Economic Growth, a Direction to Build Economic Strength", proposes a substantial expansion of the ATP program over the next 4 years.

Also, President Bush took the position in 1992 that he would veto what was then called the National Competitiveness Act of 1992.

But, it makes it sound like it is a big partisan thing, Republicans and Democrats. I do think it is a difference in economic philosophy. I do think it is a basic difference in policy dealing with the degree to which the Federal Government should involve itself in research and development activities in the private sector.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the hour of 10 a.m. having arrived, the clerk will report the motion to invoke cloture.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the Modified Committee Substitute to S. 4, the National Competitiveness Act of 1993.

Fritz Hollings, Jay Rockefeller, Tom Harkin, Wendell Ford, George Mitchell, Dan Inouye, Richard H. Bryan, Don Riegle, Paul Wellstone, Paul Simon, Barbara Boxer, Tom Daschle, Harry Reid, J.J. Exon, Paul Sarbanes, Russell D. Feingold, Pat Leahy.

Mr. HOLLINGS. Mr. President, the leadership has asked me to put in a quorum call for 5 minutes.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The question is: Is it the sense of the Senate that the debate on the committee substitute for S. 4, the National Competitiveness Act, shall be brought to a close?

The yeas and the nays are required.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Oklahoma [Mr. BOREN] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Oregon [Mr. HATFIELD] is necessarily absent.

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

The result was announced—yeas 56, nays 42, as follows:

[Rollcall Vote No. 58 Leg.]

YEAS—56

Akaka	Ford	Mikulski
Baucus	Glenn	Mitchell
Biden	Graham	Moseley-Braun
Bingaman	Harkin	Moynihan
Boxer	Heflin	Murray
Bradley	Hollings	Nunn
Breaux	Inouye	Pell
Bryan	Jeffords	Pryor
Bumpers	Johnston	Reid
Byrd	Kennedy	Riegle
Campbell	Kerrey	Robb
Conrad	Kerry	Rockefeller
Daschle	Kohl	Sarbanes
DeConcini	Lautenberg	Sasser
Dodd	Leahy	Shelby
Dorgan	Levin	Simon
Exon	Lieberman	Wellstone
Feingold	Mathews	Wofford
Feinstein	Metzenbaum	

NAYS—42

Bennett	Durenberger	McCain
Bond	Faircloth	McConnell
Brown	Gorton	Murkowski
Burns	Gramm	Nickles
Chafee	Grassley	Packwood
Coats	Gregg	Pressler
Cochran	Hatch	Roth
Cohen	Helms	Simpson
Coverdell	Hutchison	Smith
Craig	Kassebaum	Specter
D'Amato	Kempthorne	Stevens
Danforth	Lott	Thurmond
Dole	Lugar	Wallop
Domenici	Mack	Warner

NOT VOTING—2

Boren	Hatfield

The PRESIDING OFFICER. On this vote, the yeas are 56, the nays 42; three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

Mr. WELLSTONE addressed the Chair.

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

Mr. WELLSTONE. Thank you very much.

PRIVILEGES OF THE FLOOR

Mr. WELLSTONE. Mr. President, I ask unanimous consent that David Corvette, who is a fellow in my office, be permitted privileges of the floor while I speak for the next 10 or 15 minutes.

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

Mr. WELLSTONE. I thank the Chair.

(The remarks of Mr. WELLSTONE pertaining to the introduction of S. 1928 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. Who seeks recognition?

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Dakota [Mr. CONRAD].

WHEAT IMPORTS FROM CANADA

Mr. CONRAD. Mr. President, I rise today to talk about an issue that has been of concern to the occupant of the Chair and other Senators who represent the great heartland of the country, the places which produce the vast majority of the wheat and the barley for the people of this country and also for export around the world.

We have been faced with an absolute tidal flood of grain coming in from Canada. We have been faced with that tidal flood, not because the Canadians are more efficient, not because they are more productive, but because of defects in the Canadian Free-Trade Agreement.

As the Chair knows so well, the numbers really are striking. This first chart shows what has happened with total wheat imports from Canada. If you go back before the Canadian Free-Trade Agreement was passed, you can see that there was virtually nothing coming in from Canada, virtually no product coming across our border. The reason for that was very simple: The United States is a major producer of wheat, we are an efficient producer of wheat, so there was no reason for large volumes of grain to be coming in from Canada.

That changed dramatically with the passage of the Canadian Free-Trade Agreement. As you can see, wheat products have been coming in at a greater and greater rate, so that in the 1992–93 marketing year, we saw a really alarming increase, a five-fold increase over what we saw coming into this country in the 5 years preceding the passage of the Canadian Free-Trade Agreement. That is the outlook for total wheat imports.

This next chart shows what has happened in Durum. For those who are listening and perhaps are not familiar with various wheat products, Durum is the kind of wheat that produces pasta—pasta, which is very popular all over the country, indeed, all over the world. Many people perhaps are not aware that some 82 percent of the durum produced in this country comes from our State—the State of the occupant of the chair and my State, the State of North Dakota. We are very proud of that: a high quality product, an outstanding product, produced largely in our home State of North Dakota.

Again, if we go back and look at the pattern, we see that there was no durum coming into this country from Canada before the passage of the Canadian Free-Trade Agreement in 1987.

But look what has happened since that time: A dramatic increase year after year as a flood of Canadian durum has come into this country, displacing the durum produced in our country, taking markets away from our producers, and depressing U.S. prices. Again, this is happening not because the Canadians are more efficient, not because they are more productive, but because of serious defects in the Canadian Free-Trade Agreement.

I want to now talk about what those defects are. We can very easily see the central problem that we are having, because just last week we received the results of an audit that was conducted to examine whether or not Canada is selling below their acquisition price into our market. That becomes a very, very critical question because of the terms of the Canadian Free-Trade Agreement.

Mr. President, as you know so well, the language in the agreement is explicit and clear. It says:

> Neither party, including any public entity that it establishes or maintains, shall sell agricultural goods for export to the territory of the other party at a price below the acquisition price of the goods plus any storage, handling, or other costs incurred by it with respect to those goods.

That language is about as clear as it can be. It would seem very obvious to anyone that neither party can sell into the other's market at a price below the acquisition price of the goods. But that is not what has happened.

And the reason the language does not lead to the result to which it would appear to lead is because our Trade Representative at the time, Mr. Clayton Yeutter, negotiated a secret side deal in which he told our friends to the North—

> Full acquisition price doesn't really mean that. Instead, we will create a new definition, we will leave out certain things: We won't count the transportation payment that you make; we won't count the final payment you make to your farmers; we won't count that as part of the total acquisition price.

This leads to a very odd result. This next chart shows what would happen if you had the plain language of the agreement in force. It shows the true acquisition cost for Canadian durum in 1993-94 is about $4.98 a bushel. That includes a transportation subsidy that Canada has of some 45 cents a bushel; and it counts the final payment that is made to Canadian farmers by the Canadian Wheat Board of $2.21 a bushel. But under the terms of the agreement that was entered into by Mr. Yeutter, those first two things do not even count. They are not part of the calculation of the acquisition price. They do not count as part of the true acquisition cost for the Canadians.

So instead, what we have for true acquisition price under the terms of the treaty, as negotiated by Mr. Yeutter, is this red line that only counts the initial payment to Canadian producers. Sales below the line are those which would be considered dumping at below cost. That is only $2.32 a bushel this year, Mr. President.

People who are watching may be confused at this point and say, "This is hard to understand. We have a treaty that says Canadians cannot dump below their true acquisition price into the United States market; we have a chart that shows very clearly their true acquisition cost is nearly $5 a bushel. Yet, under the terms of the agreement as negotiated by Mr. Yeutter what counts is only a price of $2.32 a bushel. How can that be?"

That is a question we have been asking ourselves, those of us who are on the front lines of this economic war that is occurring, this economic battle in which this flood tide of Canadian grain is coming into our country.

We are stuck with an unfair result. We are stuck with a result that gives these kinds of absurd outcomes, Mr. President. And now we have an audit covering the period from January 1989 through July 1992, and that audit of 105 sales shows that 3 were below the red line. Only 3 of the 105, according to the secret side deal negotiated by Mr. Yeutter, would constitute dumping below cost into our market—only 3 of the 105. But look at the absurdity of this, Mr. President and colleagues.

There were 3 of the 105 below what would be the $2.32 price today—the Yeutter definition of acquisition price, but the rest of the sales average only 58 cents above what would be a $2.32 price today. That would be somewhere in this range here—well below the true acquisition cost of the Canadian Government.

In other words, it is very clear that our competitors are dumping huge amounts of grain into this market, below their true acquisition cost. That constitutes unfair trade. No one who is a free trader would say that anyone should be able to dump below-cost goods into a competitor's marketplace. That is recognized by everyone as unfair trade. And that is precisely what this audit reveals.

Our neighbors to the north say, "Well, this audit proves that we are doing it the right way. This audit proves that we dumped below acquisition cost in only 3 occasions out of 105."

Mr. President, that assumes that you accept the definition of "acquisition cost" that was negotiated by Mr. Yeutter, a definition that clearly is far below the true acquisition cost for the Canadian Wheat Board and the Canadian Government. And the result is our farmers are competing not against Canadian farmers but against the Canadian Government because the Government controls the Wheat Board and the Wheat board can set its own acquisition price. Our farmers are put in a position that is untenable, that is unacceptable; that must be changed.

Mr. President, how can we get a different result when our Trade Representative went up and negotiated away the plain language of the agreement? How can we recover from a situation in which our Trade Representative, again, in a secret side deal, sold out the American producer? Because Mr. Clayton Yeutter took the plain language of the agreement, and, in a secret side deal, told the Canadians, "This does not mean what it says. We are not going to really look at the full acquisition cost. We are only going to look at part of it. We are going to forget about your transportation subsidy; we are going to forget about your final payment"—the combination of which equals more than half the value of the product—"we are just going to forget about that in terms of a true acquisition cost."

What do we do to recover? Mr. President, we have found that in the 1940's the United States imposed section 22 restrictions on wheat imports from Canada. That is 50 years ago. Many of us have been arguing that we ought to take action now to impose an emergency section 22 against our Canadian neighbors to make them come to the table to resolve this problem. An emergency section 22 simply means that you could put limits on what is coming into this country; we could place limits on unfair imports from Canada.

Mr. President, as you so well know, we have had difficulty convincing the administration to take that action. We have now discovered the administration does not have to file a new section 22 action. We do not need a new action. We have an action that was approved 50 years ago. However, in 1974, when there were virtually no imports of wheat and wheat products, the ITC recommended that the section 22 restriction on wheat and wheat products be suspended for 1 year—for 1 year. Unfortunately, the President instead suspended that section 22 action indefinitely—and it has been suspended for 20 years now.

But now, Mr. President, the facts have changed. Wheat is flooding into our market and interfering with our farm programs. What we ought to do is unsuspend that section 22 action and impose this limitation on our neighbors to the north so that we can get them to come to the table to fix what is clearly an egregious mistake in the so-called Canadian Free-Trade Agreement.

Mr. President, unsuspending an existing section 22 would have many advantages. It would have significant advantages with respect to the new rules under the GATT agreement. It would have significant advantages because the restrictions that are in place in that existing section 22 that has been suspended are more stringent than any we are likely to get under a new Section 22 action.

Mr. President, I am making these remarks today because a number of us, including the occupant of the chair—the Senator from North Dakota—and I, will be meeting tomorrow with representatives of the administration with respect to the administration's response to our call to take immediate action.

Mr. President, we believe we have found a new door for the administration to open, to walk through, and to take our trading partners with them. We can go back to the section 22 that is in place but that has been suspended; we can unsuspend it, and we can put enormous pressure on our friends to the north so that they are willing to renegotiate an agreement that is clearly unfair.

I hope the administration is listening. I hope our friends to the north are listening. There simply must be a resolution of this problem before we can open discussions about how we coordinate our farm policies, so that we are not engaged in this beggar-thy-neighbor policy in which they cut price; we cut price; and we all wind up with less money.

That is the path we are on today. We should not stay on that path. We should get off it. We should get off it in a cooperative and collegial way that would be in the best interests of both countries. We cannot do that until we have resolved this difficulty.

Mr. President, I am hopeful we are able to achieve that kind of breakthrough in the coming days.

I thank the Chair and I yield the floor.

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER (Mrs. MURRAY). The Chair recognizes the Senator from West Virginia [Mr. ROCKEFELLER].

Mr. ROCKEFELLER. I thank the Presiding Officer.

NATIONAL COMPETITIVENESS ACT

The Senate continued with the consideration of the bill.

Mr. ROCKEFELLER. Madam President, I am hopeful that there has been enough time for reflection and further thought on the pending bill—S. 4, the National Competitiveness Act—to break the impasse that stalled us last week. This body debated this legislation for over 4 days. Some of it was on the bill, as it should have been. I wish more of it had been on the legislation itself, so that we could determine what if any further steps we need to take to improve the bill and pass it.

As we begin again to discuss this legislation, let us review what we are being asked to consider:

S. 4, the National Competitiveness Act, is legislation designed to equip our Nation to meet the challenges of our global economy that demand a great deal from our industries, our workers, and our Government. This is a bill that builds on a tradition—one might even say a routine—of our Government to work directly with industry in doing what is necessary to stay ahead economically. For many decades, we have invested in research, in technology, and in related activities to ensure that we are producing, manufacturing, and putting our people to work. That tradition includes funding partnerships and extension efforts in agriculture, medicine, energy, defense, and aerospace.

With this bill, we are proposing how and where to build on the American tradition of working with industry to improve America's manufacturing base, create new jobs, and retain existing jobs. It is precisely why this country's small, medium, and large businesses and industry support this legislation.

They recognize that our Government has a unique and essential role in making sure that the private sector is involved in developing new technologies, turning them into commercial products, exporting and selling those products, and putting people to work in jobs that pay good wages, raise families, and are part and parcel of the American dream.

If anyone is prone to saying "keep Government out," it is American business and industry. But Madam President, they are saying the exact opposite. They are urging us to pass this legislation because they recognize the place for Government in making America prosperous and competitive—a role that industry asserts, admits, and continues to remind us every day that they can't fill on their own.

That is the point of S. 4, the bill before us. With years of thought and effort, those of us who put this package together carefully pieced together the existing programs and crafted some modest new programs that we believe will reap short-term and long-term dividends—dividends called jobs and growth. In fact, as the chairman has said for a week, the main purpose of this legislation is, in fact, to continue and sustain programs that have been in existence for years.

Programs like the Manufacturing Technology Centers that are modelled directly after what we have done for decades to help the farmers of this country. We need the same kind of network to extend basic technical assistance to this country's small- and medium-sized manufacturers.

Another criticism that doesn't belong in this bill is the charge about "industrial policy."

Now, I might say that if any of my colleagues believe that we are engaging in sinister "industrial policy" every time this body or the U.S. Government does something to promote jobs, competitiveness, and prosperity, then let's all 'fess up—we are guilty.

But if we are really honest about what all of us in this body has in common, it is a commitment to economic growth, jobs, and sustaining the American dream. That is precisely the basis for the broad and deep support for the research and development—the R&D—tax credit that we discussed at length last week.

It is the basis of support for our energy labs involved in cutting-edge research and that many Members of this body fight for year in and year out. It is why so many Senators have invested so much effort in what we call "defense conversion" so that we make use of the facilities and the people involved in our national defense to play a role in reviving our own economy.

This bill is about common sense economic and jobs policy. If that is someone's way of saying industrial policy, so be it.

But the way I see it, almost no one in this body is adverse to Government promoting, helping, and investing in what keeps our industries on top and our people employed. Some might say the R&D tax credit is enough. Others might say even more money should be poured into energy research or agricultural subsidies. The point of S. 4 is to complement all of the other ways we invest in economic growth and strength, and to fill some serious voids that threaten our ability to compete where technology is what's at stake.

In fact, this legislation—S. 4—is about as far as you can get from targeting a specific industry, technology, or region. It is designed to fill, again, the role that the private sector cannot fill and doesn't want to. The programs in this legislation are essentially generic tools to invest in technologies that industry chooses and picks; to distribute information about the latest technologies to small- and medium-sized businesses that can't otherwise get their hands on key lessons and ideas; and to give technical assistance to companies that are trying to learn how to lower costs, improve quality, and speed new products to the marketplace. I have listened to the debate over the last 5 days and I am very concerned that this discussion has degenerated into a partisan debate. We need to remember that one of our major responsibilities as elected officials is to assure that there are jobs for the current generation of Americans and their children and grandchildren. This bill speaks specifically to that long-range goal.

Madam President, I truly believe that there is support for this program on the Republican side of the aisle. Further this is not a new concept. To illustrate my point I would like to read from a letter from Dean Thomas Murrin of Duquesne University in Pittsburgh. As many of you remember, Dean Murrin was the Deputy Secretary of the U.S. Department of Commerce

under President George Bush. In addition to his positions in the Federal Government and universities, he has been elected to the prestigious National Academy of Engineering which has 1,700 members. There are over 1 million engineers in the United States—this election to the academy is clearly a great honor.

Dean Murrin wrote to me:

DEAR SENATOR ROCKEFELLER: I want to indicate my support for Senate 4 which is currently under debate in the Senate. This legislation will create the National Competitiveness Act of 1994 to assist in identifying, developing, acquiring and deploying assistance to finance needed Industrial Technology.

You may know that I have some strong positive biases on such initiatives as I was one of the few senior people in the previous Administration who vigorously supported a national effort to provide technical assistance and financial support to manufacturing industries and to encourage technology based enterprise to start—such as Commerce's ATP and Manufacturing Center Programs.

Overall, our United States urgently needs to develop an effective National Technology Strategy. Locally, I believe Senate 4 is a promising approach that will promote the economic growth needs of our Southwestern Pennsylvania region.

Accordingly, I urge you to pass Senate 4.

This letter is from the former Republican Deputy Secretary of Commerce.

Further, I believe that there is extensive support for this bill outside of the Beltway. We need to listen to constituents in the business community.

Friday morning, I also received a letter from the National Coalition for Advanced Manufacturing [NACFAM]. NACFAM is the leading industrial group working to modernize the manufacturing base in this country. It is a nonpartisan, industry-led coalition. Its members include 65 corporations—including Johnson & Johnson, Merck & Co, Allen Bradley; 175 manufacturing technology centers—including Center for Materials Production at Carnegie Mellon in Pittsburgh, Center for Technology Transfer at University of Maine, and in my home State, the West Virginia University-Industrial Extension—and 27 national trade and technical associations—representing over 80,000 companies and thousands of technical education institutions. NACFAM was the leading organization working with Senator BINGAMAN to develop the Technology Reinvestment Program. As you all know this program is part of the bipartisan effort to convert our defense industrial base into commercial production. The executive director, Leo Reddy, writes:

DEAR SENATOR ROCKEFELLER: On behalf of the National Coalition for Advanced Manufacturing (NACFAM), I want to reaffirm our strong support for the Senate version of the National Competitiveness Act, S. 4.

We believe that the bill deserves bipartisan support and ask that you join many of your colleagues in supporting the bill when it reaches the floor. Its passage will enhance the ability of U.S. manufacturing companies to compete in the international marketplace. S. 4 would also help to expand the pool of high skill, high wage jobs for the American workforce.

NACFAM especially supports the manufacturing provisions of the bill (Title II) which, among other things, will develop a national system of manufacturing extension centers and technical services. This system will improve the ability of the nation's 360,000 small and medium-sized manufacturers to modernize through the adoption of advanced manufacturing technology and related processes critical to increasing their productivity, product quality, and competitiveness.

These small- and medium-sized manufacturers are the backbone of our domestic industrial base. Manufacturing establishments with fewer than 500 employees represent 98% of the nation's total, employ two-thirds of the manufacturing workforce, and produce nearly half of the nation's value added in manufacturing.

NACFAM, a non-partisan, non-profit, industry-led coalition, has worked as a catalyst for public-private cooperation in modernizing America's industrial base for over 5 years. NACFAM's rapidly growing membership includes 65 corporations, 175 manufacturing technology centers (making NACFAM the largest association of such centers) and 27 national trade and technical associations (representing between them over 80,000 companies and thousands of technical education institutions).

Thanking you in advance for your kind consideration of S. 4.

Several Senators seem to believe that this is some new Government program in industrial policy. In fact the Federal Government has been involved with industry to improve competitiveness for many years. Prior to the collapse of the Berlin Wall, competitiveness was defined using the military paradigm. Today the word implies manufacturing for consumer goods. This bill is part of a overall strategy to move from defense-based manufacturing to consumer-oriented products.

This is not a new program. As an example, I point to a successful Defense Department program which serves as model for this program. The ManTech (Manufacturing Technology) and its predecessor, the Manufacturing Testing and Technology programs, were initiated 20 years ago to help U.S. industry develop and implement new manufacturing processes. Some examples:

A company in Woburn, MA has developed a process to produce silicon carbide—a material which is important for defense applications in the SDI program but now has commercial applications.

A company in Rochester, NY developed a new type of glass which reduces the number of lenses in sophisticated optical systems which are used in military periscopes and riflescopes. This material is now being applied to low-cost endoscopes which are used in minimally invasive surgery. These medical procedures reduce the cost of gall bladder removals and reduce the trauma to the patient. Goals which we all support.

A consortium led by Boeing (Washington) and Sikorsky (Missouri) has developed a state of the art manufacturing system for airframes. The objective is to significantly reduce processing time. Potential cost savings on one DOD project, the Comanche helicopter, is $63.6 million. This represents exactly the same type of project that this bill supports.

Clearly the Department of Defense has been able to manage these programs. I am equally convinced that the Department of Commerce and Small Business Administration will be able to manage the programs embodied in this bill.

It is interesting that the DOD program has no requirement that the industry provide any of the finding. In S. 4, we require that industry put up at least 50 percent of the funding.

Madam President, I am absolutely convinced that if everyone in this body took a deep breath, and then would take a fresh look at this legislation, it would win over the vast majority of this body's support. It would be criminal to abandon the work that is already well underway with American industry to get on top of the technologies that define what kind of country we will be for the next decade. The losers would not be the authors of this bill, although it would hurt, let me tell you. The losers would be the thousands of businesses that stand to gain from the help and investment that this bill calls for. The even greater losers would be American workers and their families whose livelihoods depend on the public-private partnerships envisioned in this legislation.

I ask my colleagues to take a fresh look at S. 4. Help us break this impasse. Help us determine what we can do to find a consensus on this legislation. It would be needlessly destructive to abandon this basic, common sense part—and it is only one piece—of what we know we have to do to be competitive and promote jobs for all Americans.

This bill deserves support inside of these walls that is as broad, as deep, and as intense as it has outside in the private sector and among people who are trying to get our attention. The reason is that this bill charts very basic steps that we need to continue taking to make it in a global economy—and I promise you, we will rue the day we get complacent about the challenges we clearly face to stay ahead in technology, manufacturing, and jobs.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Madam President, while awaiting our colleague on the other side of the aisle, we have been talking about the various antecedents to this bill—other Government-industry partnerships in recent history. On that score, I would cite President

Bush's National Science Board, which reported some 2 years ago. I ask unanimous consent that the entire report be printed in the RECORD.

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

THE COMPETITIVE STRENGTH OF U.S. INDUSTRIAL SCIENCE AND TECHNOLOGY: STRATEGIC ISSUES

[From the National Science Board, Committee on Industrial Support for R&D, August 1992]

The U.S. industrial R&D system is in trouble not only because the recent growth of R&D expenditures is lagging that of foreign competitors, but also because—in the view of many knowledgeable observers—the distribution and allocation of those expenditures is not optimal.

Both Federal and corporate policies need to be improved if the Nation is to meet international competitive challenges.

There are significant gaps in U.S. industrial R&D strength (e.g., in engineering research); further, a new threat is emerging to the country's traditional sources of strength—pioneering discoveries and inventions.

In short, the United States is spending too little, not allocating it well, and not utilizing it effectively.

FINDINGS

The Committee's principal findings follow.

1. The real rate of growth in U.S. industrial R&D spending has declined since the late 1970s and early 1980s. In addition, the Nation's position has deteriorated relative to that of its major international competitors whose investment in nondefense R&D has been growing at a faster pace than U.S. nondefense R&D since the mid-1980s.

Domestic industrial R&D expenditures slowed from an average annual growth rate of 7.5 percent (constant dollars) during 1980–85 to only 0.4 percent during 1985–91. The federally supported portion of these expenditures dropped from a growth rate of 8.1 percent to −1.7 percent over these two periods; industry's own support dropped from 7.3 percent to 1.3 percent. Almost all major R&D-performing industries contributed to this reduced growth rate.

Since 1985, U.S. growth in both total and nondefense R&D expenditures has been less than that of many of its major industrial competitors.

The United States now trails Japan and (West) Germany, its strongest competitors, in nondefense R&D spending as a percentage of gross domestic product (GDP).

2. The allocation of U.S. R&D expenditures is not optimal.

The balance between defense and nondefense expenditures is disadvantageous compared to that of foreign competitors.

International data for defense and nondefense components of total R&D expenditures (not industrial alone) as a percentage of GDP can be compared. Using six countries—Japan, (West) Germany, France, the United Kingdom, Italy, and Sweden—as a benchmark, the United States in 1989 spent almost as much as they did on total R&D, but 25 percent less on nondefense R&D.

This imbalance has been deteriorating: the fraction of U.S. R&D expenditures on nondefense decreased slightly (from 74 to 71 percent) during the 1980s, while that of the competitor group increased (from 90 to 92 percent). Thus, during the 1980s, these six competitors moved from being 22 percent ahead of the United States in nondefense R&D expenditures to being 34 percent ahead. This increase has been driven largely by Japan's huge growth in nondefense R&D spending; today, Japan spends about 3 percent of its GDP on nondefense R&D, compared to 1.9 percent for the United States.

Too little is spent on process-oriented R&D.

Several studies have found that U.S. industrial R&D is weighted much more heavily toward product technology rather than process technology. U.S. firms also allocate a disproportionately small share of their R&D budgets to the search for new and/or improved processes compared to their Japanese counterparts.

Inadequate effort is devoted to fundamental engineering research.

The rapid conversion of ideas into products and processes requires command of an ever-expanding engineering knowledge base. Yet there is an insufficiently broad and deep fundamental engineering research base on which to build.

There is insufficient emphasis on emerging and precompetitive technologies.

In the Industrial Research Institute survey, industry's "relutance to invest in new enabling technologies because the R&D may be too expensive, long-term, multi-industry, and interdisciplinary" received the largest number of first place rankings as a factor adversely affecting U.S. industry's ability to compete in global markets for high-technology products under the major category of technology management practices.

The United States faces an emerging risk of losing its traditional strength in pioneering discoveries and inventions.

Most pioneering advances of the past that have created the basis for new industries have originated in either the corporate laboratories of private firms or in research universities. Both of these institutions are under severe stress today.

U.S. expenditures are not as effective as they should be in producing needed results.

The U.S. competitive position in important, technologically based industries is deteriorating.

The once strong across-the-board U.S. position of a decade ago has deteriorated substantially. U.S. industry has already lost its leadership in several technologies that are critical to industrial performance, and is weak or losing competitive strength in others.

The U.S. time horizon has become too short, and the Nation's business decisions tend not to be based on strategic technological considerations.

In large corporations, effort is shifting away from central laboratories toward division-level effort with greater emphasis on risk minimization to meet the needs of today's customers; emphasis is also shifting away from new markets toward existing markets.

U.S. R&D is not translated into beneficial economic and social results quickly enough.

Many companies trail their foreign rivals in the commercialization of new technology. In many U.S. industries, development of new products proceeds at a much slower pace than in other countries.

4. The current information based on industrial science and technology is inadequate it has gaps, is questionable in parts, and does not provide enough detail to meet the needs of policymakers.

RECOMMENDATIONS

The Committee's findings lead to significant apprehension about the present trajectory of U.S. industrial R&D and to the conclusion that stronger Federal leadership is needed in setting the course for U.S. technological competitiveness. Implementation of a national technology policy, including establishment of a rationale and guidelines for Federal action should receive the highest priority. The start of such a policy was set forth 2 years ago by the President's Office of Science and Technology Policy, but more forceful action is needed by the President and Congress before there is further erosion in the U.S. technological position.

The Committee's recommendations focus on areas where NSF or other agencies of the Federal Government may be able to contribute to strengthening U.S. industrial competitiveness. The recommendations include policy and programmatic directions. They fall short of what is ultimately needed, however. The current course of U.S. industrial R&D demands creative policies, programs, and initiatives beyond those devised and examined by the Committee. Committee recommendations are listed below:

1. Stimulate the resumption of more rapid growth of industrial R&D to match that of foreign competitors.

Adopt Federal fiscal and monetary policies that encourage strategic investment in both tangible and intangible assets for R&D.

Encourage changes in Federal regulations and in the regulatory process to promote and facilitate technological innovation.

Establish a permanent R&D tax credit.

Put a permanent moratorium on Treasury Regulation 1.861–8 which can create a tax benefit for U.S. corporations with foreign sales that move some of their R&D to a foreign country.

2. Encourage a reallocation of R&D expenditures toward—

NONDEFENSE R&D

Establish new programs to stimulate the redirection of resources from defense to nondefense R&D.

Increase support for NSF strategic science and engineering research, particularly for activities that attract industrial cosupport. These activities include engineering research centers, science and technology centers, cooperative multi-user facilities, consortia, and individual investigator projects with coparticipation by industry.

Expand programs that directly support technology transfer activities in Federal laboratories.

PROCESS R&D

Expand and strengthen the Manufacturing Technology Centers Program and the State Technology Extension Program of the National Institute of Standards and Technology (NIST).

Encourage substantial NSF involvement in the emerging Federal Coordination Council for Science, Education, and Technology (FCCSET) Presidential initiative in manufacturing.

ENGINEERING RESEARCH

Encourage and assist in the expansion of Federal support of fundamental engineering research.

Expand and strengthen NSF's Engineering Research Center Program.

EMERGING AND PRECOMPETITIVE TECHNOLOGIES

Activate a U.S. technology policy that favors Federal R&D investment in generic precompetitive and emerging technologies important to industry.

Encourage and assist in the expansion of Federal support of fundamental scientific and engineering research that contributes to

emerging and precompetitive technologies, including the FCCSET initiatives in biotechnology, advanced materials and processing, and high-performance computing and communications.

Expand the effectiveness, scope, and outreach of NSF's Science and Technology Centers, Industry/University Cooperative Research Centers, and other industry-related programs, and couple these programs even more closely with future industry needs.

Further expand NIST's Advanced Technology Program.

PIONEERING DISCOVERIES AND INVENTIONS

Create more programmatic opportunities that encourage interaction of scientists and engineers in academic and industry to explore joint research interests with the potential for pioneering discoveries and inventions.

Support traditional and nontraditional education programs that motivate creativity, innovation, and entrepreneurship.

3. Improve the speed and effectiveness of moving R&D results from lab to market.

Explore the feasibility of NSF supporting joint science, engineering, and management education programs that focus on the integration of technology and management for leadership of both high-tech and traditional industries.

Encourage NSF activities that lead to faster dissemination of knowledge and research results among researchers in academia, industry, and other sectors.

Mr. HOLLINGS. Madam President, quoting from that record:

The committee's findings lead to significant apprehension about the present trajectory of U.S. industrial R&D and the conclusion that stronger Federal leadership is needed in setting the course for U.S. technological competitiveness. Implementation of a national technology policy, including establishment of a rationale and guidelines for Federal action, should receive the highest priority. The start of such a policy was set forth 2 years ago by the President's Office of Science and Technology Policy, but more forceful action is needed by the President and Congress before there is further erosion in the U.S. technological position.

We put in the President's Office of Science and Technology Policy 2 years before that, in 1990 and again in 1992. But the report still calls for more forceful action. I quote further from the report:

The balance between defense and nondefense expenditures is disadvantageous compared to that of foreign competitors. International data for defense and nondefense components of total R&D expenditures, not industrial alone, as a percentage of GDP can be compared using six countries, Japan, Germany, France, the United Kingdom, Italy, and Sweden as a bench mark. The United States in 1989 spent almost as much as they did on total R&D but 25 percent less on nondefense R&D.

Then in another section the particular report, states:

There is insufficient emphasis on emerging and precompetitive technologies. The Industrial Research Institute surveyed industry reluctance to invest in new enabling technologies, because the R&D may be too expensive long term, multi-industry and interdisciplinary, received the largest number of first-place rankings as a factor adversely affecting U.S. industry's ability to compete in the global market for high-technology products under the major category of technology management practices.

The United States faces an emerging risk of losing its traditional strength in pioneering discoveries and inventions. Most pioneering advantages of the past that created a basis for new industries have originated either in the corporate laboratories of private firms or in research universities. Both of these institutions are under severe stress today.

That is exactly what S. 4 is intended to address, and that is the reason why, some 6 years ago, we upgraded the old Bureau of Standards into the high-technology National Institute of Standards and Technology, at the same time launching the Advanced Technology Program.

So, I was aghast here last Monday, a week ago, when we started debate on the bill and I outlined its provisions.

Someone said, "You ought to talk more on the bill." I said, "I have been trying." Of course, Monday, most of our colleagues were not here. But we went over the different components of the bill.

We heard from the Senator from Wyoming, who said, "It is not industrial policy, it is political policy." That is Senator WALLOP, and you will see that in the RECORD.

You begin with resentment in some quarters that these programs are under the Department of Commerce. Then, going all the way back to a news article of April of last year in the San Francisco Chronicle to the effect that the National Chairman of the Democratic Party said, "Look, California is the be-all end-all of Presidential politics and we are going to have Secretary Brown channel conversion and retraining funds to that state."

S. 4 does not have any retraining funds in it. It is totally industry initiated and totally peer reviewed and based on merit selection.

But when you talk about industrial policy, there is no question that for 132 years Government has been heavily involved in agriculture. It began with the Land Grant College Act in 1862. So for 132 years, we have had an industrial policy for agribusiness.

For 79 years, Government has been in aerospace and aeronautics, with all of the spinoffs into the private commercial aircraft industry, which we all, both sides of the aisle, support. I certainly support it very strongly.

I will never forget in 1955, President Eisenhower, when we put import quotas on oil. That was industrial policy for the energy industry. Then, later in the 1970's with OPEC, we came in with the moneys for gasohol, for fusion research, oil shale, solar energy and so on. So for 40 years, we have had industrial policy in energy.

For 15 years, we have had industrial policy, it might be said, for automobiles with the Chrysler bailout.

For the past 6 years, industrial policy for all of technology, with the resolution of the National Bureau of Standards into the National Institute of Standards and Technology and the Advanced Technology Program.

So, you cannot come now and say, "Wait a minute. This is a new departure, a new philosophy, an industrial policy that we have not discussed."

This is industrial policy consonant with all the other policies in aircraft and energy and agriculture and automobiles and much more.

And now to say of S. 4, "Wait a minute; we have not discussed it"; this is simply not so. We passed it out of the committee, we passed it over on the House side, we passed it out of the committee unanimously again and again. Not partisanly done, but bolstered by President Bush's Competitiveness Policy Council in 1991, with the eminent Erich Bloch.

Mr. Bloch was the director of the National Science Foundation, at the appointment of President Reagan, and at the appointment of President Bush headed up this Competitiveness Policy Council. Therein they did talk of amounts and said we were so far behind that we ought to have a program of anywhere from $4 to $8 billion, specifically referring to the Advanced Technology Program that has already been in the Department of Commerce, the report said funding should be $750 million. We only have $457 million for next year in this and for the following year, $575 million.

So we have not even gotten up to the levels that President Bush and his eminent council recommended.

There was no idea of politicizing these programs or this bill, but obviously you can see from the vote that it has been politicized. This is a filibuster on a bill that our colleagues on the other side previously supported, a bill that they strongly recommended.

We had, 2 years ago, the distinguished Senate Republican task force on defense conversion. We had a Democratic task force. Both of them agreed.

But let us go to the words of the 12 distinguished Senators of the Republican task force, including my distinguished ranking member. I quote:

The task force endorses two programs. The National Institute of Standards and Technology is important to the effort to promote technology transfer to allow defense industries to convert to civilian activities. These programs are the Manufacturing Technology Program and the Advanced Technology Program.

When a problem arose here last year with respect to Airbus, the distinguished Senator responded with the introduction on February 24 last year of S. 419. I will read from that particular measure, from page 3, section 7:

Given current and expected reductions in defense spending and increased competitive pressures in the commercial aircraft market, it is critical for the Federal Government to coordinate its aeronautics and related programs and redirect these resources to assist

the U.S. commercial aircraft industry to meet the competitive challenge from Airbus industry.

Then it says in section 8:

The Federal Government has played an active role in research and development of aeronautical technology since the National Advisory Committee on Aeronautics [NACA] was created in 1915.

That is exactly the purpose and exactly the reference that we would give when they incorrectly say that industrial policy represents some new departure or new philosophy. So, my colleagues, do not let us get bogged down on this industrial policy rhubarb. Here it is; we have been in industrial policy since 1915, according to the Senator from Missouri.

Then going further, I read again on the next page—I ask unanimous consent that the entire bill, S. 419 of the 103d Congress, be printed in the RECORD.

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

S. 419

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 "Aeronautical Technology Consortium Act of 1993".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) a strong commercial aircraft industry is critical to the health of the United States economy: aircraft production in the United States affects nearly 80 percent of the economy, and for every additional dollar of shipments of aircraft, output of the economy increases by an estimated $2.30;

(2) a strong commercial aircraft industry is critical to the national security of the United States because of the synergies between commercial and military aeronautical technologies and the need for a strong advanced technology industrial base;

(3) the National Critical Technologies Panel has identified aeronautics as one of twenty-two categories of technologies critical to the national economic prosperity and to national security;

(4) while the United States has traditionally dominated the world commercial aircraft market, the United States aircraft industry is facing two critical challenges: significant cutbacks in defense procurement and related military spending, and the growing competitive strength of the European aircraft consortium, Airbus Industrie;

(5) Airbus Industrie, a consortium of four European aircraft manufacturing companies that have received almost $26,000,000,000 in government subsidies over two decades, has developed a family of competitive aircraft models and has captured one-fourth of the world market for large civil aircraft;

(6) in 1992, the United States signed an agreement with the European Community that permits the European governments to continue to subsidize up to 33 per centum of the development costs of new large civil aircraft;

(7) given current and expected reductions in defense spending and increased competitive pressures in the commercial aircraft market, it is critical for the Federal Government to coordinate its aeronautics and related programs and redirect these resources to assist the United States commercial aircraft industry to meet the competitive challenge from Airbus Industrie;

(8) the Federal Government has played an active role in research and development of aeronautical technologies since the National Advisory Committee on Aeronautics (NACA) was created in 1915;

(9) in recent years, however, Federal Government support for aerospace research and development has focused overwhelmingly on military and space technologies;

(10) Federal programs relating to aeronautics research and development today are spread among a number of different agencies and departments, including the Departments of Defense, Transportation, and Commerce, as well as the National Aeronautics and Space Administration and the National Science Foundation;

(11) Federal financial assistance to the semiconductor industry consortium known as Sematech has been successful in improving the competitiveness of the United States semiconductor industry;

(12) the Federal Government should use Sematech as a model in developing a program to provide financial assistance to an industry-led consortium of United States commercial aircraft manufacturing companies; and

(13) such a government-industry consortium should focus its efforts on research, development, and commercialization of new aeronautical technologies and related manufacturing technologies, as well as the transfer and conversion of aeronautical technologies developed for national security purposes to commercial applications for large civil aircraft.

(b) PURPOSE.—The purpose of this Act is to strengthen and assist the United States commercial aircraft industry by—

(1) providing for an interagency aeronautical technology program to coordinate and expand Federal research and development programs relating to aeronautical technologies and related manufacturing technologies; and

(2) assisting the United States commercial aircraft industry in developing an Aeronautical Technology Consortium for the purpose of providing Federal assistance to industry-led joint ventures established for research, development, and commercialization of aeronautical technologies and related manufacturing technologies applicable to large civil aircraft.

SEC. 3. DEFINITIONS.

For purposes of this Act—

(1) The term "Director" means the Director of the Office of Science and Technology Policy.

(2) The term "eligible firm" means a company or other business entity that, as determined by the Secretary of Commerce—

(A) conducts a significant level of its research, development, engineering, and manufacturing activities in the United States; and

(B) either—

(i) is a United States-owned company; or

(ii) is a company incorporated in the United States and has a parent company which is incorporated in a country the government of which—

(I) affords United States-owned companies opportunities, comparable to those afforded any other company, to participate in research and development consortia to which the government of that country provides funding directly or provides funding indirectly through international organizations or agreements; and

(II) affords adequate and effective protection for the intellectual property rights of United States-owned companies.

Such term includes a consortium of such companies or other business entities, as determined by the Secretary of Commerce.

(3) The term "Federal laboratory" has the meaning given such term in section 4(6) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3703(6)).

(4) The term "joint venture" has the meaning given such term in section 28(j)(1) of the National Institute of Standards and Technology Act (15 U.S.C. 278n(j)(1)).

(5) The term "large civil aircraft" means all aircraft that are designed for passenger or cargo transportation and have one hundred or more passenger seats or its equivalent in cargo configuration.

(6) The term "manufacturing technology" means techniques and processes designed to improve manufacturing quality, productivity, and practices, including engineering design, quality assurance, concurrent engineering, continuous process production technology, energy efficiency, waste minimization, design for recyclability or parts reuse, shop floor management, inventory management, worker training, and communications with customers and suppliers, as well as manufacturing equipment and software.

(7) The term "United States-owned company" means a company or other business entity the majority ownership or control of which is by United States citizens.

SEC. 4. AERONAUTICAL TECHNOLOGY PROGRAM.

(a) ESTABLISHMENT.—The President shall establish an Aeronautical Technology Program (hereafter in this Act referred to as the "Program"), which shall—

(1) provide for interagency coordination of Federal research and development programs relating to aeronautical technologies and related manufacturing technologies;

(2) provide a mechanism for private industry comment and guidance regarding the cost-effectiveness and commercial practicability of existing and proposed Federal research and development programs relating to aeronautical technologies and related manufacturing technologies;

(3) promote, to the maximum extent practicable, the transfer and conversion to commercial applications of aeronautical technologies developed for national security purposes;

(4) coordinate and expand existing Federal research and development programs relating to—

(A) subsonic aeronautics, and

(B) supersonic aeronautics,

with particular focus on government-industry cooperative programs to develop large civil aircraft beyond the financial means of any single company;

(5) assist the United States commercial aircraft industry in developing an Aeronautical Technology Consortium for the purpose of providing Federal assistance to industry-led joint ventures established for research, development, and commercialization of aeronautical technologies and related manufacturing technologies applicable to large civil aircraft; and

(6) establish other goals and priorities for Federal research and development programs relating to aeronautical technologies and related manufacturing technologies.

(b) NATIONAL AERONAUTICS STRATEGY.—

(1) IN GENERAL.—The President, acting through the Coordinating Committee established in subsection (c), shall develop a National Aeronautics Strategy (hereafter in this Act referred to as the "Strategy") to

implement the Program. The Strategy shall contain specific recommendations for a five-year national effort, to be submitted to the Congress within six months after the date of enactment of this Act.

(2) CONTENTS OF STRATEGY.—The Strategy shall—

(A) establish the specific goals and priorities for the Program for the fiscal year in which the Strategy is submitted and the succeeding four fiscal years;

(B) set forth the role of each Federal agency and department in implementing the Program;

(C) describe the levels of Federal funding for each agency and specific research, development, and commercialization activities required to achieve such goals and priorities;

(D) take into account the recommendations of the Advisory Committee established in section 6; and

(E) consider and use, as appropriate, reports and studies conducted by Federal agencies and departments, the National Research Council, or other entities.

(3) FEDERAL AGENCIES AND DEPARTMENTS TO BE ADDRESSED.—The Strategy shall address, where appropriate, the relevant programs and activities of—

(A) the Department of Defense, particularly the Department of the Air Force, the Department of the Navy, and the Defense Advanced Research Projects Agency;

(B) the Department of Commerce, particularly the National Institute of Standards and Technology;

(C) the Department of Transportation, particularly the Federal Aviation Administration;

(D) the National Aeronautics and Space Administration;

(E) the National Science Foundation;

(F) the Federal laboratories; and

(G) such other agencies and departments as the President or the Coordinating Committee considers appropriate.

(c) COORDINATING COMMITTEE.—

(1) AUTHORITY; COMPOSITION.—The Program shall be administered by an Aeronautical Technology Coordinating Committee (hereafter in this Act referred to as the "Coordinating Committee") composed of the following officials:

(A) The Director, who shall be chairperson.

(B) The Secretary of Defense.

(C) The Secretary of Commerce.

(D) The Secretary of Transportation.

(E) The Administrator of the National Aeronautics and Space Administration.

(F) The Director of the National Science Foundation.

(2) FUNCTIONS.—The Coordinating Committee shall—

(A) serve as the lead entity responsible for implementation of the Program;

(B) coordinate all Federal research and development programs relating to aeronautical technologies and related manufacturing technologies;

(C) consult regularly with and seek recommendations from the Advisory Committee established by section 6;

(D) consult with academic, State, industry, and other appropriate groups conducting research on and using aeronautical technologies; and

(E) submit to the Congress an annual report, along with the President's annual budget request, describing the implementation of the Program.

SEC. 5. AERONAUTICAL TECHNOLOGY CONSORTIUM.

(a) IN GENERAL.—Under the Program, the Coordinating Committee shall provide assistance to an Aeronautical Technology Consortium (hereafter in this Act referred to as the "Consortium"), which shall consist of all eligible firms that—

(1) are engaged in research, development, testing, demonstration, or production of aeronautical technology applicable to the production of large civil aircraft;

(2) are selected by the Coordinating Committee, through the Director, on the basis of the criteria specified under subsection (d); and

(3) are necessary to enable the Consortium to achieve its purpose as described under subsection (b).

(b) PURPOSE.—The purpose of the Consortium is to conduct industry-led joint ventures relating to—

(1) manufacturing technologies applicable to the production of large civil aircraft;

(2) the transfer and conversion of aeronautical technologies developed for national security purposes to commercial applications for large civil aircraft;

(3) subsonic aeronautical technologies applicable to the development and production of large civil aircraft; and

(4) supersonic aeronautical technologies applicable to the development and production of large civil aircraft.

(c) ASSISTANCE TO BE PROVIDED.—In providing assistance to the Consortium, the Coordinating Committee, acting through the Director, shall—

(1) provide financial and other assistance to the United States commercial aircraft industry in the formation of the Consortium;

(2) support the Consortium, and such subordinate joint ventures as the Consortium may establish, by making available equipment, facilities, and personnel;

(3) aid the Consortium, and such subordinate joint ventures as the Consortium may establish, by means of grants, cooperative agreements, contracts, and provision of organizational and technical advice;

(4) enter into contracts and cooperative agreements in support of the Consortium with independent research organizations, institutions of higher education, and agencies of State and local governments;

(5) involve the Federal laboratories in the Consortium, where appropriate, using among other authorities the cooperative research and development agreements provided for under section 12 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a); and

(6) carry out, in a manner consistent with this section, such other cooperative research activities with the Consortium and joint ventures as may be authorized by law or assigned to the Coordinating Committee by the President.

(d) SELECTION OF CONSORTIUM PARTICIPANTS.—The criteria for selection of industry participants in the Consortium, as referred to in subsection (a)(2), are as follows:

(1) The extent of present participation of the eligible firm in Federal research and development programs relating to aeronautical technologies and related manufacturing technologies.

(2) The extent of present commercial activity of the eligible firm relating to the development and production of large civil aircraft, engines, advanced materials, avionics, and other related components.

(3) The extent of present commercial activity of the eligible firm relating to aeronautical technologies developed for national security purposes that may have commercial applications for large civil aircraft.

(4) The technical excellence of the eligible firm.

(5) The extent of financial commitment of the eligible firm to the Consortium.

(6) Such other criteria that the Director prescribes.

(e) CHARTER; OPERATING PLAN.—The Consortium shall have—

(1) a charter, agreed to by all industry participants in the Consortium, that meets requirements established by the Coordinating Committee; and

(2) an annual operating plan that is developed in consultation with the Coordinating Committee and the Advisory Committee established in section 6.

(f) FINANCIAL COMMITMENT OF INDUSTRY PARTICIPANTS.—

(1) IN GENERAL.—The Director shall ensure that, to the maximum extent the Director determines to be practicable, the total amount of the funds provided by the Federal Government to the Consortium does not exceed the total amount provided by the industry participants in the Consortium.

(2) AUTHORITY TO EXCEED 50 PER CENTUM FEDERAL FUNDING.—Nothing in this subsection shall be construed to prohibit the Federal Government from providing greater than 50 per centum of the funds for any individual joint venture, project, or program where the Director determines such funding to be consistent with the goals of the Program.

(3) CONSIDERATION OF IN-KIND CONTRIBUTIONS.—The Director shall prescribe regulations to provide for consideration of in-kind contributions by industry participants in the Consortium and joint ventures for the purpose of determining the share of the funds that have been or are being provided by such participants.

(g) MERIT REVIEW.—No contract or other award for a research project may be made under this section until the research project in question has been subject to a merit review, and, in the opinion of the reviewers appointed by the Director, has been shown to have scientific and technical merit.

(h) OVERSIGHT OF CONSORTIUM ACTIVITIES.—The Coordinating Committee, acting through the Director, shall take such actions as are necessary and appropriate to ensure that the Consortium's activities help to achieve the purposes of this act, including—

(1) prescribing regulations for the purpose of this section;

(2) establishing procedures for the use by the Coordinating Committee of funds authorized to a particular Federal agency or department that is participating in the Consortium;

(3) establishing procedures regarding financial reporting and auditing to ensure that contracts and other awards are used for the purposes specified in this section and are in accordance with sound accounting practices;

(4) monitoring how technologies developed through the Consortium are used, and reporting to the Congress on the extent of any overseas transfer of those technologies;

(5) assuring that the recommendations of the Advisory Committee established in section 6 are considered routinely in carrying out the responsibilities of the Coordinating Committee under this Act; and

(6) providing for the expeditious and timely transfer of technology developed and owned by the Consortium to the participants in the Consortium.

(i) EXPORT OF AERONAUTICAL TECHNOLOGY.—Any export of materials, equipment, and technology developed by the Consortium in whole or in part with financial assistance provided under this section shall be subject to the Export Administration Act of

1979 (50 U.S.C. App. 2401 et seq.) and shall not be subject to the Arms Export Control Act.

(j) FREEDOM OF INFORMATION ACT.—Section 552 of title 5, United States Code, shall not apply to the following information obtained by the Federal Government on a confidential basis in connection with the activities of any industry participant in the Consortium:

(1) information on the business operation of any industry participant in the Consortium; and

(2) intellectual property, trade secrets, and technical data possessed by any industry participant in the Consortium.

(k) INTELLECTUAL PROPERTY.—

(1) DISCLOSURE LIMITATIONS.—Notwithstanding any other provision of law, intellectual property, trade secrets, and technical data owned and developed by the Consortium or any industry participant in the Consortium may not be disclosed by any officer or employee of the Federal Government except in accordance with a written agreement between the owner or developer and the Director.

(2) TITLE TO AND LICENSING OF INVENTIONS AND PATENTS.—Title to any invention or patent arising from assistance provided under this section shall vest in a company or companies incorporated in the United States. The Federal Government may reserve a nonexclusive, nontransferable, irrevocable paid-up license, to have practiced for or on behalf of the Federal Government, in connection with any such invention or patent, but shall not, in the exercise of such license, publicly disclose proprietary information related to the license. Title to any such invention or patent shall not be transferred or passed, except to a company incorporated in the United States, until the expiration of the first patent obtained in connection with such invention. For purposes of this paragraph, the term "invention or patent" means an invention patentable under title 35, United States Code, or any patent on such an invention.

(3) LICENSING TO COMPANIES.—Nothing in this subsection shall be construed to prohibit the licensing, to any company, of intellectual property rights arising from assistance provided under this section.

SEC. 6. AERONAUTICAL TECHNOLOGY ADVISORY COMMITTEE.

(a) ESTABLISHMENT.—There is established an Aeronautical Technology Advisory Committee (hereafter in this Act referred to as the "Advisory Committee").

(b) FUNCTIONS.—The Advisory Committee shall advise the Coordinating Committee and the Consortium on—

(1) the Strategy and other appropriate goals and priorities for the Program, and how best to achieve those goals;

(2) the operating plan of the Consortium;

(3) the annual progress of the Program and the Consortium in meeting the requirements of section 4(a) and, in the first five years, the Strategy;

(4) organizational and programmatic reforms which would improve the effectiveness of Federal research and development programs relating to aeronautical technologies and related manufacturing technologies in promoting the competitiveness of the United States commercial aircraft industry;

(5) mechanisms for private industry comment and guidance regarding the cost-effectiveness and commercial practicability of existing and proposed Federal research and development programs relating to aeronautical technologies and related manufacturing technologies; and

(6) policies and mechanisms to promote the transfer and conversion to commercial applications of aeronautical technologies developed for national security purposes; and

(7) other goals and priorities for Federal research and development programs relating to aeronautical technologies and related manufacturing technologies.

(c) MEMBERSHIP.—The Advisory Committee shall be composed of twelve members, who shall be appointed by the President from among individuals who, because of their experience and accomplishments in the field of aeronautics and related technological and scientific fields, are exceptionally qualified to analyze and recommend policy relating to aeronautical technology research and development. Membership of the Advisory Committee shall be composed of representatives of—

(1) large civil aircraft manufacturing companies;

(2) aircraft engine manufacturing companies;

(3) advanced materials companies;

(4) avionics and other systems companies;

(5) other subcontractor firms engaged in aeronautical technology research, development, and production; and

(6) Federal laboratories, universities, and independent research institutes.

(d) TERMS OF MEMBERSHIP.—Each member of the Advisory Committee shall be appointed for a term of three years, except that of the members first appointed, four shall be appointed for a term of one year, four shall be appointed for a term of two years, and four shall be appointed for a term of three years, as designated by the President at the time of the appointment. A member of the Advisory Committee may serve after the expiration of the member's term until a successor has taken office.

(e) CHAIRPERSON.—The President shall appoint one member of the Advisory Committee to serve as chairperson.

(f) QUORUM.—Seven members of the Advisory Committee shall constitute a quorum.

(g) MEETINGS.—The Advisory Committee shall meet at least quarterly at the call of the chairperson or one-third of its members, and at the call of the Coordinating Committee.

(h) COMPENSATION AND EXPENSES.—

(1) NO COMPENSATION FOR MEMBERS.—Each member of the Advisory Committee shall serve without compensation.

(2) TRAVEL EXPENSES AUTHORIZED.—While away from their homes or regular places of business in performance of the duties of the Advisory Committee, members of the Advisory Committee shall be allowed travel expenses in accordance with subchapter I of chapter 57 of title 5, United States Code.

(i) FEDERAL ADVISORY COMMITTEE ACT.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Advisory Committee.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Office of Science and Technology Policy, to carry out the provisions of this Act, such sums as may be necessary for the fiscal years 1994 and 1995.

Mr. HOLLINGS. Madam President, I read on page 4, section 11:

Federal financial assistance to the semiconductor industry consortium, known as Sematech, has been successful in improving the competitiveness of the U.S. semiconductor industry.

Not just agriculture, not just energy, not just automobiles, not just aerospace, but what about semiconductors?—$10 billion, they are talking about. We have not even gotten to a billion. They want to talk about amounts in this particular bill, and we have not gotten to a billion for the manufacturing extension centers and Advanced Technology Program; less than a billion right now.

Likewise, don't accuse us of burning holes in our pockets with money. I note in S. 419 that it calls for spending of "such sums as is necessary." That is mighty elastic. Boy, would that not be a wonderful thing, to simply authorize "such sums as necessary" in this particular bill?

Then I read down section 13:

Such a Government industry consortium should focus its efforts on research, development, and commercialization of new aeronautical technologies and related manufacturing technologies, as well as the transfer and conversion of aeronautical technologies developed for national security purposes to commercial applications for large civil aircraft.

At one time in the debate last week, they said they asked the President of Boeing if he had ever gotten anything out of the defense research in aircraft. Here the distinguished Senator cites it in his bill. He did not have to ask that question of the head of Boeing at a hearing. Rather, he cites it with approval here:

The conversion of aeronautical technologies developed for national security or defense purposes to commercial applications for large civil aircraft.

Then, again, moving along quickly now:

The purpose of this act is to strengthen and assist the U.S. commercial aircraft industry by providing for an Interagency Aeronautical Technology Program to coordinate and expand Federal research and development programs relating to aeronautical technologies and related manufacturing * * *.

You are getting into the business part of it; not just research, but manufacturing technologies—

(2) assisting the U.S. commercial aircraft industry in developing an aeronautical technology consortium for the purpose of providing Federal assistance to industry-led joint ventures established for research, development, and commercialization of aeronautical technologies and related manufacturing technologies applicable to large civil aircraft.

Then, under section 3 of definitions, the term "Director" means the Director of the Office of Science and Technology Policy. Madam President, listen closely here on point 2:

The term "eligible firm" means a company or business entity as determined by the Secretary of Commerce.

That is where they started off in saying something new was started in S. 4 because now, do you really want the Secretary of Commerce determining eligibility? Yet look at the bill, S. 419, authored by the distinguished Senator last year; it says "as determined by the Secretary of Commerce," that is section 3, subsection 2, on page 5.

It is wrong to claim the National Institute of Standards and Technology is a new departure, that it is industrial policy, that it is a matter we had not discussed. It has not only been passed twice, it is not only referred to in the Republican task force on defense conversion, but the distinguished Senator says, in this particular act, on page 7, and I read section 4:

The term "joint venture" has a meaning given such term in section 28(j)(1) of the National Institute of Standards and Technology Act, 15 United States Code 278–A and J–1.

So it is cited with approval here, with the 1988 act and the 1992 act; again, in this particular one, the authorization of the National Institute of Standards and Technology Act. On the next page, under section 4:

The President shall establish an aeronautical technology program which shall, under subsection 3, promote to the maximum extent practical the transfer and conversion to commercial applications of aeronautical technologies developed for national security purposes.

Madam President, I do not know how you can spell it out more explicitly and then come now and say, "Wait a minute; this is a new departure."

For example, again, on page 10:

"The strategy shall address, where appropriate, the relative programs of the Department of Commerce," it says under subsection B.

The programs and activities of the Department of Commerce, particularly the National Institute of Standards and Technology of the program, to be administered by the aeronautical technology coordinating committee.

It goes on to further say:

The act shall be composed of, A, the Director; B, the Secretary of Defense; C, the Secretary of Commerce—

Again, it is in here.

Now they are asking the question, and I cannot give you a better answer than my distinguished colleague has given in his own preparation here, if you are trying to get defense conversion, you are trying to convert it from defense to civilian, how do you turn it into a civilian entity? Do you put it in the Department of the Interior? Do you put it in the Indian Affairs Committee? Do you put it in the Budget Bureau or wherever else you want to put it? It would have to go to the Department of Commerce. Everyone acknowledges that.

I do not want to read further. The entire act is there. But it goes to, finally, on page 21, the Technology Advisory Committee:

* * * organizational and programmatic reforms which would improve the effectiveness of Federal research and development programs relating to aeronautical technologies relating to manufacturing technologies in promoting the competitiveness of the U.S. commercial aircraft industry.

That is not defense; that is the commercial aircraft industry. And finally, they are authorized to be appropriated "such sums as is necessary."

Reading in the earlier part of the bill—we patented this after Sematech, reading the final paragraph—"such sum as is necessary," it is logical to conclude Sematech took $10 billion and, heavens above, the aircraft industry is just as important, perhaps larger or otherwise, than the semiconductor industry. And so I do not know how much. All I do know is President Bush's Science Board came out and said look, you ought to have a program of $4 to $8 billion—and we have less than a billion—on the Advanced Technology Program. It cites the specific figure—this is 2 years ago—of $750 million, and we only have for next year $425 million and for the following year $525 million. So we are within bounds on the amount.

There is some discussion that this is a runaway program. Not at all, Madam President, when you bring over some five programs from DARPA, as we all have been working on—the Armed Services Committee with Senator BINGAMAN, the Competitiveness Council on both sides, the task force on defense conversion on both sides. We have all been working in lockstep, moving right along in a unanimous way.

Now they come with "industrial policy." Now they come with, "Wait a minute; the amount is just outrageous."

It is 10 times less than what has been recommended by President Bush and others who have been looking at this, because as you take it from the $40 billion—$40 billion over there in defense for all the instrumentalities of weaponry—and move it over to the instrumentalities of commerce and business and civilian use, I hope we could get up to—I do not want to fly under any false colors—we could get up to $8 billion.

We have to stay within the budget. I serve on the Budget Committee, so when this bill was referred to the Office of Management and Budget, they actually cut it back, I say to the Senator, and that is why we had a substitute in the very early stage when we presented the bill. We were authorized by the Committee of Commerce to put in the subject with lesser amounts than what the committee had reported last year because we have to stay within the reduced budget as enunciated here by the Office of Management and Budget.

I yield the floor.

AMENDMENT NO. 1521 TO AMENDMENT NO. 1493

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. I ask unanimous consent to set aside the pending amendment.

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

Mr. BROWN. Madam President, I rise to send an amendment to my amendment No. 1493 to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. BROWN] proposes an amendment numbered 1521 to amendment No. 1493.

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

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

The amendment is as follows:

In lieu of the language proposed to be inserted, insert the following:

Strike line 19 on page 49, through line 21 on page 51 and insert the following:

(B) strike paragraph (1)(B)(ii) and replace with: "participation in such joint ventures, if the Secretary, acting through the Director, determines participation to be appropriate and if the joint venture as a whole agrees to pay at least half of the total costs of such joint ventures during the participation period, which shall not extend beyond 5 years,";

(C) in paragraph (2)—

(i) by striking "and cooperative agreements" and inserting in lieu thereof "cooperative agreements, and subject to the last sentence of this subsection, other transactions"; and

(D) by adding after paragraph (4) the following:

"The authority under paragraph (1)(B) and paragraph (2) to enter into other transactions shall apply only if the Secretary, acting through the Director, determines that standard contracts, grants, or cooperative agreements are not feasible or appropriate, and only when other transaction instruments incorporate terms and conditions that reflect the use of generally accepted commercial accounting and auditing practices.";

(3) in subsection (d)(3) by striking $2,000,000; and inserting in lieu thereof "$3,000,000."

(4) by adding at the end of the following new subsection: "(1) Notwithstanding subsections (b)(1)(B)(ii) and (d)(3), the Director may grant an extension beyond the deadlines established under those subsections for joint venture and single applicant awardees to expend Federal funds to complete their projects, if such extension may be granted with no additional cost to the Federal Government.".

(b) UNITED STATES JOINT VENTURES.—(1) Section 28(d)(11)(A) of the National Institute of Standards and Technology Act (15 U.S.C. 278N(D)(11)(A)) is amended by striking the period at the end of the first sentence and inserting in lieu thereof the following: "or any other person otherwise eligible to participate in an eligible joint venture, as agreed by the parties, receiving funding under any particular award, notwithstanding the requirements of section 202 (a) and (b) of title 35, United States Code."

(2) The amendments made by sections 303 (a) and (b) shall be effective only with respect to assistance for which solicitations for proposals are made after the date of enactment of this Act or October 1, 1994, whichever occurs later.

Mr. BROWN. Madam President, this amendment is in response to the observations of the distinguished chairman when this measure was originally brought up. The chairman's suggestions have been incorporated into this amendment. We have checked with the Commerce Department and included their recommendations.

I would like to publicly thank the chairman for his very helpful efforts. Frankly, his suggestions are ones that will not only improve the amendment but make it clear that I think the purpose of the amendment can be accomplished with less paperwork and less wasted accounting techniques than the original version.

The impact of the amendment, as amended, is simply this: It would make it clear that joint ventures have to have at least 50 percent of the operation coming from the investors themselves, from the venture itself, so that the Government is not in a position of putting out more than half the money.

I see that as a very valuable effort because I think it is the No. 1 way of assuring this money is well spent, and that is to be sure somebody else comes up with their own funds. So the matching nature of this amendment I think will be helpful.

In addition, this amendment does put back into law a cap of $3 million over 3 years. In other words, there is a cap of how much these ventures can receive.

Both measures I think will improve the quality of the endeavors that take place under this bill.

Mr. HOLLINGS. Madam President, it is an excellent initiative by the distinguished Senator from Colorado. We have worked it out, staffs on both sides, the Department and otherwise. We go along with great approval, and if the Senator urges adoption, we will join him.

Mr. BROWN. I thank the Senator for his help.

Mr. HOLLINGS. I thank the Senator.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to amendment No. 1521.

The amendment (No. 1521) was agreed to.

Mr. BROWN. Madam President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Is there further debate on the amendment to the amendment?

The question now is on agreeing to amendment No. 1493, as amended.

The amendment (No. 1493), as amended, was agreed to.

Mr. BROWN. Madam President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. DORGAN. Mr. President, I ask unanimous consent to speak for 10 minutes as in morning business.

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

GUN-FREE SCHOOLS

Mr. DORGAN. Mr. President, in January of this year, before the Senate resumed its session, I spent some time here in Washington, DC, sitting in the court system, watching the superior court, watching cases, watching judges, and watching defendants. I also visited some inner city schools, and visited some welfare offices here in the District of Columbia. The reason I did that is that those of us who come from rural areas understand rural America, and we must live in a city in order to serve in the U.S. Senate. So we are in both places. But although we live here and work here during the week, often we do not know very much about what is happening in the city; especially in the Nation's Capital.

One of the high schools I visited was just blocks from this building—Eastern High, a wonderful school with a principal for whom I have great respect. I visited the school and sat in the classrooms, talked to teachers, talked to students, asked students about their lives, many of whom come from low-income housing projects and, I am sure, have a fairly difficult life.

Last week, at Eastern High School, there was a shooting inside the school down in the cafeteria where I had visited. Apparently, one young man bumped another young man, and because of that bumping, a pistol was pulled and, I believe, four shots were fired, and the young man was sent to the hospital in critical condition.

This is not in a combat zone, this is in a school just blocks from the Capitol, a school where there is substantial discipline and the principal is acknowledged as one of the great principals in this city. And because I visited that school personally not many weeks ago, I understood the newspaper account when they talked about the value of that principal and what he was trying to do in that school. Yet, despite all of that, even in that school, there was a shooting on school property during the school day.

The reason I mention that, Mr. President, is we recently passed in the Senate a bill called Goals 2000, which was an educational measure, which is now going to conference. I offered, an amendment to that legislation called "Guns-Free Schools." The purpose of my amendment—which is an amendment offered also on the House side by Congressman MILLER from California and Congressman DURBIN from Illinois—is to say that we ought to, by policy, decide that every school district in this country should have a policy, and the policy should be: You shall not bring a gun to school.

It sounds pretty simple. The fact is that too many guns are being brought to school. One would think that the streets are unsafe. If you read the paper and watch the news, you understand that in some parts of our major cities, streets are unsafe. But you would not expect to send your kids to school and have a kid shot on school property during the school day. We ought to make sure that everybody in this country understands—students and school administrators—that you do not bring a gun to school. If you do, you are going to be expelled for a year, period.

I offered, with Senator FEINSTEIN from California and several others, this amendment, which was adopted by the Senate and is now part of Goals 2000. It does have a caveat that while we want a national policy that says if you bring a gun to school, you are expelled for a year; we will allow local school authorities to apply an exception where an exception might be warranted under unusual circumstances. As someone raised on the floor, there was a concern about someone having somebody else slip a gun into their backpack, or a hunting rifle being brought to school. We want the school authority to be able to make an exception. But by and large, we want a policy in States across the country that school districts must have in policy a proviso that, if you bring a gun to school, you are going to be expelled for a year.

The reason I took the floor to mention this today is because that was attached to Goals 2000, which is now going to be in conference. I would like the conferees to leave that in the bill as it comes back to the Senate. If you need any more evidence, pick up last week's paper and look at the school closest to this Capitol, Eastern High School, and see that in the middle of the day, in the middle of the school, a kid pulls a gun and shoots another kid. We have a problem, and we ought to address it.

Every child who goes to school in this country ought to understand that you do not, under any circumstances, bring a gun to school. Period.

I walked into that school, Eastern High School, which is a good school and has been a model with a great principal. Do you know what you do when you go through the school? You walk through a metal detector, in fact a couple of metal detectors. Then you see security guards. This school was prepared.

In my hometown of 300 people, with a high school class of nine when I graduated and it is about that size now, there are no metal detectors. We have a different set of circumstances in small towns.

Here you go through a metal detector and are watched by security guards.

So on I went through those metal detectors. The principal, whose name is Ralph Neal, is a well-respected principal. He showed me through the school. I was impressed. He has a tough job. It is made much tougher when kids are able to bring guns into school and one kid bumps another one and it ends

with one getting shot on school property during the school day.

We can send a message all across this country, it seems to me, in an appropriate way in Goals 2000 by retaining the amendment Senator FEINSTEIN and I, as well as others, added that every school district must have a policy, if a student brings a gun to the school they are expelled for a year.

That, in my judgment, will advance the interest of making sure we are not bringing the violence from the streets to the schools, or countenance violence moving from the streets to the schools. The school ought to be one place where young boys and girls spend their day safe.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator yields the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded for call the roll.

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

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

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Chair will observe that, under the previous order, the Senate was supposed to recess at the hour of 12:30.

Mr. LEAHY. Mr. President, I ask unanimous consent to be recognized as if in morning business for 5 minutes.

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

Mr. LEAHY. I thank the Chair.

(The remarks of Mr. LEAHY pertaining to the introduction of S. 1930 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DOLE. Madam President, is leaders' time reserved?

The PRESIDING OFFICER. Leaders' time has been reserved.

TRYING TIMES AT THE WHITE HOUSE

Mr. DOLE. Madam President, as evidenced by remarks President Clinton made about Republicans last night, these must be very trying times at the White House. Several of the closest friends of the President and First Lady have already been forced to leave the administration, and others are facing subpoenas related to the Whitewater affair.

So perhaps the frustration coming out of the White House is understandable. I can just say as an aside, I happened to be chairman of the Republican Party during Watergate, and I know the frustrations inside the White House when things start to happen.

But that does not mean White House attacks on Republicans have a shred of truth to them. Partisan finger pointing does not do anything to answer the questions the American people are asking or change the fact that blame for the Whitewater mess rests solely with the White House. As far as I know, no Republicans have done anything. If we have, then we ought to be held accountable for it.

Despite the President's comments last evening that the Republican Party is just "an opposition party that stands up and says no, no, no"—I do not know how many no's he had. He had a whole lot of them—he has had our help on issue after issue. Republicans delivered the winning margin on the North American Free-Trade Agreement, the defeat of which would have been seen as a stinging defeat for the White House.

Senate Republicans and Democrats put aside partisan differences to pass the toughest anticrime bill ever last year, a bill now bogged down by Democrat gridlock in the House. Republicans worked with the President to pass the Russian reconstruction package. We helped strengthen his hand in Somalia and Bosnia. We have supported his efforts to open Japanese markets to American products, and we moved quickly to help him fill key Government posts.

When it comes to health care reform, I know I speak for my Republican colleagues in saying we are ready to work with the President and work with the Democrat majority to improve our Nation's health care system. That is why Republicans have introduced comprehensive alternative reform plans. That is why Republicans recently held a 2-day retreat devoted exclusively to health care. That is why Republicans on the Senate Finance Committee will spend this weekend with our Democrat counterparts to discuss health care reform. That is why this Senator hopes we can ultimately arrive at a bipartisan approach that wins 80 or 85 votes in the Senate. The American people are looking for a second opinion on health care reform, and Republicans are determined to be a part of the solution.

During the 1992 Presidential campaign, then Governor Clinton said, and I quote, "I understand how to work with people and get the best out of people in the legislative process."

Of course, in Arkansas there were not many Republicans to work with in the State legislature, 1 or 2 State Senators and 8 or 9 House members out of 100. So maybe when there are not any around, they are easy to work with.

I am not certain playing the blame game is the best way to "get the best out of" Republicans. But despite his remarks last night, we will continue to help him where we can. As the loyal opposition, our role is clear. When President Clinton moves America in the right direction, then Republicans will and should support him. But when we believe the President is taking America down the wrong road, then it is our duty to try and change his direction or, if that fails, then, yes, it is our duty to apply the brakes to bad legislation.

Let me say to the White House, it has been a long, cold winter here in Washington, and maybe the weather has made everyone a little cranky. But it finally looks like spring is here. So take a few minutes to relax. Go outside. Take a walk. Enjoy the Sun. Remember that the election is over and you won. There is no need to make every day a battle between Democrats and Republicans. We are all here to do the people's business, and the sooner you get the Whitewater facts out, the sooner we have congressional inquiries, the sooner you can put it behind you, and the sooner we can get on with the people's business. And we are prepared to do that. We are ready to do that on a bipartisan basis on almost any issue that I can think of that may be coming up in the U.S. Senate in the next few weeks.

We have our differences. We have always had differences—Democratic differences, and Republican differences depending on the administration. That is the way the process works. But we are the loyal opposition. And the President is right. He will have our support, which he had on NAFTA, which he had on Russian aid, and on other things that I elicited earlier on.

I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until the hour of 2:30 p.m.

Thereupon, at 12:43 p.m., the Senate recessed until 2:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. KOHL).

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Brown

amendment No. 1496 be withdrawn and the 2:30 p.m. cloture vote be vitiated; that it now be in order for Senator HOLLINGS, in behalf of himself and Senator DANFORTH, to modify the committee substitute to S. 4 with language which would reduce the substitute to a 2-year authorization level of $1.9 billion; that Senator DANFORTH then be recognized to offer an amendment to delete the venture capital provision of the committee substitute to S. 4; that there be a limitation of 90 minutes for debate on the amendment, with no amendments in order thereto or to the language proposed to be stricken, with the time equally divided and controlled in the usual form; that when the time is used or yielded back, the Danforth amendment be laid aside, with no other amendments in order, that there then be 60 minutes remaining for debate on the bill and committee substitute, inclusive, with the time equally divided and controlled between Senators HOLLINGS and DANFORTH or their designees; that at 9 a.m. on Wednesday, March 16, the Senate then proceed to S. 1458, the Kassebaum general aviation liability bill, under the provisions of a previous unanimous consent agreement; that when the time is used or yielded back, S. 1458 be temporarily laid aside and the Senate then resume consideration of S. 4; that upon resuming consideration of that bill and without intervening action or debate, the Senate proceed to vote on the Danforth amendment relating to the venture capital provision; that upon disposition of the Danforth amendment, the committee substitute, as amended, be agreed to and S. 4 be read a third time; that the Commerce Committee then be discharged from further consideration of H.R. 820, the House companion, and that the Senate then proceed to its immediate consideration; that all after the enacting clause be stricken and the text of S. 4, as amended, be inserted in lieu thereof; that the bill be advanced to third reading, and without intervening action or debate, the Senate vote on final passage of H.R. 820; that upon disposition of H.R. 820, the Senate insist on its amendment, request a conference with the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees; that upon disposition of H.R. 820, and without intervening action or debate, the Senate resume consideration of S. 1458 and then proceed to vote on final passage of S. 1458, the general aviation liability bill.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I thank my colleagues.

Let me now say that, as a consequence of this agreement, there will be no further rollcall votes today. The Senate will debate an amendment by Senator DANFORTH to delete the provisions of the pending bill relating to venture capital. It will then complete debate on the bill itself. That will be the action today.

At 9 a.m. tomorrow, the Senate will take up S. 1458, the Kassebaum general aviation liability bill. Under the agreement governing that bill, there is 1 hour for debate equally divided. When that time is either used or yielded back, that will be laid aside, and the Senate will then vote first on the Danforth amendment to delete the venture capital provision from S. 4 and then upon final passage of S. 4 itself, and then upon S. 1458, the general aviation liability bill.

Under this provision, the vote on the first of those three votes will occur some time between 9 a.m. and 10 a.m. It is not a certainty that the vote will occur at 10 a.m. because the time, the 1 hour, may not be used. So Senators should be aware that three votes will occur tomorrow morning commencing at some time prior to or at 10 a.m.

Mr. President, I thank all of my colleagues for their cooperation to permit us to go forward. This involves a very large number of Senators and a very large number of issues, and I appreciate their cooperation.

I am pleased now to yield to the Republican leader.

Mr. DOLE. Mr. President, I understand, following disposition of these matters, we move to the park concessions bill.

Mr. MITCHELL. Mr. President, I have not yet had an opportunity to discuss the schedule request with the Republican leader. I would like to do so. I made no decision in that regard. I want to discuss that with him later in the day.

NATIONAL COMPETITIVENESS ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Without objection, amendment No. 1496 is withdrawn.

Mrs. MURRAY. Mr. President, I rise in strong support of S. 4, the National Competitiveness Act.

In the Pacific Northwest I have met with many workers in industries as diverse as timber, commercial fisheries, agriculture, aerospace manufacturing, and computer technology. These workers have one overriding concern—job security. Timber harvests have declined. Many salmon stocks have been decimated. Workers in natural resource industries are being advised to look elsewhere for employment. On the shop floor of the giant aerospace manufacturing plants in my State, workers talk about jobs moving abroad.

These concerns reach our children, who are dropping out of school in record numbers. They no longer feel there is a reason to continue their education.

During the next several months Congress will be considering fundamental changes in Federal unemployment policy. I wholeheartedly agree with the administration's assessment that the current premise for our unemployment system has outlived its purpose. Generally, workers are no longer laid off only during periodic cycles. The Washington State Employment Security Department estimates that about three-quarters of laid off workers will not be rehired. These unemployed workers must be trained in skills necessary for reemployment in good jobs to replace the ones they lose.

Opponents of this scoff at a national policy to stimulate job creation. I believe they just don't get it. This country is competing in a global economy. Countries that actively develop and create the new technologies will have winning companies in the international marketplace. In order to succeed, the United States must create jobs.

The Department of Commerce estimates that by the year 2000, annual worldwide sales in products based on 12 key emerging technologies may total $1 trillion. According to the Department of Commerce, American companies could capture about one-third of those sales.

So, how are we doing? The Department's report card, comparing the United States with Japan, shows us losing badly in the following areas: advanced materials, biotechnology, digital imaging technology, and superconductors. Other areas where we are merely losing to Japan include advanced semiconductor devices, high-density data storage, high-performance computing, medical devices and diagnostics, optoelectronics and sensor technology. It will take a concerted effort to turn this situation around.

There are ways to reverse the United States' overall decline in advanced technology. The National Competitiveness Act calls upon the Department of Commerce through the National Institute of Standards and Technology [NIST], to create manufacturing technology centers. These centers assist States, local governments, and private business organizations in training workers in the use of modern and advanced manufacturing technologies and the creation of high-performance manufacturing. These centers work.

NIST oversees the Washington Manufacturing Extension Center, in Everett, WA. The center's initial goal is to provide technical assistance and resources to approximately 2,000 local defense-dependent, small manufacturers in the area. An owner of a small aerospace company was quoted in a local newspaper recently saying his 23-person company does not have the time, energy, or background to do the research, planning, and marketing to keep his company moving ahead. He said his business needs the center's technical

help to do much of the footwork, the phone work, and the digging if it is to succeed.

The American Electronics Association is one of the founders of the Everett manufacturing extension center. The partnership also includes the Washington Department of Community Development, Washington State University's Cooperative Extension and a matching $3.1 million, 2-year grant by NIST. This center does not pick specific winners and losers. The center's immediate goal is to focus on 2,000 small- and medium-sized private, defense-related contractors in the area. Eventually, the center wants to expand its mission to food processing and forest-product firms. Technology centers, such as the Everett center, will promote manufacturing activity on local and region levels.

The National Competitiveness Act also authorizes the Advanced Technology Program. Under this program, the Department of Commerce works with industrial groups to develop large-scale, industrial consortia, similar to the Semiconductor Manufacturing Technology Institute. As a leader in aerospace manufacturing, Washington State appreciates the leading role that the Federal Government plays in stimulating industry. Our international trading partners also understand the important role of Government support.

The National Competitiveness Act should be a wake-up call for our country. It serves as the foundation of a new activism by our Government in job creation for our people. We cannot afford to wait any longer for this type of initiative.

Mr. RIEGLE. Mr. President, I rise in support of S. 4, the National Competitiveness Act. I am proud to be an original cosponsor of this legislation. This bill reauthorizes and expands a number of important technology programs, such as the Advanced Technology Program and the manufacturing extension partnership.

We need to invest in advanced technology, especially in the development of new technologies that are emerging as the industries of the future. Millions of valuable new jobs can come from these vital sectors if we wake-up and prevent their loss to aggressive foreign competitors.

The provisions contained in this bill are especially important to reinvigorating our manufacturing base.

Manufacturing is the heart of our economy; it keeps the lifeblood of the economy flowing. Manufacturing is the key to maintaining middle-class jobs that are the backbone of our Nation—jobs that pay middle-class incomes with health care protection and pension benefits. These are the jobs we are losing. The number of manufacturing jobs, after growing on a fairly steady basis since the end of World War II, peaked in 1979. Since then, we have lost almost 3 million manufacturing jobs. In 1990, only 18 percent of the U.S. work force was in manufacturing. In Japan, 24.1 percent work in manufacturing; in Germany the number is 31.5 percent.

This loss of jobs has resulted in a decline in earnings for working Americans. In 1989, the number of jobs in retail trade surpassed those in manufacturing. In retail trade, the average weekly gross earning is about $200. In manufacturing, it is about $470. The average real weekly earnings for production or nonsupervisory workers peaked in 1972. By 1991, it had dropped by almost 20 percent, reaching the lowest level since the 1950's.

The result of this trend in wages is frightening. After declining steadily since World War II, we are now seeing a dramatic increase in the proportion of full-time workers working for wages that put them below the poverty line. According to the Census Bureau, in 1990, 14.4 million. American workers with full-time jobs—18 percent of all full time workers—made less than $12,195.

To reverse this trend, we must increase manufacturing productivity. We need to increase the value-added of American production. Better products, produced more quickly and at lower cost is way of adding higher value. That mean it's not just the number of cars per hour we produce that's important—it's also how well those cars are made. To move to this higher value-added production requires increasing the skills and knowledge of our workers. It also requires providing them with the best equipment and infrastructure possible. In essence, it means a shift to a strategy of creating high-skill, high-wage jobs rather than competing with low skill, low-wage production.

The creation of high-skill, high-wage jobs must be the central goal that drives our economic strategy for the future. High wage jobs increase the standard of living and increase investment, which in turn generates a new round of economic growth and even more jobs. This is the cycle of growth we need to restart. By addressing the critical areas of technology and manufacturing, this bill, the National Competitiveness Act, is an important step toward our economic renewal.

Parts of this bill dealing with technology financing issues are of particular interest to the Banking Committee, which I chair. I was an original cosponsor of Senator ROCKEFELLER's legislation which was the basis for this provision. I believe that the technology financing pilot program in this bill is an important step. This program will help fill the technology financing gap between basic research and the commercialization of a new product—a gap pointed out by the Reagan administration in the early 1980's.

The pilot program created in this legislation is based on the successful Small Business Investment Corporations [SBICs]. Under his program, business will decide—not government—as some have claimed. Whereas the SBICs focus on small business, often in the retail sector, this pilot program focuses on investments in critical technologies—investments that are vital for our future economic prosperity.

Mr. President, there are those on the other side of the aisle who have called this bill industrial policy. I wish it was. I think we need to have an industrial policy. We need a new Team America approach where all of us—business, labor, government, and private individuals acknowledge the problem and work together to ensure a strong economic future.

We need strategies to strengthen the auto industry, the aerospace industry, the chemical industry, computers and software, pharmaceuticals, electrical components and equipment, machine tools, telecommunications. These are the industries that are critical for us. They provide hundreds of thousands—in the end, millions—of jobs in our economy.

At some point, I hope the Senate will debate and pass a comprehensive industrial policy. This bill is not that—it is simply a technology policy. In fact, this bill is a continuation of a bi-partisan technology policy crafted over the past decade. It is ironic that we now see a Republican challenge toward programs that were supported by previous Republican administrations and by Republicans in the Senate in previous years.

I hope that we can move forward with these important programs and pass this legislation quickly.

Mr. BAUCUS. Mr. President, I rise today to support S. 4, the National Competitiveness Act of 1994.

GOVERNMENT/INDUSTRY PARTNERSHIPS

Not long ago, American manufactured products dominated world markets. Our goods were synonymous with quality and technological leadership. But over the past few decades we grew complacent. Others improved upon our ideas and our products. By the middle of the 1980's, our basic industries had clearly slipped into decline. Goods from Germany and Japan replaced American products here at home and around the world.

Since then, our industries have done a great deal to raise their productivity and the quality of their products. We in Government have worked hard to reduce the budget deficit and thus give American firms a larger and cheaper pool of capital. But we can, and we must, do more to strengthen our manufacturing base.

The President's report on the economy finds that for every billion dollars in increased manufacturing sales, we create more than 69,000 high skill, high

wage jobs. And conversely, of course, when we let manufacturing decline, we let jobs and international leadership slip away. So while we have made progress in the past 10 years, we cannot take our situation for granted. We must continue to look into the future; to support the basic research that will let our industries operate most efficiently and develop the best products.

A SUCCESSFUL PARTNERSHIP

When Government and industry work in partnership, we succeed. One clear example is the case of semiconductors. In the early 1980's, collusion and dumping by Japanese semiconductor companies threatened to drive the United States out of the semiconductor market entirely. We recognized the problem, and took action by working with American industry to create Sematech in 1987.

Sematech is a phenomenal success. Last week the chip industry reported that the American share of the world semiconductor market rose to 43 percent. For the first time since 1985, we have taken the largest share of the world market. This turnaround in the market equates to $3.4 billion more in yearly sales and the preservation of 16,500 American jobs. Because of this recovery, the American chip industry is now building three new semiconductor plants costing about $1 billion each. They will create 12,000 to 15,000 thousand new jobs.

THE NATIONAL COMPETITIVENESS ACT

The National Competitiveness Act takes some of the lessons we have learned in our experience with Sematech and our observation of successful foreign industries and applies them on a wider scale.

Of particular importance, are provisions that will make it easier for small companies to utilize the most advanced and commercially viable technology. One of the most important is the establishment of numerous manufacturing technology centers to disseminate knowledge and ideas. The information made available may not always constitute a ground-breaking innovation. But small companies simply do not have the resources to seek out the incremental advances that together make a product more durable, easier to operate, and easier to sell.

Today, Japan operates nearly a hundred manufacturing technology centers, which allow small companies with limited manpower to get the maximum benefit from technological advances. Here in the United States we have a grand total of seven. Montana has none, but my State understands how important they can be for our economic development.

Montana State University, for example, is trying to make up for the present lack of Federal commitment with a University Technical Assistance Program, which provides onsite engineering expertise to local firms, helping them with everything from design to production. The MSU Entrepreneurship Center directs many other programs to help small business. The Agricultural Extension Service, which is something of a model for this Act's manufacturing technology centers, serves local farmers. Montana's economy benefits immensely from these programs, but we will do even better with the help this bill will provide.

The National Competitiveness Act also extends some of our most successful Federal research and development efforts. It builds on the Advanced Technology Program, to work with companies developing the most promising new technologies and assist with basic research. And it will help to build the information superhighway. And it will do all of this without adding a cent to the deficit.

GREEN BUILDINGS

Finally, I would like to call the Senate's attention to a provision in this bill which I think is critical. That is the establishment of a Federal environmentally sensitive construction program, more commonly known as green buildings.

The use of ecologically sensitive construction procedures, materials, and practices obviously has good environmental effects. But it also has important economic effects. Recent studies point to natural agricultural and wood products as promising sources of environmentally sensitive construction materials. In Montana, that means we can add value to our agricultural and timber products and develop innovative ways to use them.

The bill creates a competitive process for its demonstration of environmental technologies. And I am proud to say that Montana State University is poised to compete in this process, with its proposal for a green building at the Advanced Technology Park in Bozeman.

In Montana, we have some of the most wide-ranging temperatures—the widest ranges of temperature anywhere in the continental United States. This variation calls for the most energy efficient technologies available. Furthermore, Bozeman's abundant sunshine makes expanded use of solar technologies logical.

Montana, in my completely objective and unbiased view, provides the ideal climate in which to demonstrate the virtues of environmentally sensitive construction and materials. But wherever we test these technologies, be it Bozeman or Boston, the environment and the economy stand to benefit.

ENVIRONMENTAL TECHNOLOGY

The green buildings provision brings me to a larger point. The National Competitiveness Act is a very good bill. It will help our country. But no bill is enough in itself. As we embark upon this new path to revitalize our manufacturing base, I think it is essential that we consider the environment.

In the past, new industrial development often came with an environmental cost. The factories we built in the 1950's brought jobs and growth; but they also brought pollution, and left our generation with a huge burden of avoidable health spending and cleanup costs. In the past two decades, we have spent $1 trillion on environmental cleanup. We must not leave such a bill to the generation that will follow us.

The new technologies which this bill will help develop must be environmental technologies; technologies that reduce or reverse the impact on the Earth while still boosting economic growth. The only way we can do that is to consider the environment from the very beginning design stages until the end of the live-cycle.

S. 978, a bill I have introduced and which the Environment and Public Works Committee should send to the floor this year, uses the same precompetitive approach as the National Competitiveness Act. However, it focuses entirely on environmental technologies. It also makes sure the new technologies developed by S. 4 consider the environment. It is a partner and a complement to this bill.

The President has recently sent me a letter in support of S. 978, which I now ask unanimous consent to include in the RECORD. It may not be out of place here to mention that when I visited Japan last summer, MITI's vice minister for international affairs told me he thought it was precisely the kind of effort America needs to remain a technological leader.

CONCLUSION

With the end of the cold war, America and the world have entered a new era. Like the pioneers who set out for California 150 years ago, we have scaled a mountain range, and emerged to find a new world on the other side.

In the past decades we faced a challenge to our national security. Today we face an economic challenge; the challenge of living and leading in a highly competitive global economy. S. 4 will help our country meet this challenge by making sure that American technology is the best and the cleanest in the world. This is a good bill, it is critical to our future, and I urge the Senate to move quickly to pass it.

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

THE WHITE HOUSE,
Washington, DC, March 4, 1994.

Hon. MAX BAUCUS,
Chairman, Committee on Environment and Public Works, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Over the past months, the Administration has worked with the Committee on Environment and Public Works on S. 978, the National Environmental Technology Act of 1993, which you introduced to promote development and use of "green" technologies. I am pleased that we have been able to work together with you and your colleagues to refine the legislation,

and understand that you hope to take this revised version of the bill to the Senate floor soon. I support your proposed substitute as a legislative framework for the Environmental Protection Agency's contribution to the Administration's overall strategy for promoting environmental technologies. I look forward to working with you and other Members of Congress through the remainder of the legislative process to come to agreement on environmental technologies legislation that can be quickly enacted and implemented.

The development and deployment of environmental technologies are an essential part of the Administration's commitment to creating jobs and strengthening the economy while restoring and protecting the environment. I want to thank you and the other cosponsors of S. 978 for your leadership in this area. Working together, I believe we can achieve our common environmental and economic goals.

Sincerely,

BILL CLINTON.

Mr. BURNS. Mr. President, I rise today to support this amendment offered by the distinguished chairman of the Senate Commerce, Science, and Transportation Committee to S. 4, the National Competitiveness Act. Passage of this amendment allows this body to pass this important piece of legislation.

This amendment is cosponsored by Senators DANFORTH, ROCKEFELLER, and myself.

The National Competitiveness Act is legislation I have cosponsored since it was introduced on the first day of this Congress, January 21, 1993. This bill is one of the top five priorities for Senate Democrats and I am the only Republican cosponsor. My support for this measure has not been overlooked by my colleagues on this side of the aisle.

I worked closely with the distinguished chairman of the Senate Commerce, Science, and Transportation Committee, Senator HOLLINGS, to improve this bill as it moved through the committee. Senator HOLLINGS indicated a willingness to work with all the members of the Commerce Committee both Democrats and Republicans on this bill. In fact, there were no Republicans on the Senate Commerce Committee who opposed the bill when it passed the committee.

I am supporting this amendment because it cuts the authorization level in this bill by over $900 million over 2 years. From $2.8 to $1.9 billion for fiscal years 1995 and 1996.

By agreeing to do this we can save this important legislation that moves Montana and our Nation forward in the high-technology world in which we live and compete with other nations.

I think it is vital for our Nation to be the world's leader in advanced technologies such as information, computers, electronics, and new materials. This bill helps us accomplish that goal. It contains provisions for research and development companies, universities and tribal colleges in my State. It has a provision for needed research on so-called green buildings for environmental-sensitive construction technologies to be developed.

For these reasons and many more I want the National Competitiveness Act to pass the Senate. But I want to expand on an area I have been working on since joining the Senate just 5 years ago.

With S. 4, the National Competitiveness Act, we are taking two critically important steps in creating an advanced, state-of-the-art national information infrastructure which will substantially improve our economic and social welfare over the remainder of this decade and on into the next century.

If, after reading or watching stories about the so-called information superhighway over the last few months, the public is confused about the Government's role in promoting a ubiquitous, state-of-the-art, feature-rich, high-speed national telecommunications network, one should not be surprised. I have included in this bill a number of answers to the Government's role in the national information infrastructure.

With the assistance of Chairman HOLLINGS, I was able to substantially modify title VI of S. 4 when it passed the Commerce Committee. This bill limits the role of the Government to three areas in building the national information infrastructure:

First, funding basic research and development for high-speed networks:

Second, funding leading-edge applications in education, digital libraries, health care, manufacturing, and Government information; and

Third, implementing interconnection standards and interoperability protocols to ensure a seamless, ubiquitous network of networks.

I also included the addition of a NASA education program, funding for training and access to network capabilities, digital libraries and Government information applications, and other changes.

But most importantly and significantly, the new title VI contains language I requested which states unequivocally a new policy that the Government cannot expend funds to build, own, or operate networks in competition with those networks available in the commercial, private sector. This has been a serious concern to all segments of the telecommunications and information industries. This bill directly and specifically addresses those concerns with a clear delineation and demarcation of the respective roles of the Government and private sectors in the building of America's national information infrastructure.

Let me just conclude by strongly suggesting that we now move forward with the next critical step in developing a national information infrastructure—the creation of a rational, procompetitive, proinvestment national telecommunications and information policy.

I believe that there is a consensus developing that Government has become a problem and obstacle in completing a national information infrastructure due to the morass of regulatory and legal restrictions and barriers that segment and balkanize the information and telecommunications industries into protective enclaves created for the old world order in which we had one monopoly telephone company and three broadcast networks. That system is under tremendous pressure and it's time to change our national telecommunications policy in a comprehensive, holistic way.

I want to say to this body and our Nation that passage of this bill with this amendment offered by Senator HOLLINGS is vital to our Nation's schools, hospitals, libraries, and small companies to hook up to a national information infrastructure. It is also vital to my small businesses in Montana and small business throughout the United States.

I urge my fellow colleagues on both sides of the aisle to vote for this amendment. This amendment is a way to stop the bickering and to move this bill forward.

I want to salute my good friend Senator DANFORTH, the ranking member of the Commerce Committee, for his excellent debate and good faith effort to resolve his differences with his colleagues on the other side of the aisle.

If this competitiveness measure does not pass the Senate, my State loses, our Nation loses, this body loses, we all lose.

MODIFICATION TO COMMITTEE MODIFICATION

(Purpose: To modify the committee modification)

Mr. HOLLINGS. Mr. President, I think the first order of business is the modification which I send to the desk on behalf of the distinguished Senator from Missouri, our ranking member, and myself, and ask the clerk to report.

The PRESIDING OFFICER. Under the previous order, the amendment is so modified.

So the modification was agreed to, as follows:

At the end of the Committee Modification, add the following new section:

SEC. . OVERALL AUTHORIZATION LIMIT.

Notwithstanding any other provision of this act, the total amount authorized to be appropriated under this act shall not exceed $1,900,000,000.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, there will now be 90 minutes of debate.

Mr. HOLLINGS. On the Danforth amendment, I yield 1 second to me.

I want to thank Senator DANFORTH and the majority leader and the minority leader and friend, the Senator from West Virginia over here, the chairman of our subcommittee, and the ranking member, Senator BURNS, over on the other side for their getting together here and working this out.

I yield the floor so he can present that amendment.

AMENDMENT NO. 1522

(Purpose: To strike section 306)

Mr. DANFORTH. Mr. President, I send an amendment to the desk and ask it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Missouri [Mr. DANFORTH] proposes an amendment numbered 1522.

On page 58, line 19, of the committee modified substitute, through page 68, line 24, strike everything.

Amend the last section of the committee modified substitute by striking "$1,900,000,000" and inserting in lieu thereof "$1,800,000,000".

Mr. DANFORTH. Mr. President, I note the presence of the Senator from West Virginia on the floor, and I know that the Senator from West Virginia will have to be out of the Chamber for part of the afternoon and he would like to speak in opposition to this amendment.

Mr. ROCKEFELLER. My dear friend, the distinguished Senator from Missouri, is correct, but it is the Senator's amendment to strike. I think in spite of his generosity it will be better for him to go ahead.

Mr. DANFORTH. All right.

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

Mr. DANFORTH. Mr. President, let me say that when the Senator from West Virginia is ready to speak, if he would let me know, I will be happy to accommodate him.

Mr. President, we have reached an agreement with respect to the bill itself to reduce the authorization to $1.9 billion over a 2-year period of time. The exact splitting up of how that will be done would be worked out presumably in conference. But this does represent a very major step forward, and it has required working together and accommodation of a large number of Senators, as the majority leader has pointed out, and I for one am glad that we have reached this point, because now I think we are ready to go forward on a main issue which should be brought to the attention of the Senate, and it is the venture capital provision.

That is the substance of the amendment that has been sent to the desk. If this amendment is agreed to, the effect of that would be to delete the venture capital provision in this legislation and to reduce the total amount of the authorization from $1.9 billion to $1.8 billion over the 2-year period of time.

It is important to realize that this venture capital provision is one that appears in the bill as an authorization of $50 million for each of 2 years. How that would be worked out with the change in the overall figure remains to be seen. But just for analysis purposes, looking at this as a $50 million program in each of 2 years, Senators may say, "Well, $50 million a year, what is that? I mean, by Washington terms, that does not appear to be much."

However, I would call the Senate's attention to pages 20 and 21 of the committee report that is on every Senator's desk. Because this committee report, on pages 20 and 21, points out the fact that the loan guarantee feature in this venture capital provision would allow the Government to guarantee loans up to $300 million a year or a total of $600 million.

So this is a major loan guarantee program for very high-risk businesses—$600 million, if we kept it at the $100 million figure, $600 million of loan guarantees.

I would suggest to the Senate that these are loan guarantees for the kinds of business opportunities that venture capitalists get into; namely, high risk. And in all the literature put out by the Department of Commerce in general support of the provisions of S. 4, it is clear that it is the high-risk ventures that are the ventures that are to be favored under this legislation.

So the Senate should understand that this is not $100 million, it is a potential of $600 million in loan guarantees for high-risk business ventures. And high-risk ventures are ventures that can go sour.

I would simply ask Members of the Senate, when these business ventures go sour and we have voted to create a program to finance them with loan guarantees, what then is the explanation that we make to our constituents?

Reading from page 47 of the committee report, the committee report says:

In order to encourage the formulation and growth of civilian technology investment companies pursuant to this section, the Secretary is authorized, when funds are previously made available in appropriations Acts, to—

(A) purchase or guarantee the timely payment of up to 100 percent of the principle and interest as scheduled on, debentures issued by such companies, on such terms and conditions as the Secretary

That is the Secretary of Commerce.

deems appropriate pursuant to regulations issued under subsection (e); and;

(B) purchase nonparticipating or participating, nonvoting preferred securities and issue trust certificates representing ownership of all or part of such preferred securities.

So, Mr. President, we had an amendment that was offered by Senator BROWN today on the ATP program saying that there had to be at least 50 percent participation of the businesses that wanted the R&D grants. This is to say that 100 percent of the debentures with no limitations, 100 percent of the debentures issued can be guaranteed as to principle payments and interest payments, and that 100 percent of nonvoting stock can be bought out of the taxpayers' funds. This is supposed to be venture capital, risk capital, venture capitalists.

And under the provisions of this legislation, venture capitalists would come to Washington and be licensed by the Federal Government—licensed by a committee created by the Department of Commerce and the Small Business Administration, a committee of five individuals to license venture capital operations. But where is the venture and where is the capital? There is no requirement that the capital be provided by the venture capitalists. Maybe some of it would be; maybe some of it would not be. One-hundred percent of the indebtedness can be guaranteed by the Federal Government. One-hundred percent of the indebtedness of a venture capital operation can be guaranteed by the Federal Government. That is the program.

You talk about the Government getting into the world of business, this is the Government taking the private sector for totally off the hook. "You do not have to assume any venture capital, venture capitalist. Come to us and we will buy up to 100 percent of your debentures and we will guarantee them 100 percent. We will buy up to 100 percent of nonvoting securities. We will guarantee the payment of dividends." Where is the venture? Where is the capitalism? It is the same as the Government making grants and taking risks and making investments in the private sector.

There are people out there who are venture capitalists and if the Government does not want to buy 100 percent of the venture capitalist's operation—say, it takes 50 percent, 75 percent, whatever. What it is saying is some venture capitalists apply to the Department of Commerce licensure, they go away empty-handed. Other venture capitalists come here and say we would like to apply for our license, and they get a license. They are officially sanctioned venture capitalists and they are venture capitalists under this scheme who would not be officially sanctioned at all.

Talk about picking winners and losers. We are picking winning venture capitalists and losing venture capitalists.

And then we get down to the particular programs that they are venturing their capital on. We are saying that there are some business enterprises that are going to receive the Federal subsidy and there are some business enterprises that are not going to re-

ceive the Federal subsidy. Ultimately, this committee of five individuals—three appointed by the Secretary of Commerce and two by the Administrator of the Small Business Administration—is going to make the judgments as to what business enterprises get the subsidies and what business enterprises do not.

I call that industrial policy. I call that very heavy Government involvement in what should be marketplace decisions.

Mr. President, turning to the provisions of the bill, and this is section 306 of the bill which we would delete, I would like to call the attention of the Senate to various relevant positions.

Before I do that, I see the Senator from West Virginia, and I would yield the floor. My understanding is that the time that he claims would come out of those who oppose the amendment.

Mr. ROCKEFELLER. The Senator is correct.

The PRESIDING OFFICER. Who yields time?

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia [Mr. ROCKEFELLER] is recognized.

Mr. ROCKEFELLER. Mr. President, what the Senator from Missouri has just done is very gracious. He knows I have a 4 o'clock appointment that I have to keep, and he is allowing me to speak. I want to say to those who might be watching and listening to this debate that it is an extremely important debate and that I will be back, hopefully, at about 5:15. I hope this debate is still going on so I can continue, because I strongly believe in this amendment.

Mr. President, I want to respond to some of the issues that the distinguished Senator from Missouri has already raised, and speak in anticipation to other points. We are talking about a venture capital financing initiative. The opposition seems to have a concern about putting the Government in the business of assisting in the financing of particular ventures. They have chosen a pilot program, which is what is in S. 4—a pilot program—that lasts 2 years and then stops unless continued, and is called Civilian Technologies Investment Program. They have chosen this to make their point.

Critical technologies are about the 25 most important aspects of advanced manufacturing—lasers, optic fibers, ceramics, composites, computer chips, et cetera—that if we do not have and are not manufacturing in the 21st century, we are going nowhere economically as a country.

Opponents have questioned whether the Federal Government ever plays a role in financing, or should. They have argued that the Government does not have the ability or the skills to play a role in financing. They argue the Government is destined to lose money.

Mr. President, let me just point out some of the implications of that argument. If we concluded that that Civilian Technologies Investment Program is an inappropriate use of Federal resources, then we had better also conclude that a whole host of financing programs the Government guarantees—subsidies and tax credits—are also an inappropriate use of Federal funds.

We come here to a very critical, basic decision. As one of the authors of this initiative, it is—and I say again—a pilot project. We are not unleashing some gigantic series of aircraft carrier. This is a 2-year pilot project. That is all it is. Let me elaborate on what we are proposing.

The Civilian Technologies Investment Program was modeled after the Small Business Administration's SBIC, the Small Business Investment Company Program, which has been very successful. It was created in 1958. I have no choice but to use the acronym for that program. SBIC is what we call the SBA program because it is well known to people. SBIC has a reputation for bringing high-risk products and services to the market—and that is what this is all about—at a relatively low risk and at a relatively low cost to the Government or the economy.

SBIC finance projects have been proven, they have spurred innovations, advances in technologies, product development and, Mr. President, that translates into what the only thing S. 4 is about, which is economic growth, new job opportunities, and more competitiveness for our country.

The SBIC Program was reauthorized and restructured under the leadership of President George Bush and the SBA Administrator at that time, Patricia Saiki. That leads me to this bill, S. 4, and its provisions that the Senator from Missouri and I are now debating.

We followed the leadership of President Bush on this and designed the Civilian Technologies Program after his model. Contrary to the suggestions made, or that might be made by the opposition, SBIC's are not run, and the critical technology investment companies will not be run, by the Federal Government. They will be run by private-sector venture capitalists, not Government bureaucrats. May I say that again? They will be run by private-sector venture capitalists, not Government bureaucrats. Additionally, the Government will not be writing checks to these companies. We will be providing only a guarantee.

I want to stop at this moment because the distinguished Senator from Missouri made a point, and if I were listening to that and did not have the bill in front of me, it would be of concern to me because he indicated and, in fact, read the other day the following:

> Therefore, CBO estimates that the $50 million authorized for this program in 1995 would permit the Government to make or guarantee about $300 million in loans.

And then he stopped. So I would have to assume that Senators and their staffs who were watching this debate would assume, "Good grief, we are about to spend $300 million." That is not correct.

The sentence preceding the sentence that the Senator from Missouri read, reads as follows:

> The bill would require that the subsidy rate for the loan program not exceed 15 percent.

The point I am making is that there is no way that the Government will spend more than $50 million. It will not happen. There is no way that the default rate will exceed 15 percent. It cannot happen. And Senator HOLLINGS, as chairman of the Appropriations Subcommittee, will be sitting and watching that very, very closely.

Mr. President, there was also a point raised with regard to the budget of the program. I want to point out that the SBIC Program was involved with the early financing of a few companies that I believe my colleagues just may have heard about. One is called Apple. It makes computers. Another is called Nike. I believe it makes sneakers. And the other is called Federal Express, and they do a lot of things very quickly.

I want to point out that these programs were financed by SBIC, and we can pay the entire Government cost, going all the way back to 1958, based just upon those three companies and what they have done alone in terms of yields to the Federal Treasury.

I would like to point out that the tax revenues, again, generated by just three companies have more than paid for the entirety of the SBIC Programs since its inception in 1958.

Second, Mr. President, let me point out some other areas of financing where the Government plays a role:

SBA Guaranteed Loan Program; Community Development Corporations; Certified Development Corporation; section 503/504 loans. We are in this business already. Export-Import Bank loan guarantees.

The Senator from Missouri is going to produce a letter from some venture capitalists later in this debate which will say these companies do not want to see this happen. They are very much like the companies in the Export-Import Bank who are receiving money and do not want to see more competition.

This plan in S. 4 is aimed at medium- and small-size industries, of which there are many in Missouri, West Virginia, South Carolina and other places.

But let me go on. The Export-Import Loan Guarantee Program, guarantees for export revolving lines of credit—guaranteed loans by the Government, Mr. President. We are doing it. We have been doing it. It works. We are there already. This is nothing new.

Beyond these examples there is a whole level of programs where the Government assists in creating a financing market. For example, Government-sponsored enterprises: Fannie Mae; Freddie Mac; Sallie Mae. Tax subsidies, Mortgage revenue bonds; industrial development bonds; general obligation bonds; low-income housing tax credit.

Mr. President, I ask unanimous consent that this particular piece of paper I am holding be printed in the RECORD.

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

Guaranteed Lending Programs (partial list): Small Business Lending Companies; Small Business Investment Companies; Minority Small Business Investment Companies; Small Business innovation Research; Small Business Guaranteed Loans; Export Revolving Lines of Credit; Economic Development Administration Revolving Loan Funds; Export Import Bank Loan Guarantees; Overseas Private Investment Corporation; S.B.A. Sec. 503/504 Fixed Asset Loans; Rural Development Administration Loans; Federal Home Loan Banks; Community Development Corporations; Microloan Program; Multi-Family Housing Program; Section 108 Loan Guarantees.

Government Sponsored Enterprises: Fannie Mae; Freddie Mac; Sallie Mae.

Tax Subsidies (Partial List): Mortgage Revenue Bonds; Industrial Development Bonds; General Obligation Bonds; Low Income Housing Tax Credit.

Mr. ROCKEFELLER. There are numerous programs where the Government assists in creating a financing market. We are doing it. For example, is the opposition to this initiative suggesting—and I would think they would have to be to be consistent philosophically—that we reevaluate Fannie Mae; that we reevaluate Freddie Mac or Sallie Mae?

To take it a step further, Mr. President, we use the Tax Code to promote financing all the time, and we know that a tax benefit has the exact same economic effect as a direct subsidy—not even a loan in this case, but a direct subsidy. We use that for certain purposes. The Government has been doing it in many areas.

For example, if we follow the logic of the opposition, we might have to eliminate mortgage revenue bonds, municipal bonds, industrial development bonds, and the low-income housing tax credit. If we are not going to be for one, and we are going to be consistent in philosophy, then we should not be doing all these others we have been doing all these years.

Furthermore, unlike any other program, under this program, the Government can "share in the up side." Not very elegant language, I would agree, but it means that if the CTIP, which is this program we are debating, does well, the Government can benefit, bringing dollars into the Treasury and reducing the Federal deficit.

So, Mr. President, unless the opposition is suggesting that we eliminate all programs that I have just listed and take the Government completely out of the role of financing and creating markets for small business in housing and economic development, we ought to get on with this longstanding, bipartisan approach and support this section of S. 4.

I do not know of any other program than the one we are suggesting here where we can get more "bang for the buck". For every $1 that the public sector contributes to this, we are leveraging $6 of private money. I think that is a good deal. The SBIC has gone on since 1958, and they have had a default rate of only 4 percent. So then, you might say, why do we put it at 15 percent? And here comes about my final point, and again I thank the Senator from Missouri. We are talking about venture capital in critical technology.

Mr. President, I would like to tell you that this country is full of entrepreneurs and entrepreneurial financing sources which is simply where we make funds available for smart ideas, particularly ones involving critical technologies like ceramics, optic fibers, composites, and all of the things the Presiding Officer knows very well.

But we are now discussing more high-risk efforts than the SBIC funds. The SBIC has experience with technology, but they have not had that much experience with high technology, and certainly none with critical technology types of programs. So that is the reason, even though the SBIC default rate is only 4 percent, we chose to be more conservative.

My final point is simply this. The venture capital market has more or less closed down except for the larger level, and when it comes to high-risk, critical technologies, it really is not there.

If Thomas Edison wanted to invent the light bulb these days, Mr. President, he would have to bring in Shea Stadium in his arms with all the lights on to convince venture capital that the light bulb is an idea which might be useful. It has just changed. The venture capital market has dried up in the last several years because of the general economic condition, because people are more cautious and more conservative.

So I would in a sense almost challenge the Senator from Missouri, my good friend, Senator DANFORTH, to come up with any other program of the Government that gives you the same bang for the buck and at the same time takes on what this Senator considers to be the single most important manufacturing effort this country has to undertake. When the year 2000 arrives, we are not only doing best basic and applied research, but we are commercializing and taking to market the critical technologies that will make us an economic force in the future.

Mr. President, I yield the floor, once again thanking my friend from the State of Missouri for his very clear and obvious courtesy.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, one thing that should be emphasized is the fact that this has been worked out with the Small Business Administration. I cannot overemphasize that, because I happen to have a particularly high regard for Erskine Bowles, the Administrator of the Small Business Administration.

My particular association with it is that we handled the appropriations last year. The SBA, as is emphasized now by the distinguished Senator from West Virginia, has really been running out of money. Everybody knows what the banks have been doing for the past couple of years.

And in that light, we ran out of money for the loans, and we put in, in April of last year, another extension, an emergency provision for $750 million in small business loans.

Now, that was not directed to technology. That could go to restaurants; it could go to clothing stores, or whatever else. But I want you to know that this Senator does have a slight feel for the idea of responsibility, not just a pilot program to be given to the Secretary of Commerce burning a hole in his pocket.

The pilot program shall be operated under the direction of the Department of Commerce Small Business Administration Venture Capital Licensing Committee, and that committee shall consist of three Department of Commerce designees appointed by the Secretary, one of whom shall be the Under Secretary for Technology.

Now, we really started off on the right foot there. I am sure the Senator from Missouri will agree. That is Ms. Good, Under Secretary Good, in charge of technology. She headed up the entire technological and research effort for Allied. She was President Reagan's appointee as Chairman of the Board of Directors of the National Science Foundation Board back about 10 years ago—thoroughly experienced, thoroughly reliable. So she serves as the Chairman of it.

Two of the Secretary's appointments shall be technology experts, at least one of whom shall also be a finance and investment expert.

So we have the credibility further enhanced with that particular requirement. And then, of course, two Small Business Administration designees appointed by the Administrator of the Small Business Administration, who shall be finance and investment experts.

Now, that cannot be overemphasized, because the Senator from Arkansas [Mr. BUMPERS] the chairman of the committee, and the ranking member, the Senator from South Dakota [Mr. PRESSLER] on our committee, had im-

mediate misgivings: Wait a minute; what are we doing here? We have the SBIC. We have the loans; let us not start another one.

However, with the need here on technology, with the particular emphasis that is the intent of S. 4 to emphasize technological loans, then we wanted to at least institute this as a pilot program.

You say why? You have heard from two venture capitalists already with differing views. But I try my best to listen and learn.

One thing just impresses this Senator who is outside the realm of venture capitalism, and I quote from Alan Wolfe in his book on "Improving United States Trade Policy" back some 6 years ago. He served as the Special Trade Representative's Assistant to the Ambassador during the seventies. He has credibility on both sides of the aisle and with experts in the field of trade all over the country. I quote from page 563.

In 1990, a Wall Street analyst commented to a group of U.S. semiconductor executives that "The goal of people investing in stocks is to make money. That is what capital is all about. It is not a charity. I cannot tell my brokers, gee, I am sorry about your client but investing in the semiconductor industry is good for the country." While this individual was stating a truth so obvious that it verges on the banal, he was touching on a fundamental dilemma confronting U.S. industry today. In light of the investment sentiment expressed above, how is a company to maintain the level of investment needed to remain competitive over the long run, particularly if there is no prospect of a short run payoff or if foreign competition has destroyed the prospect of earning a return on the investment? A few U.S. firms, family-owned and managed companies like Motorola and Corning, and some very large firms like IBM and GE, have on occasion proven capable of undertaking long-range strategic investment on a regular basis, and in some cases meeting foreign below-cost price offensives head-on for a sustained period. Moreover, however, a company's internal investors, the executives who allocate capital, have no choice but to invest in areas that are likely to produce a high return on investment over the short run. They know they are accountable to lenders and shareholders who can simply redirect their investments elsewhere if the firm persists in simply committing to areas where returns are low or negative or are perceived to be forthcoming only in the distant future.

Then there is a note to this particular section:

"The New York Times noted on February 6, 1987 that U.S. venture capital investment, which had been an important source of capital for U.S. high-technology industries, was shifting away from high tech to areas where greater returns were anticipated, such as leverage buyouts of existing companies, pizza shops, athletic apparel concerns,

and on down as he lists them there.

That gives you a feel for the problem that S. 4 with this particular provision is trying to address. Specifically, again President Bush's Competitiveness Policy Council, I quote from it:

Entrepreneurs and small companies with exciting new technologies often have trouble obtaining the financing needed to commercialize products and grow their business, and frequently end up licensing their technology to more patient and deep-pocketed foreign companies.

I remember well the vice president of GE came into my office some years back. We had a competition back in the 1970's for low-cost housing on military bases. They had won the competition out at Vandenberg. You could build at that particular time a house with three bedrooms, a bath and a half, a dining room-kitchen combination, for $17,500. But it had all the new things. It did not have copper gutters. They were reinforced with fiber, Owens-Corning fiber, and the likes of that. It had a special kind of roof with a 20-year guarantee.

They had won the competition. But then going around trying to sell the production of it with all the zoning laws and regulations, they just gave up and sold it to the Japanese, and went over and started building the houses in Saudi Arabia. The GE vice president had his big briefcases. We were good friends. He said, "I am just going over to the Saudis. We finally got it off, and the Japanese have picked it up."

So there is the problem, particularly for small companies. These are the kinds of things that we are confronting in S. 4.

And we go to the track record of the small business-licensed investment corporations.

Since 1958, the SBA-licensed SBIC's have invested more than $9.7 billion in small businesses. Two features are central: Most of the money is privately raised, and venture capitalist—not Government—officials decide which small business to invest in.

We will benefit from the objectivity and expertise of the Under Secretary, Mary Lowe Good. She is not a partisan Democrat. She will not be giving out moneys to California and grants willy-nilly. She is very conscientious about her own credibility and she is going to be the chairman of it. Other experts are involved from the SBA, and Mr. Bowles will be watching it, and again on a merit basis, a peer-review basis. You are going to have the Senator from Arkansas on our Appropriations Subcommittee, Senator BUMPERS, the chairman of the SBA Committee here on the Senate side, and this particular Senator. We do not want to start a boondoggle. We are going to watch this because I am selfish about this. If this initial program were subject to abuse and politicization, then the entire program would fall, the program that is just getting started.

So I am just as concerned as the Senator from Missouri or anybody else that this must not turn into pork barrel, we must not throw money away. The multiplying effect is absolutely critical. That is the key in all of these SBA loans.

So we are not giving out $600 million or $300 million. It is only a $50 million pilot project that generates that $300 million in one year we hope, and $300 million in the second year we hope, or $600 million. But if we get to the $600 million, it would be a success story. That is the whole thrust of this particular provision by the Senator from West Virginia.

I yield the floor. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Missouri, Senator DANFORTH.

Mr. DANFORTH. Mr. President, as indicated by the Senator from West Virginia, I have a letter from the National Venture Capital Association signed by Allen Neece, their legislative counsel. Mr. Neece says for the National Venture Capital Association:

This letter is to confirm that the National Venture Capital Association is adamantly opposed to the venture capital provision contained in section 306 of S. 4.

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

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

NATIONAL VENTURE CAPITAL ASSOCIATION,
Washington, DC, March 15, 1994.

Hon. JOHN C. DANFORTH,
Russell Senate Office Building, Washington, DC.

DEAR SENATOR DANFORTH: This letter is to confirm that the National Venture Capital Association (NVCA) is adamantly opposed to the venture capital provision contained in Section 306 of S. 4. As the President-Elect of NVCA, Patricia Cloherty, stated in a letter dated last Friday, March 11, to all of your colleagues, the creation of still another government backed venture capital program is out of order. Not only is it redundant of an almost identical program authorized two years ago, but because of its emphasis on so-called "critical technologies," it smacks of a government directed industrial investment policy. Similar attempts have been made in the past going way back to the Eisenhower Administration and all have ended in abject failure.

Section 306 is a no more enlightened program than its predecessors; and we, therefore, recommend that this section be struck, or failing that resolution, that Sectors vote "nay" on final passage.

Sincerely,

ALLEN NEECE,
Legislative Counsel.

Mr. DANFORTH. Mr. President, I also have a letter from William Sahlman, who is professor of business administration at Harvard Business School. I would like to read just a couple of excerpts from the memorandum to me from Professor Sahlman:

Recently, a number of legislative initiatives have been launched that would have the government play an active role in the creation of venture capital firms. The underlying rationale is simple: There is, according to the sponsors, a shortage of risk capital in the United States, particularly capital aimed at early-stage ventures.

As evidence, people point to the decline in professional venture capital commitments in the most recent 8 years.

I, personally, believe no such shortage exists. I have yet to see a good idea and team not get funding, and I have seen many bad ideas (and/or bad teams) get funding.

I should also note that all attempts by the Government to direct investment have enriched the wrong people—lawyers, accountants, and promoters. The record for State initiatives in venture capital is disastrous. Loan guarantees are like heroin: They give promoters the upside, leaving the taxpayer holding the bag if the investment doesn't work out—not my idea of a sensible policy.

I ask unanimous consent that the entire memorandum from Professor Sahlman be printed in the RECORD.

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

To: Senator Danforth.

From: William A. Sahlman, professor of Business Administration, Harvard Business School.

Subject: Government sponsorship of venture capital.

Date: March 15, 1994.

Recently, a number of legislative initiatives have been launched that would have the government play an active role in the creation of venture capital firms. The underlying rationale is simple: there is, according to the sponsors, a shortage of risk capital in the United States, particularly capital aimed at early-stage ventures. As evidence, people point to the decline in professional venture capital commitments in the most recent eight years.

I personally believe no such shortage exists. I have yet to see a good idea and team not get funding, and I have seen many bad ideas (and/or bad teams) get funding. The level of professional investment in early-stage ventures in the past few years is a result of the fact that returns to venture capital investing were meager during this period, approaching 0% per year. It wasn't a productive place to put capital to work. One reason returns were low was that there were too many companies being funded in each industry, which resulted in competitive mayhem and poor fundamental results.

In the most recent period (1991 to the present), a significant increase in early-stage investing has taken place. Why? The fact that investors exited the business in the late 80s and early 90s created an attractive opportunity to invest. Lo and behold, venture capital investors came back with a passion. In this regard, to the degree that government policy creates artificial inducements to invest, it will ultimately result in poor returns and exit from the business.

I should also note that all attempts by the government to direct investment have enriched the wrong people—lawyers, accountants and promoters. The record for state initiatives in venture capital is disastrous. Loan guarantees are like heroin: they give promoters the upside, leaving the taxpayer holding the bag if the investment doesn't work out—not my idea of a sensible policy.

I do believe that government policy has a big impact on the high potential entrepreneurial sector. Right now, the trend seems to be to move in the direction of a European social system, which makes it costly and risky to employ people. We are rapidly building a system that penalizes firms that exceed fifty employees. We are trying to destroy Sub-S companies that are successful.

I have appended an editorial I recently wrote on government policy. I hope this is useful. This letter represents my ideas, not necessarily those of my employer.

Mr. DANFORTH. Mr. President, turning to the loan guarantee provision in this legislation, I will read from the committee report, and the Senator from Missouri did not write the committee report. Let me just read the relevant portion from it:

The bill would require that the subsidy rate for the loan program not exceed 15 percent. Therefore, CBO estimates that $50 million authorized for this program in 1995 would permit the Government to make or guarantee about $300 million in loans.

In other words, $50 million is 15 percent of $300 million, and according to the way CBO scores this, a $50 million authorization permits $300 million in loans. And it follows, as day and night, that $50 million a year for 2 years, or a total of $100 million in authorization, would yield $600 million in loans. That is the exposure under this legislation. It is not $50 million or $100 million; it is $300 million, or $600 million in loans. To whom? I intend to pursue that in just a minute.

Mr. President, reading from some excerpts and commenting on them from the section which my amendment would strike from the bill, this provision in the legislation provides that a pilot program, as it is called, shall be operated under the direction of the Department of Commerce-Small Business Administration Venture Capital Licensing Committee. That is the name of the new organization that is created—the Department of Commerce Small Business Administration Venture Capital Licensing Committee. It is referred to throughout the rest of the bill as the licensing committee.

Then it says that the membership consists of three people appointed by the Secretary, and they include, as the chairman pointed out, the Under Secretary for Technology, and also two people appointed by the Small Business Administrator, and an investment expert is supposed to be included in that list from both Commerce and SBA.

In other words, here is a committee of five people that is the licensing committee for venture capital operators. We say, well, please do not worry about this licensing committee, because we absolutely promise you that these are smart people. We do not have dummies here in Washington. We do not have fools here in Washington. We have geniuses. And we guarantee that the people who are going to do the licensing of these venture capital operations are smart. So that is good news.

Then it goes on to say that the licensing committee may license pursuant to joint regulations. So, obviously, we are going to have regulations, and they are on the next page. But we have to have regulations. How do we operate Government without regulations? And how can we operate our licensure system for venture capitalists unless we have regulations, joint regulations, by the Commerce Department and the Small Business Administration for how we are going to go about the business of licensing venture capitalists?

"Activities of licensees. Each civilian technology investment company"—these are the venture capitalists who are the beneficiaries of the largess of the taxpayers—"company licensed under this section may provide venture capital and loans to eligible technology firms * * *"

"Eligible" is defined, incidentally, in this section.

"* * * and eligible joint ventures in such manner and under such terms as the licensee may fix in accordance with"—hold onto your hats—"joint regulations."

Then it says that the type of financing to be provided "shall be determined by the licensing committee." "Each civilian technology investment company shall have authority to borrow money and to issue its debentures." These are the joint venture operators.

So if you are licensed, if you are a civilian technology investment company, a venture capital operator, then you have the authority to issue debentures, promissory notes, securities and other obligations under such general conditions and subject to such limitations and regulations as prescribed in the joint regulations. This is called a partnership. This is what we call a Government-business partnership. We have the licensing committee —smart people—and we have regulations on how it functions. We issue the licenses and tell them how they can finance themselves.

The licensing committee is authorized to the extent the funds are made available to the Department of Commerce in appropriations acts to transfer such funds as may be necessary to the Small Business Administration to purchase or guarantee the timely payment of all principal, interest, and dividends, as scheduled on debentures or participating, nonvoting preferred securities issued by such companies.

I repeat. The licensing committee has the authority to purchase or guarantee the timely payment of—please note the following word—all principal, interest, and dividends as scheduled on debentures or participating, nonvoting preferred securities issued by such companies.

The Small Business Administration is also authorized in accordance with sections 321 and 322 of the Small Business Investment Act of 1958 in regulations promulgated thereunder to issue and guarantee such trust certificates as are necessary and appropriate to provide funding for qualified civilian technology investment companies, that is an open-ended authority to loan or guarantee the loans for up to 100 percent of debentures to be issued.

Now, the licensing committee shall require that any civilian technology investment company licensed and assisted under this section shall—and there are several requirements:

3. Demonstrate to the licensing committee credible procedures for ensuring that investments are made in critical technology projects for which eligible technology firms cannot obtain necessary financing solely through commercial capital markets.

The Harvard professor says that if they are good ideas they can get funded. This says if you cannot get funded, if you go into the marketplace and you cannot get funded in the marketplace, then that is a condition precedent to getting funded under this operation.

I think that means that if you have an idea which cannot hack it—you have an idea out there, nobody likes it, you try to peddle it, you try to get money, you try to get capital, you cannot hack it, you cannot make it, the private sector does not want it, what do you do next?

Well, it turns out that that is good news not bad news. It is good news that nobody likes your idea. Come to uncle. We like bad ideas. If you have got a bad idea out there, we will fund it. In fact, if it is a good idea we will not fund it. That is how I read that section.

Mr. President, I simply point out the fact that if we are going to get in the business of trying to fund those good ideas in research and development, I do not think that it should be something that is done by Government. I think that is what the private sector is for.

The Harvard professor, whose memorandum I just submitted for the RECORD, believes that there is not a shortage of venture capital money. Some say that there was a decline. There was a decline—there is no doubt about it—for a couple of years in the few years in the late eighties and early nineties, and people have speculated why that is. Some people believe that it is because in the mid 1980's there was a excess of venture capital funds. Some believe it has to do with the termination of the capital gains differential. I am not going to get into that speculation or that debate. But I do believe that the current state of affairs is that there is not a shortage of venture capital from the private sector.

But even if there were, even if there were a shortage, that would seem to me to be a marketplace matter, not something that we pontificated on here in Washington. The availability of capital—the money is out there in the marketplace in a capitalist system. That is how the marketplace functions. If there are good ideas, there is capital to fund good ideas. If the ideas are not any good, then capital will not subsidize those ideas.

We are saying in this program we are going to have a licensing scheme, we are going to have exposure for up to $600 million of Government loans or loan guarantees for ideas that by definition cannot make it in the marketplace. It seems to me, Mr. President, that this is a direction in which we should not go.

The PRESIDING OFFICER (Mr. MATHEWS). Who yields time?

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

The PRESIDING OFFICER. The Senator from South Carolina has 16 minutes and 20 seconds.

Mr. HOLLINGS. And the other side?

The PRESIDING OFFICER. The Senator from Missouri has 17 minutes and 51 seconds.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Who yields time?

Mr. HOLLINGS. Mr. President, I yield to the distinguished Senator from Montana.

Mr. BURNS. I thank the Senator very much.

Mr. DANFORTH. I was hoping to have the opportunity to yield to the Senator.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BURNS. Mr. President, the Senator from Missouri makes a very valid point when we start talking about financing new ideas. That part of this particular piece of legislation is designed for small businesses. And I can probably cite as many situations on new ideas, new technologies, and new products that have been designed, drafted and thought about and really put together on America's farms.

One of them I think would be in the eastern part of North Dakota, by a good friend of mine, and the idea was an excellent. It had to do with clean air into diesel engines, how we filter that air. He just did not have enough money to put that idea into a situation of research and development. So when presented to another entity that did have the money, the idea was no longer his.

So what we are talking about here is not the Government in competition with other venture capitalists, because there is a specific part of this bill that prevents that from happening. We are talking about a situation that is designed sort of like the Small Business Investment Company Program which was created way back in 1958 in response to a lack of financing for small entrepreneurial businesses there. This was just a rifle shot that would probably help facilitate that idea and to get it off the ground. The SBIC programs were responsible for getting, in the early stages of companies like Apple, Nike, Federal Express, and those kind of companies, a new idea, a new industry to allow it to flourish.

With the tax situation as it now is because we continue to tax and tax and tax, for small business, Mr. President, it is pretty hard to amass capital and to take that capital and to promote an idea and to get it into the marketing place. If we are going to take, we have to also, maybe, reinvest—maybe reinvest with the small idea that grows up to be great ideas.

I can tell you my own kind of a situation in Montana. I can remember when I had this silly idea about the radio business and television business and trying to get started. But I had some options. I was cut off from a couple of my options to prevent me from going into business, because the people who owned the competitive business also owned the vehicle with which my business had to travel. But I had another option or two, and I took advantage of those options and went on from there to be able to provide for me and my family as I thought I should, and do what I enjoy doing and, of course, that was in the farm broadcast business. I still look back on those days, wishing I was back in it.

Nonetheless, it is the time when, if we are not going to allow that businessman to amass money, we are going to tax it, we are going to have to help him in other ways.

A young man coming out of college, full of hope, believing in this country, the fairness of this country, is going to find out that if his idea is a good one, he is going to have a pretty darn hard time hanging on to it and trying to develop it at the same time so that he can improve his lot in life.

So unlike any other program under the CTIC Program, the Government can share in the upside of the commerce of this country. In other words, if the CTIC does well, the Government can benefit, bringing dollars to the Treasury and also reducing a little bit of our deficit. It has to be handled in a proper way.

So I would support this part of the bill and would not like to see it weakened any more at a time when new ideas and new technologies are abounding and should be allowed to flow.

Mr. President, I remind my colleagues that venture capitalists participating in a program can supplement their own private investment capital with this funding. They could be commingled, giving more market power to whoever wants to invest.

So I oppose stripping this from this piece of legislation and I will vote to do so.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. How much time does this side have remaining?

The PRESIDING OFFICER. The Senator from South Carolina has 9 minutes and 26 seconds.

Mr. HOLLINGS. I yield myself such time as is necessary.

Mr. President, I am trying to determine who belongs to the Venture Capital Association. We are now in the sixth day of debate, and we finally have located someone who opposes a feature of this particular bill; whereas, we have on hand all of industry, all of technology, all of education, all in strong support.

They support it because not only does it aim at developing our technology, it would also move forward here with the Small Business Administration, the SBIC, and others.

The argument is made by my distinguished colleague, the ranking member on our committee, that the letter from the Venture Capital Association is an argument against SBA, period, the Small Business Administration. I am confident they do not like that. I am confident they do not like the SBIC. They do not like any part of it. Because, yes, their interest is to grab all the capital that comes to them and they manage it.

But we have found that the private market is the wrong place to leave these things because we would not have any of these businesses. Think back over the long list of speeches in support of SBA and SBIC in this body in the last 2 years.

The SBIC Program creates business and business ownership opportunities. The SBIC financing has contributed to the creation of thousands of new companies between 1959 and 1991. The SBIC has financed 70,000 small business concerns in approximately 100,000 financing transactions, disbursing approximately $9.7 billion, of which $4.6 billion was private capital and $3.1 billion was funded by SBA through debentures preferred stock. It is a generator. It creates jobs.

These SBIC finances have created jobs in a broad spectrum of small businesses, from ice cream companies to computer companies. And there have been some 570,000 jobs in the direct financing of the SBIC.

Now what we are trying to do is get over to the technology part. It says that more than one-half billion dollars of direct taxes have been paid by the SBIC's to the Federal Government. And the partnership and corporate SBIC's are paid in excess of $800 million in dividends for the owners. I could go down, on and on.

We have a real winner here.

But what comes? The Venture Capital Association. And I have been on the budget end of this thing since we organized the Budget Committee back in 1974. I have never seen a letter from the Venture Capital Association saying, "Please, Senator, pay your bill, because you have the sharp elbows of Government out there financing your deficits and debts, taking out from the market the venture capital, another $300 billion this year."

I am not talking about a little, measly $50 million pilot program. But we were getting up to $400 billion deficits. And we have been running deficits again. Of course, they said the deficit was going down to $176 billion next year. But then, add on another $100 billion that we are using from the Social Security fund, the Highway fund, the Airport and Airways fund, the Federal Finance Bank fund, the Medicare fund, and others, and you still are up around $275 billion.

Sharp elbows of Government kicking away at venture capital? I have never seen that crowd write this Senator, working on the Budget Committee, that we are taking away billions. We are taking away a little mealy-mouthed $50 million in a pilot program, studied well, conceived well, a well-audited, well-directed program. That is part of this. That is the whole point.

We do need for the IBM's, the GE's, and the Motorola's to get into technology. They can get governments to move, as we have just done with the cellular radio. We have not been able to do anything with Japan. But Motorola is powerful enough on just that one thing, cellular radios, to move the Government of Japan. In the morning paper, it is moving.

But the small businesses that generate the jobs in this country, that really create the opportunity, these are real success stories that should not be foregone in the adoption here now of S. 4. It is fundamental. It is just a pilot program. It is well guarded against any kind of abuses. We will be watching that.

It phases out in just a 2-year pilot here. So that would be the only authorization, just for 2 years, to see how this can work.

It is really the best part of this entire bill, in our opinion, and should not be stricken from the bill here because of the opposition of this single group, the Venture Capital Association.

Heavens above, I would like to see the board of directors of that crowd. I want to know if it includes executives of small business. But all the businesses, the National Manufacturing Association, right on down the list, endorse this bill with this particular provision.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BRADLEY addressed the Chair.

Mr. DANFORTH. Mr. President, I yield such time as he requires to the Senator from New Jersey.

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

Mr. BRADLEY. Mr. President, I rise in support of the effort to strike this provision from the bill. I do so because I think it is in the interest of the American taxpayer and because it will reduce the budget deficit if we eliminate this section of the bill.

We can have a legitimate debate over what the Government can and cannot do well. Running a venture capital operation is, however, something I am fairly sure that the Government cannot do well.

Before the Government steps into the marketplace, I think we have to think there is some problem that the private sector cannot, on its own, solve. There should be some market failure that we need to address.

My question is: What is the problem? What is the market failure here?

Before we go forward with this program, ask yourself just a couple of questions: Would you put your own personal money in a Government-run venture capital program? Would you risk your pension funds on the ability of a technology licensing committee to find the right technologies?

Would you risk your child's education bonds on the ability of bureaucrats to outperform markets?

If you would not, then you should not be voting for this program. You should not be wagering taxpayer money on an ill-advised effort at industrial policy.

The goal of this program is "to stimulate and expand the flow of private capital to private companies." And the means of doing that is a 100 percent guarantee of principal and interest —100 percent.

Let us be a little more serious about this. Profits stimulate and expand the flow of private capital. A growing economy and low interest rates stimulate the flow of private capital. The dreams and genius of entrepreneurs stimulate the flow of private capital. Government bureaucrats reading business plans and interviewing would-be Bill Gateses will not stimulate or expand the flow of private capital. Given a choice, I will stake my faith in markets and not in bureaucrats.

I simply do not believe that we should be attempting to direct the flow of venture capital. Who is to make the decision on which technologies, let alone which entrepreneurs, to back—Government bureaucrats receiving applications? There are thousands of venture capitalists around the Nation attempting to find the next Microsoft. They are all over. They are looking, they are interviewing companies, they are interviewing this guy in his garage, they are interviewing that guy in this State or that State. They are trying to find the guy where, if they invest in him, they will get the payoff. There are millions of investors out there, and they are not limiting themselves to any given set of technologies or industries. They are guided by one thing: The profit motive, the best incentive yet we have found at job creation.

Do we really think that Government is going to do a better job of finding the next breakthrough industry or the next breakthrough product or the next breakthrough idea than all these mil-

lions out there looking to find it so that they can make a lot of money?

Mr. President, venture capital is risk-based capital. What does that mean? It assumes that out of every 10 investments, 7 or 8 will go bad. That is why it is risky. Seven or eight will go bad; two might make it.

My prediction is under this program such a number—two or three—might be a tremendous success. But what about the seven or eight that fail? The taxpayer is on the hook.

We are not going to eliminate the risk in the market. We should not even try. What we are going to do is squander $50 million in loan guarantees that could go to guarantee about $300 million in loans. I think that that is too much. If we have these funds to spare, instead of putting them in some bureaucracy to be loaned out to whomever can get to the bureaucrats, I say we ought to reduce the budget deficit. It is as simple as that.

With that said, Mr. President, I want to say I think I have an idea where this program came from. Not the individual but an idea of the mindset that generated this program. It came from, I think, well-meaning people. It came from individuals with the highest motives. It came from people who want to see America compete. It came from people who believed that we should have every possible advantage in the worldwide competitive marketplace. It came from people who are patriotic and who want America to win.

But, Mr. President, what is the reality after this provision passes, after it was written by those with the highest motives? Then it is turned over to the lobbyists, to all the people who will flood the department with various proposals. It will, of course, under the provisions of the law, be judged on the highest meritorious basis, according to X, Y, and Z criteria, designed by the following subcommittees of the Technology Review Committee and advising it pursuant to the seven sets of regulations that each one will have to comply with.

The lobbyists, or those who have lobbyists, will have an advantage because they will know how the system works. And the result is going to be, I guarantee, if this passes: I think my New Jersey venture capitalists are better than the venture capitalists of any other State, and I am going to be knocking down the door of that technology committee saying, give my New Jersey venture capitalists the money for this great program.

Mr. President, every other Senator is going to be doing that. And to think that this is going to be an allocation based solely—solely—on the technological criteria, I think, is to live somewhere other than Washington, DC.

Even during the course of this debate, I had a Senator come up to me and say, "This is an important bill. My State does very well under it."

I said, "How do you know your State does very well under it?"

The answer was because that Senator's particular State is well enough placed, well enough represented, effectively enough represented that that Senator believed that an administration, a bureaucracy, could not help but see the importance of that State politically.

So, Mr. President, I believe that this program should be rejected. Research and development is enormously important. Venture capital is a big industry in this country. But there is no shortage of venture capital. Venture capital funds increase when the economy is good and they decrease when the economy is bad.

In 1991, there was about $1.2 billion in venture capital in America invested that year. We were in the middle of a deep recession. In 1993, the recession ended; we were coming back out, robust growth. What venture capital was available? About $2.5 billion. This is no mystery. When the economy is well, there is more venture capital, and when the economy is poor, there is less venture capital.

Then, of course, if we are looking for precedents, we will hear Senators talk about, "Well, if we had only done this and only done that," as if there is some advantage for us trying to be like another country.

My point is, why can we not just be America? Venture capital in America is a unique phenomenon. They do not have it in Germany. The big banks control it. They do not have it in Japan. The cartels and the financial institutions and the Government control it. Why can we not just allow the venture capital community of America to do what is does so well, which is to find a new idea and fund it as opposed to the idea of a Government bureaucracy in competition?

Sometimes it is good to argue from some analogy, and many Senators have stood and argued the importance of this kind of thing because other countries have had it. Primarily they point to Japan, although Russia—no, it is not that bad. Japan.

Well, indeed, a couple years ago we had the big debate over HDTV. Remember that debate, Mr. President? HDTV. Why was not the United States Government subsidizing the development of HDTV that was going to be taken over by the Japanese. The Japanese had the Government in there subsidizing it and they had the technology of the future and they were going to take over the whole television industry because of this technology with Government support and Government leadership.

Well, I wish I had the videotape of the press conference just a short while ago where the Japanese Government essentially admitted that the United States private sector wiped them out, wiped out the subsidized consortium. There was the Japanese Government admitting failure, announcing the end of the subsidies, and admitting that they were lobbied by the firms that received them and that they were caving into those firms. You want to see a picture of this endeavor; if it were written into law, I simply ask you to get the videotape of the Japanese Government officials admitting failure in the HDTV.

So, Mr. President, I urge support of the amendment to strike this provision from the bill. I think that the venture capital industry in the United States is the most robust and creative. Government bureaucrats should not be in competition. The result is going to be a politically biased allocation that is not going to produce winners. We ought to save the money and reduce the budget deficit by the equivalent amount.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, I yield such time as necessary to the distinguished Senator from Connecticut.

Mr. LIEBERMAN. I thank the Chair, and I thank my friend and colleague from South Carolina.

I am proud to rise and support him in opposition to this amendment which would strike from S. 4 this Civilian Technology Investment Program. I wish to respond in part to the comments made by my friend, the Senator from New Jersey, because I think there is a fundamental difference of understanding about what we are trying to do here and the way in which it is done.

In my opinion, this section of this bill, the Civilian Technology Investment Program, a new program, responds to a clear need in our economy today, and it does it in a manner that is tried and true, widely accepted, not controlled by Government bureaucrats but led and driven by the marketplace. So I have a fundamentally different perception of what this program is all about than my friend, the Senator from New Jersey.

Let me deal first with the problem. I cite and quote John Hodgeman, president of the Massachusetts Technology Development Corp., speaking a year ago, a little more, February 16, 1993.

> There is a chronic capital gap with respect to early technology companies.

John Carruthers, director of research at the Intel Corp., speaking on behalf of the American Electronics Association, composed of companies that have been critical in bringing America back to economic strength and creating new jobs, said:

> Since the mid-1980's, our Nation has failed to produce a new generation of technology companies for a variety of reasons. Chief among them has been the alarming and growing inability of American entrepreneurs to obtain seed and venture funding.

That is the problem. The money is not out there to help the genius, the

entrepreneur, with the bright idea in an area of critical technology, that is, a technology that we know is going to be critical to economic growth and job creation around the globe. The money has not been out there.

Now there are a lot of reasons people give for that. For instance, some say it is——

The PRESIDING OFFICER. If the Senator will suspend, all time of the Senator from South Carolina has expired.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that I yield time on the bill itself—I think under the unanimous-consent agreement we have 60 minutes, 30 minutes to a side—if there is no objection.

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

Mr. LIEBERMAN. I again thank the Chair and thank the Senator from South Carolina.

There are some who will say that this problem of a lack of availability of funding results from the fact that individuals are putting more money today into mutual funds. Those assets have increased dramatically. And they are displacing banks and venture capital as major sources of investment capital, and that creates a problem, which is mutual funds have shorter time horizons. They have to show a quick return, and as a result, they invest primarily in publicly traded securities instead of taking that chance that at an early stage of development will produce the very successful critical technology company of the future.

So that is the problem, and it is a problem that we have seen over the years. We have suffered from it. Some of the great American universities and research laboratories have been and remain the best in the world. And this is a litany that has been said over and over on this floor, which I will repeat briefly, and it is a perception that is generally shared.

Too often, in the past—happening less today—the great idea of American laboratories and research facilities has been converted into a commercial product in another country, particularly in Asia—Japan, Taiwan—because they have taken the funds and invested them at that early stage of development in trying to take the bright idea and convert it to a commercial success. And we also cite here the VCR, the fax machine. Those are very powerful examples of exactly what we are talking about and why we have said repeatedly on this floor anytime technology comes along that can lead to the fax machine or the VCR, we want it commercialized in America, and we want it built by Americans.

That is what this section of this bill attempts to make happen, to find those bright ideas at an early stage before they are ready to take off and make sure that there is enough venture capital out there which the market has not provided to bring them along.

So in that sense—and I think it is important to say this—this section of this bill actually responds to a market failure. Because of the short-term incentives in the system, short-term profits, because of the somewhat higher risk involved, there is a market failure. There is not enough capital being put into those bright ideas to convert them to the commercial products that will create the thousands of jobs to reemploy Americans who have lost their jobs in this recession.

It is that market failure that this section of this bill attempts to—I hesitate to say cure but at least make better, to lighten the consequences of that failure. It adopts an idea, a program that has worked in countless ways, put into effect: loan guarantees—have the power of the Federal Government stand behind guarantees; the issuance of some kind of paper to raise money to put out there in an area that is normally limited by statute that this Congress has deemed to be important to the well-being of our country and our future; small business lending companies limited to small business, the same as small business investment companies. It is the SBIC's, the small business investment companies, that this program is most clearly directly patterned after.

It has been said before, and I will say it again in one sentence, it is the SBIC's that presented the capital that made it possible for Nike, Apple Computer, and Federal Express to be born and to grow. And I know the occupant of the chair knows the benefits of at least one of those great companies through Federal Express. Minority small business investment companies, there we use this guarantee power to encourage the movement of capital toward minority small businesses limited by statute, small business innovation research, export revolving loans.

Even Fannie Mae, Freddie Mac, Sallie Mae, those are all governmental institutions that guarantee the flow of money to programs that we consider socially, societally, and economically productive, housing or student loans, whatever it happens to be in the particular case.

So we have the need, which is the absence of capital. We then adopt this tried and true system of meeting that need. But what I want to stress now is that S. 4 does it in a way, in this section of this bill brought out of the Commerce Committee, that is not governmentally controlled and governmentally operated.

The kinds of fears expressed here about politicians going to the Federal Government to make a case to put pressure on to give money to this particular company in their home State to increase the funding for it, the Government, under this program as proposed in this bill, does not have the capacity to do that.

Basically this $50 million program leverages on private capital put out by private venture capital firms that are licensed, but only because they have shown their qualifications, and that they have committed their operations to achieve the program objectives which are to support critical technologies that will create the jobs of the future.

In other words, you have some venture capitalists who come together. The first thing they have to do is put up some money of their own. That is a response to the market. That is why this program is market driven. The Government does not get involved until these private venture capitalists say, "We are going to put some money on the table." It is at that point, after the Government determines the qualifications commitment to the program objectives to create these new critical technologies and commercialize them, that the Government can agree to give the guarantee authority to this venture capital firm to expand the money it has to put into critical technologies. Fifty million dollars, as has been said over and over again, multiplies into $300 million because of the economics and accounting systems of the Federal Government, the so-called default rate.

What I want to stress here, Mr. President, is that you create this venture capital firm called the Civilian Technology Investment Co. It has to have private capital at risk to participate in the program. Never does a private company that has an idea for a new technology that it wants to commercialize come to Federal Government, to any Federal bureaucrat, or to their Senator or Congressman to say, "Help me get this Federal bureaucrat to give me money." The entrepreneur, the genius with the bright idea that will become tomorrow's fax machine or VCR goes to this Civilian Technology Investment Co., a private venture capital firm. They never come to the Government. And that private venture capital investment firm which we have licensed, which has put its private capital at risk, makes the decision as to whether to invest in this company.

Here is the Federal Government over here licensing the venture capital firm willing to extend our guarantee. Here is the entrepreneur and the genius with the bright idea. That person only comes to the private venture capital firm to make the market-based decision as to whether that is a good program to put money into.

So I think we have the need, we have a tried and true mechanism, and we have a structure here built on the SBIC model that is market driven, that is not Government-controlled. CTIP's, as they are called, are designed to fill an early funding gap. CTIP'S are flexible.

Again, the only funding by the Government is through a guarantee. Ven-

ture capitalists participating in the program can supplement their own private investment capital with Government financing. That is not a direct investment. The private sector must put up part of the funding and share the risk, and unlike any other program under this critical technologies investment program the Government can share in the upshot. In other words, if the CTIP does well, the Government can benefit bringing some dollars into the Treasury, and in that sense reducing the deficit.

I think this is a superb program. Just as the other parts of this underlying bill, S. 4 do, it responds to this gnawing problem that we have in our society today, our country today, and we certainly have it in the State of Connecticut. A national recovery recurring by the economic statistics—and you can fool a lot of Americans out there as to whether they feel there is an economic recovery. They do not. They have lost their jobs in the recession; downsizing; able, qualified, hardworking people. We are setting up programs to retrain them. The question is always asked, and it is the right question: "Retraining for what?" If there is no job there, the retraining is not going to mean anything.

It is through these measured investments of this kind of Civilian Technology Investment Program that we answer the question, "Retraining for what?" Retraining for the jobs that will be created by the breakthrough, high-tech, critical technology businesses that will be allowed to grow as a result of this program.

It has been an interesting and a substantive and a thoughtful debate. I am glad it is made in the context of an understanding that the underlying bill will go forward.

I appreciate very much the sense of accommodation between the chairman of the committee, Senator HOLLINGS, who has been such an extraordinary leader in this effort, and to our friend and colleague from Missouri, Senator DANFORTH, whose support now will make the underlying bill possible.

So I rise to support the Civilian Technology Investment Program, hoping that the amendment of the Senator from Missouri will be defeated, but thanking him nonetheless for enabling and joining with us in making sure that the underlying program will go forward. I thank the Chair. I yield the floor.

Mr. HOLLINGS. Mr. President, the bill itself—on my time—let me thank the distinguished Senator from Connecticut. He has chaired the economic leadership group within the U.S. Senate over the past several years. He has been a wonderful adviser and has motivated this particular piece of legislation; the overall thrust to get America back into technology development, and the commercialization of our technology. I want to thank him. It is a wonderful contribution. We appreciate his leadership on this score.

How much time do I have on the bill?

The PRESIDING OFFICER. The Senator from South Carolina has 16 minutes and 8 seconds remaining.

Mr. HOLLINGS. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Missouri has 4 minutes and 45 seconds remaining on the amendment, and then the full time on the bill.

Mr. DANFORTH. Mr. President, first, I would like to express my appreciation to both Senator BURNS and Senator BRADLEY because I think what they have done is to create a sense of bipartisanship and focus on the issue before us. Clearly, we were pretty well divided on a party basis. But Senator BURNS, supporting the chairman, and Senator BRADLEY, supporting me, in this amendment has created a sense of bipartisanship on the issue that is now before us.

I think one of the points that was made by Senator BRADLEY deserves special attention; that is, the way the marketplace works is that people invest in good ideas, and if the ideas do not turn out to be good, they withdraw their investment. That is the efficient way of the market's operation. Bad ideas are not pursued. Good ideas are.

That is one of the problems that is created when the Federal Government gets into the venture capital business because, while true venture capitalists have real money at risk, they are going to lose something if they lose out. Those of us who are in Government are not really investing our own money. We are investing the taxpayers' money, or what is worse, we are investing borrowed money. We do not sense any personal risk. That is the difference between the Government participating in the economy, and the private sector participating in the economy.

Now we are told that on a pilot project basis the Government should participate in the business of venture capitalism. To what extent? "Well, we really have not worked out the numbers yet because that will await conference." But in the bill that came to the floor of the Senate, it was $100 million for this venture capital program.

Now the Congressional Budget Office in its analysis, and its computation for a loan guarantee program, says that an authorization is the same as 15 percent of a loan program.

So in other words, when CBO computes the exposure of the government in loans, the authorization equals 15 percent of the total amount of exposure in the loan. In other words, we now have, in this legislation, the potential of $600 million of exposure in loans and loan guarantees. That is what we are talking about—whether we are going to get that heavily into this venture capital.

As I say, a true venture capitalist with real money at risk pulls the plug on bad ideas. That is not the nature of government. One of the things that a lot of people say about government is that we do not terminate programs. We do not tend to terminate programs. We tend, in government, not to want to admit mistakes. People in the bureaucracy do not want to admit mistakes, and we in Congress do not want to admit mistakes. Our tendency is to throw good money after bad. It is the opposite of how a venture capitalist functions. So it is more likely that what we will do is to pick losers, because the winners will be privately funded, and because one of the conditions of receiving money under this program is that you cannot get it in the private sector. So we are more likely to fund losers than the private sector, and then once we have funded them, we are less likely to cut our losses. That is the way government works.

So my contention is that government is not a good venture capitalist; government is a bad venture capitalist. Senator BRADLEY says, well, we can save money—he said $100 million; I say $600 million—from the Federal deficit. That is right, in assuming what the appropriations would be; but that is correct, the deficits involved here. But what is involved also is just a bad idea. This is not the way to fund research, to provide funds, nor to provide loan guarantees for people who cannot get money in the private sector, when we do not tend to pull the plug on bad ideas, but tend to send good money following after bad money. I think that is a very important point. It is a point that is not new to Senator BRADLEY, and it is not new to me.

There was a piece by Alvin H. Meltzer in the Wall Street Journal last May. The title is "Why Governments Make Bad Venture Capitalists." I would like to read just a portion of that:

> The U.S. could learn from the experience of other countries. In Korea and much of Latin America, governments have acted as venture capitalists, often subsidizing loans to favored firms and burying their losses in the banking system. Professor Elwyn Young has compared the Singapore Government's policy of managing investment with the free market policy of Hong Kong. His analysis shows that government direction is inefficient. Singapore invests much more but does not get more growth.

Why? In general, is government less efficient? One reason is that products and companies do not leap from the drawing board with "winner" or "loser" stamped on their blueprints. Someone has to decide to make additional investments in companies that appear to have good prospects, thereby putting more money at risk, or to shut down companies that no longer appear promising. Government is more likely to delay closing the failures and more

likely to pump in additional money to try to cover mistakes or misjudgments.

That is what Alvin Meltzer, a professor at Carnegie Mellon University, has written about the Government as venture capitalists. I believe, Mr. President, that that follows as the night to day.

Senator LIEBERMAN says there has been a failure in the market system. I doubt that. I doubt that we in the Senate are in a position to say that there has been a failure in the market. I think what happened—this is my understanding, and I do not pretend to be an economist or business person. My understanding is that in the midsixties, there was really a glut of venture capital money. It was the thing to do. As people have written, there was a lot of money chasing too few good ideas. And venture capital became less profitable, less good of an investment and, therefore, the amount of the investment went down. Now it is going back up again. I think that is the way the market system works.

If we in the Senate do not believe the market system works sufficiently, then this is exactly the kind of program we would like. Let us substitute for the market. Let us substitute for the capitalist system. Let us become capitalists, venture capitalists, by creating a licensing committee—three members appointed by the Secretary of Commerce and two by the Small Business Administration—and that licensing committee receives applications pursuant to regulations established by the departments of government. The applications come in and the licensing committee says, "Yes, we will license you," or "No, we will not," depending on what you intend to spend your money on. Then the licensing company decides how to finance the applicants if they are licensed. That can be by loans and loan guarantees, with tremendous exposure.

It is certainly not the free market system, Mr. President. It is something else. It is a statement that we really do not believe the market system works. We really do not believe that the free market system works. We want to do something else. We want to try something else. Government to the rescue. Licensing of venture capitalists. Licensing companies established in the Department of Commerce and the Small Business Administration. Licensing and financing, and the purchase of stock and venture capitalists, and loans and loan guarantees, loans that can be guaranteed to 100 percent.

I do not see any limitation in the legislation. I do not see any requirement that the entrepreneur has to come up with 50 percent of his money. My reading of it is that there is no such requirement. That was in the advanced technology program we were debating this morning. That was the Brown amendment that applied to the advanced technology program. This, as I read it, can be 100 percent.

In fact, in the committee report, it says just that. Here is the committee report, page 47:

> The Secretary is authorized, when funds are previously made available in appropriations, to purchase or guarantee the timely payment of up to 100 percent of principal and interest as scheduled on debentures issued by such companies, and (b) purchase nonparticipating or participating nonvoting preferred securities and issued trust certificates representing ownership of all or part of such preferred security.

All or part of such preferred security.

I do not see any requirement that private money be put at stake, and I also do not see any requirement that this be small businesses that are the beneficiaries.

I think big businesses can. Maybe I will be corrected on that. Maybe I have not read it correctly. I am sure that is the reason the SBA is part of it, to try at least to weight it to small businesses. But I do not see any requirement that it could be small businesses. I think it could be big businesses. I think they can have very little risk themselves, the so-called venture capitalists. I think it is just putting money into some people's pockets, to put money into someone else's pockets, on the theory that is how to support research and development; that is how to do it.

Someone around here has that kind of genius, and we say: Well, we are going to have a committee of five people, but please do not worry. The American people should not worry. They should understand that these are really bright people. We are going to have five really smart people. And there are smart people here in Washington. So there is a failure in the marketplace because people in the marketplace do not know what they are doing. People in the marketplace really do not know what they are doing. So there is a failure of the marketplace, we have been told today, but help is on the way. Smart people in a licensing committee are going to find venture capitalists to license. And then they are going to finance them, and the money will be available to people who cannot get money in the marketplace.

I reserve the remainder of my time.

Mr. HOLLINGS. Again, please, Mr. President, what is the time remaining on either side?

The PRESIDING OFFICER. The time remaining to the Senator from South Carolina is 16 minutes and 9 seconds, and the Senator from Missouri has 26 minutes and 48 seconds.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Senator from Montana [Mr. BURNS], be added as a cosponsor of our modification reducing the amount authorized.

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

Mr. HOLLINGS. Mr. President, quite quickly, we had a report card at the end of the year entitled "Learning to Change, Opportunities to Improve the Performance of Smaller Manufacturers." This report card was issued by the National Academy of Engineering, the Committee to Assess Barriers and Opportunities to Improve Manufacturing at Small- and Medium-Sized Companies, at the end of last year.

I ask unanimous consent the entire report be printed in the RECORD at this point.

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

LEARNING TO CHANGE—OPPORTUNITIES TO IMPROVE THE PERFORMANCE OF SMALLER MANUFACTURERS

(Issued by the Committee To Assess Barriers and Opportunities To Improve Manufacturing at Small and Medium-Sized Companies of the Manufacturing Studies Board, Commission on Engineering and Technical Systems National Research Council)

PROBLEMS AND CHALLENGES FOR SMALLER MANUFACTURING COMPANIES

Smaller companies confront major problems in responding to increased global competition. These problems encompass a broad range of issues, only some of which relate directly to technology. Inadequate resources—people, money, expertise, information—and insufficient time are reasons that many smaller firms are not improving their manufacturing performance. The idiosyncracies that come from the genesis of entrepreneurial companies are also contributing factors in their resistance to change and slow adoption of more advanced technologies and new organizational structures.

Five fundamental barriers to manufacturing performance improvement in smaller firms were identified and discussed during the workshops hosted by the committee. The barriers are well corroborated in the extensive literature about conditions in smaller companies. The means for helping firms adequately deal with the problems include a combination of approaches undertaken by MTCs, various state assistance programs, and several private sector service providers. A comprehensive response to most of the barriers will require a combination of the approaches discussed.

Barrier 1: Disproportionate Impact of Regulation

The regulatory environment creates a disproportionate burden for smaller firms. National, state, and local initiatives and decisions concerning trade, the environment, employment, work place safety, health care, and liability have a direct impact on the competitiveness of manufacturing companies. Despite efforts to lessen the impact of regulatory actions on small businesses, the amount of time and effort required to comply with complex regulations has become a disproportionate hardship for smaller organizations. One result is that the economic impact of regulatory compliance is much greater as a percentage of capital investment than it is for larger businesses.

Opportunities for improving the ability of smaller manufacturers to cope with regulatory actions include: Improved dialogue between regulators and smaller manufacturers; one means for improving dialogue between regulators and smaller businesses would be to provide assistance in identifying and filing appropriate forms and documents required by regulatory agencies; timely in-

formation to manufacturers about new or modified regulations; and reorientation of the strategies of regulatory agencies towards "compliance assistance" rather than "adversarial and punitive."

Barrier 2: Lack of Awareness

Smaller manufacturers are often unfamiliar with changing technology, production techniques, and business management practices. The staff and senior managers of smaller manufacturing companies must devote most of their time and energies to managing the day-to-day operations of the firm. As a consequence those companies are less likely to be aware of the best manufacturing practices, innovative application of new technologies, and fresh approaches to improved production efficiency. With less relevant experience and expertise, their expectations for successfully selecting and effectively assimilating new technology are not high, and so they are less likely to risk investment in new ways of doing things or in major changes to the management structure and relationships within the business.

Opportunities for increasing the awareness of manufacturers to new technologies and best manufacturing practices include providing: National benchmarking data for smaller firms, and illustrative cases of best manufacturing practices; greater access to video tape libraries that illustrate technologies and implementation problems; local and regional forums and workshops; low-cost seminars and formal courses on selection, adoption, and management of specific technologies; and expanded mechanisms to provide access to equipment for "try before you buy."

Barrier 3: Isolation

Smaller manufacturers are generally isolated and have too few opportunities for interaction with other companies in similar situations. Interaction with other firms is essential to continuous improvement. These associations seem to be most productive when they occur among companies of similar size and with larger organizations that might be role models for smaller firms. The chance for suppliers to interact with major customers, to benefit from membership in a supplier improvement program or keiretsu-like confederation of companies, can significantly increase the chances for smaller firms to improve their performance.

Opportunities for increasing the interaction and exchange of information with other manufacturers in like circumstances include: Workshops, meetings, site visits, focus groups, forums, and roundtable discussions; television and video programs to expose manufacturers to specific problems and the solutions adopted by other firms; construction and operation of networks of companies with similar interests and needs to share costs; encouraging professional and trade associations to be more active in determining needs and developing appropriate programs for their membership; and electronic networks that provide bulletin boards for direct exchange of information and sharing of approaches to common problems.

Barrier 4: Where to Seek Advice

It is difficult for owners and managers of smaller companies to find high-quality, unbiased information, advice, and assistance. When companies need help with technical problems, when they want to replace production or design equipment, or when they want to upgrade the skills and talents of their work force, they are often at a loss for sources of assistance. Searching for help in the public sector often reveals a confusing uncoordinated array of services—universities, economic development groups, technical schools, government agencies—"competing" for clients. Inappropriate choices can waste precious resources and time, a waste that smaller firms cannot afford.

Opportunities for helping smaller manufacturers acquire necessary information and unbiased advice include: Databases of consultants with relevant references and qualifications, toll-free numbers to provide firms with a single contact for assistance, and electronic bulletin boards to notify service providers of opportunities in the manufacturing community; field engineers that provide small companies a strategic perspective on how they compare to competitors and what changes they need to make to remain competitive in the long term; and interpreters and catalysts to communicate the needs of smaller manufacturers to vendors, suppliers, academic institutions, federal laboratories, and government agencies.

Barrier 5: Scarcity of Capital

Operating capital and investment funds for modernization are difficult for small- and medium-sized manufacturing firms to obtain. The financial community does not readily understand manufacturing and often perceives loans for new equipment as unattractively high risks. Smaller firms are unlikely to have the capabilities needed to put together proposals for funds in the format familiar to lending officers. The consolidation of banks, with some exceptions, has removed much of the decision making from the communities where many loan officers have traditionally relied on the "known character" of management and owners of the companies in lieu of collateral.

Opportunities for improving access to capital and understanding the requirements of the financial community include: Local and regional forums and workshops for bankers, regulators, and others who work with manufacturers; assistance developing justification for capital improvements in the format and language understood by the financial community; and creation of mutual loan guarantee networks among peer companies.

SOURCES OF ASSISTANCE

Fortunately, the efforts of many assistance organizations, educational institutions, and businesses have demonstrated ways to help companies successfully contend with most of these obstacles. With some regional variation, assistance is available in both the private and public sectors.

The private sector offers a number of resources that manufacturers can buy to solve problems, to modernize their production operations, and to upgrade the skills of their workers. Among these are consultants, suppliers of technology, trade associations and professional societies, and other miscellaneous service providers. The backgrounds and expertise of many consultants are, however, primarily founded on principles relevant to larger corporations; they often fail to appreciate subtle but important differences in smaller organizations. And though many suppliers will provide fairly substantial "proposal engineering" services while competing for a sale, fewer are able to follow through with sustained support and service after a sale to a relatively small customer. There are no precise data available on the number of smaller companies buying private sector assistance.

Numerous initiatives have been undertaken at the federal, regional, state, and local levels to help manufacturers and business in general. For the most part, these initiatives have become overlapping uncoordinated programs, and the effectiveness of many programs has yet to be systematically evaluated or demonstrated. The programs typically operate on fragile financial underpinnings and often compete for funds to support assistance efforts. The availability of public assistance, which is usually dependent on funding by state and local government, tends to vary with the perceived contribution of smaller manufacturing firms to the well-being of the local economy, and the best state programs are unable to help more than a few hundred firms per year.

Until 1989, the federal role in providing assistance to small manufacturers was primarily through the Small Business Administration and various defense programs. Beginning in 1989, however, the National Institute of Standards and Technology (NIST) has funded the Manufacturing Technology Centers (MTCs), seven of which are now operating. The MTC program is the primary federal activity in industrial extension providing matching grants for creating centers to enhance "productivity and technological performance in U.S. manufacturing through the transfer of manufacturing technology and techniques * * *" (U.S. Congress, 1988).

EFFECTIVENESS OF MANUFACTURING TECHNOLOGY CENTERS

To understand the challenges facing smaller manufacturers and to determine the nature and effectiveness of MTC activities, the committee held eight workshops throughout the United States, six of them at MTCs. The conclusions of the committee concerning the effectiveness of the organizations are based on workshop discussions with smaller manufacturers and company representatives who had some experience working with the Manufacturing Technology Centers, as well as conversations with MTC staff and other service providers.

A majority of the committee has concluded that the MTCs are well placed to provide many of the services needed to improve the performance of smaller manufacturers. However, the committee found that the legislative "sunset provisions," which eliminate NIST funding after six years, and the present metrics (cash flow, number of clients, length of engagements, attendance at manufacturing meetings) tend to adversely dominate the missions, attitudes, and behaviors of the MTCs that have been operational for two or more years. While there is an extensive range of services that can be offered by MTCs, the typical long-term strategies to fill the funding gap and comply with performance measures place increasing emphasis on fee-for-service activities.

Many of the needs and opportunities identified by the manufacturers attending the workshops were not project-oriented kinds of assistance but were, instead, concerned with improving access to information and building stronger networks among companies, suppliers, technology developers, regulators, and financiers. These "soft" services were noted repeatedly as some of the most useful and important contributions that could be made by the MTCs as neutral parties. Such services, however, are not easily converted into fees, and their contribution to the accomplishment of the MTC mission is difficult to measure. All of the MTCs provide these kinds of "soft" services to a greater or lesser degree, but they should receive more emphasis despite the lack of clear metrics on which to judge their value. The committee can foresee a situation emerging in which MTCs fail to provide services that would be most useful and effective to smaller firms because the fee income is insufficient, while

at the same time competing more with the private sector service providers for the business of larger firms.

Each of the MTCs continues to learn how best to serve its customer base and is flexible enough to adapt. The local infrastructure and industrial economy determine to a great degree the characteristics of the MTC organization and its chosen position in the spectrum of support needed by manufacturers in its region. This drives each MTC to develop a unique combination of services targeted at local industrial conditions, and subsequently each evolves a relatively unique relationship with other providers of services and assistance. They are learning how to serve as a hub of information and facilitator of cooperation in their local industrial communities, and how to amalgamate a range of programs into a core set of useful services. Each MTC, therefore, can be viewed as an experiment or prototype in how to integrate federal efforts in manufacturing assistance with existing private and public assistance resources to meet the demands of very diverse local manufacturing communities.

CONCLUSIONS

The investigations and deliberations of the committee have led to the development of opposing sets of conclusions concerning the appropriateness of a federally funded national system of manufacturing assistance. The majority opinion and recommendations are presented followed by the minority opinion.

MAJORITY OPINION

Based on the committee's discussions with smaller manufacturers and with staff at the MTCs and other industrial assistance programs, a majority of the committee has concluded that a national industrial assistance system is justified. The committee majority has concluded that barriers to manufacturing performance improvement in smaller firms and the opportunities to overcome those barriers, as described by manufacturers in the committee's workshops, define roles for public sector assistance programs.

The majority assessment of the current MTCs is that the MTCs are well-placed to address many of the challenges confronting smaller manufacturers. Within the fragmented network of assistance sources, the MTCs have begun to carve a niche that, at least within their geographic regions, has brought some degree of order to the community and has raised the awareness of smaller companies that useful help is available. The MTCs are still experimenting with different mechanisms for marketing, ensuring responsiveness to the local customer base, working with other sources of assistance, and building the intercompany networks and information resources that many smaller firms need. This process of experimentation and learning should be encouraged and the lessons broadly disseminated. This is the only way to increase effectiveness in a necessarily diverse environment and to keep expectations realistic as the MTC program is expanded and other initiatives begin in the context of a national manufacturing assistance system.

COMMITTEE TO ASSESS BARRIERS AND OPPORTUNITIES TO IMPROVE MANUFACTURING AT SMALL AND MEDIUM-SIZED COMPANIES

Gary Markovits, Chairman, President, Gary Markovits & Associates, Inc., Wappingers Falls, New York.

Winston J. Brill, President, Winston J. Brill & Associates, Madison, Wisconsin.

Jay P. Cooper, Director (Retired), Materiel Policy and Socio-Economic Business Program, Northrop Corporation, Hawthorne, California.

Irwin Feller, Director, Graduate School of Public Policy and Administration and Professor of Economics, Pennsylvania State University, University Park.

Barbara M. Fossum, Associate Director, Manufacturing Systems Center, University of Texas, Austin.

Sara P. Garretson, Director, NYC Industrial Technical Assistance Corporation, New York, New York.

Harold G. Hall, President, Hall Industries, Inc., Pittsburgh, Pennsylvania.

Bruce E. Hamilton, Vice President, Operations, United Electric Controls, Company, Watertown, Massachusetts.

Anne L. Heald, Executive Director, Center for Learning and Competitiveness, School of Public Affairs, University of Maryland, College Park.

Dundar F. Kocaoglu, Professor and Director, Engineering Management Program, Portland State University, Oregon.

Joe H. Mize, Regents Professor, School of Industrial Engineering and Management, Oklahoma State University, Stillwater.

R. David Nelson, Vice President, Purchasing, Honda of America Manufacturing, Inc., Marysville, Ohio.

Robert A. Pritzker, President and CEO, The Marmon Group, Inc., Chicago, Illinois.

Paul D. Rimington, President, Diemasters, Manufacturing, Inc., Elmhurst, Illinois.

William B. Rouse, Chief Executive Officer, Search Technology, Inc., Norcross, Georgia.

William E. Ruxton, Vice President, National Tooling & Machining Association, Fort Washington, Maryland.

Charles F. Sabel, Ford International Professor of Social Science, Massachusetts Institute of Technology, Cambridge, Massachusetts.

Philip P. Shapira, Assistant Professor, School of Public Policy, Georgia Institute of Technology, Atlanta, Georgia.

John B. Woodard, President, Institute of Advanced Manufacturing Sciences, Inc., Cincinnati, Ohio.

Staff:

Thomas C. Mahoney, Director, Manufacturing Studies Board.

Joseph A. Heim, Senior Program Officer and Study Director.

Lucy V. Fusco, Staff Assistant.

Mr. HOLLINGS. Mr. President, we had such outstanding individuals as Irwin Feller of the Pennsylvania State University, Graduate School of Public Policy and Administration and professor of economics; Bruce Hamilton from United Electric Controls Co., Watertown, MA; Robert Pritzker, president and CEO, The Marmon Group; William Ruxton, vice president, National Tooling & Machining Association; Charles Sabel, Ford International, professor of social science of MIT; Philip Shapira, assistant professor, School of Public Policy at Georgia Tech; and John Woodard, president of the Institute of Advanced Manufacturing, amongst others.

What happens is, and I quote just a few sentences here from the report itself:

Smaller companies confront major problems in responding to increased global competition.

There are five reasons, they said.

First:

The regulatory environment creates a disproportionate burden for smaller firms.

Second:

Smaller manufacturers are often unfamiliar with changing technology, production techniques, and business management practices.

Third:

Smaller manufacturers are generally isolated and have too few opportunities for interaction with other companies in similar situations.

Fourth:

It is difficult for owners and managers of smaller companies to find high-quality, unbiased information, advice, and assistance. When companies need help with technical problems, when they want to replace production or design equipment, or when they want to upgrade the skills and talents of their work force, they are often at a loss for sources of assistance. Searching for help in the public sector often reveals a confusing, uncoordinated array of services—universities, economic development groups, technical schools, government agencies—"competing" for clients. Inappropriate choices can waste precious resources and time, a waste that smaller firms cannot afford;

And fifth:

Operating capital and investment funds for modernization are difficult for small and medium-sized manufacturing firms to obtain. The financial community does not readily understand manufacturing and often perceives loans for new equipment as unattractively high risks. Smaller firms are unlikely to have the capabilities needed to put together proposals for funds in the format familiar to lending officers. The consolidation of banks, with some exceptions, has removed much of the decisionmaking from the communities where many loan officers have traditionally relied on the "known character" of management and owners of the companies in lieu of collateral.

That is something that we are having a debate about with respect to interstate banking and otherwise with these mergers.

This particular study group of the National Academy of Engineering held eight workshops throughout the United States, and as a result, the bottom line is, and I quote:

* * * a national industrial assistance system is justified.

These are some of the smart people, if we want to talk about smart people, who studied this.

Additionally, rather than fail in the marketplace, Mr. President, in the limited time I have left, let me include in the RECORD these particular enclosures of endorsement of S. 4, which include, of course, the small business provision and otherwise.

I ask unanimous consent to have that printed in the RECORD.

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

ADVANCED TECHNOLOGY COALITION,
February 9, 1994.

Hon. ERNEST F. HOLLINGS,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR HOLLINGS: On behalf of the Advanced Technology Coalition, we want to express our strong support for the Senate

version of the National Competitiveness Act, S. 4.

We believe that the bill deserves bipartisan support. We ask that you vote for the bill when it reaches the floor in the very near future. Its passage is essential to strengthening the ability of our companies and members to compete in the international marketplace; in short, S. 4 means jobs and will contribute to our nation's long-term economic health.

Combined, the Advanced Technology Coalition represents 5 million U.S. workers, 3,500 electronics firms, 329,000 engineers, and 13,500 companies in the manufacturing sector. The Coalition is a diverse group of high-tech companies, traditional manufacturing industries, labor, professional societies, universities and research consortia that have a common goal of ensuring America's industrial and technological leadership.

The members of the Advanced Technology Coalition have invested an enormous amount of time working with both the House and the Senate in developing and refining the National Competitiveness Act. The Coalition believes that its views have been heard by Congress and reflected in the bill.

In short, we believe that S. 4 will promote American competitiveness and enhance the ability of the private sector to create jobs in this country. We hope that you will play a leadership role in ensuring its passage. We would be happy to sit down with you or your staff to discuss the bill in greater detail.

Sincerely,

American Electronics Association (AEA).
National Association of Manufacturers (NAM).
The Modernization Forum.
Microelectronics and Computer Technology Corporation (MCC).
Honeywell, Inc.
National Society of Professional Engineers.
Business Executives for National Security.
IEEE-USA.
Semiconductor Equipment and Materials International (SEMI).
Institute for Interconnecting and Packaging Electronics Circuits (IPC).
Wilson and Wilson.
American Society for Training and Development.
Catapult Communications Corporation.
Dover Technologies.
Texas Instruments, Inc.
Columbia University.
Motorola.
Intel Corporation.
Cray Research.
Electron Transfer Technologies.
Electronic Data Systems (EDS).
American Society for Engineering Education.
U.S. West, Incorporated.
Electronic Industries Association.
Tera Computer Company.
Southwest Manufacturing Technology Center.
Convex Computer Corporation.
Association for Manufacturing Technology.
Semiconductor Research Corporation.
American Society of Engineering Societies.
AT&T.
Hoya Micro Mask, Inc.

THE NATIONAL COALITION FOR ADVANCED MANUFACTURING,
February 8, 1994.

Hon. ERNEST F. HOLLINGS,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR HOLLINGS: On behalf of the National Coalition for Advanced Manufacturing [NACFAM], I want to express our strong support for the Senate version of the National Competitiveness Act, S.4.

We believe that the bill deserves bipartisan support and ask that you join many of your colleagues in supporting the bill when it reaches the floor. Its passage will enhance the ability of U.S. manufacturing companies to compete in the international marketplace. S.4 would also help to expand the pool of high skill, high wage jobs for the American workforce.

NACFAM especially supports the manufacturing provisions of the bill (Title II) which, among other things, will develop a national system of manufacturing extension centers and technical services. This system will improve the ability of the nation's 360,000 small- and medium-sized manufacturers to modernize through the adoption of advanced manufacturing technology and related processes critical to increasing their productivity, product quality, and competitiveness.

These small- and medium-sized manufacturers are the backbone of our domestic industrial base. Manufacturing establishments with fewer than 500 employees represent 98% of the nation's total, employ two-thirds of the manufacturing workforce, and produce nearly half of the nation's value added in manufacturing.

NACFAM, a non-partisan, non-profit, industry-led coalition, has worked as a catalyst for public-private cooperation in modernizing America's industrial base for over 5 years. NACFAM's rapidly growing membership includes 65 corporations, 175 manufacturing technology centers (making NACFAM the largest association of such centers) and 27 national trade and technical associations (representing between them over 80,000 companies and thousands of technical education institutions).

Thanking you in advance for your kind consideration of S.4, I remain,

LEO REDDY,
President.

COUNCIL ON COMPETITIVENESS,
March 7, 1994.

Hon. ERNEST F. HOLLINGS,
U.S. Senate, Washington, DC.

DEAR SENATOR HOLLINGS: On behalf of the Council on Competitiveness—a coalition of chief executives from U.S. industry, higher education and labor—I would like to express my support for S. 4, the National Competitiveness Act.

As a leading bi-partisan private-sector voice on U.S. competitiveness, the Council is dedicated to helping make America more competitive in the global marketplace and more prosperous at home. We believe that S. 4, through its support for civilian technology and manufacturing, is an important step towards these ends. The Council is on record as supporting several programs, in particular:

Significantly expand the Advanced Technology Program (ATP). S. 4 increases funding for ATP to $567 million in FY 1996 and requires that the Department of Commerce develop a long-term plan for the program. These provisions will promote increased private-sector investment in critical enabling technologies and allow ATP to have a more strategic impact on U.S. industrial competitiveness.

Support development and diffusion of technology, especially to small and medium-sized manufacturers. S. 4 directs the Department of Commerce to work with industry to develop new generic advanced manufacturing technologies and consolidates existing NIST quality programs into a NIST National Quality Laboratory. It also combines existing federal and state extension programs into an integrated Manufacturing Extension Partnership (MEP) to help small and medium-sized manufacturers in all geographic regions adopt modern manufacturing technologies and create high performance workplaces. These initiatives will enhance U.S. industry's ability to develop and manufacture competitive products and promote long-term economic growth.

Stimulate investment in high performance computing and communications applications. S. 4 authorizes over $350 million in FY 1995 and FY 1996 for a coordinated interagency program to support research, technology development and pilot projects for computing applications in health care, education and manufacturing. These applications will help translate the potential of a 21st century information infrastructure into tangible economic and social benefits for the American people.

We commend your continued support for these initiatives and urge you to play a leadership role in their implementation through timely passage of S. 4.

Sincerely,

PAUL ALLAIRE,
Council Chairman, Chairman and CEO, Xerox Corporation.

COMPUTER SYSTEMS POLICY PROJECT,
February 23, 1994.

Hon. ERNEST F. HOLLINGS,
Chairman, Senate Committee on Commerce, Science, and Transportation, Russell Senate Office Building, Washington, DC.

DEAR CHAIRMAN HOLLINGS: I am writing on behalf of the Computer Systems Policy Project (CSPP) in support of your efforts to enact legislation to establish an information applications technology component of the High Performance Computing Act, Title VI of S. 4.

CSPP strongly believes that the research framework established by Title VI of S. 4 will complement efforts by the private sector to develop applications for an enhanced national information infrastructure (NII). Title VI authorizes funds for precommercial research that will stimulate the development by the private sector of new applications in education, health care, access to government information and services, and digital libraries. These applications have the potential to create new products, services, and jobs and to improve the quality of life for all Americans by bringing the benefits of the information age to everyone.

The United States is currently the world leader in computing and communications technologies. An enhanced national information infrastructure will not only help us maintain that lead, but will put our information technology advantage to work for all Americans. CSPP believes that initiatives such as those authorized by Title VI of S. 4 will contribute significantly to successful and rapid evolution of the NII.

Sincerely,

LEWIS E. PLATT,
Chairman and CEO, Hewlett-Packard Company, Chairman, CSPP Working Group on Information Infrastructure.

BUSINESS EXECUTIVES FOR NATIONAL SECURITY, INC.,
March 4, 1994.

Hon. WILLIAM S. COHEN,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR COHEN: My organization, Business Executives for National Security

(BENS), has worked for many years, as you have, to help promote American competitiveness and revitalize the American industrial base.

We have made much progress in promoting these goals, and we now have an opportunity to solidify these advances through S. 4, the National Competitiveness Act of 1993. Programs such as the Advanced Technology Program, manufacturing extension centers, and the newly proposed foreign technology monitoring office will all make important contributions to future economic strength of American industry.

While these programs enhance competitiveness, BENS also recognizes that these initiatives are critical to America's military security. The ATP and other programs are critical to the future success of the DoD's efforts to create an integrated industrial base to supply future military systems. These programs also play an important role in our efforts to promote defense conversion and to create the new military technologies of the future. Finally, the foreign technology monitoring office can serve as an early warning system of potential industrial weaknesses that might cause dangerous vulnerabilities in future conflicts.

When S. 4 comes to the Senate floor next week, we urge you to support these initiatives which are so critical to America's economic and military security. If we can provide you with any additional information, please do not hesitate to contact me. I look forward to working together.

Sincerely,

TYRUS W. COBB,
President.

AMERICAN INDUSTRIAL EXTENSION ALLIANCE,
February 14, 1994

DEAR SENATOR HOLLINGS, The Senate will soon be considering Senate File 4, a bill that will directly impact the ability of American industry to compete in world markets. This important bill contains a section on manufacturing extension that is designed to provide the United States with an effective system of assisting industry in modernizing technical, management and processing systems. There is preponderance of evidence that our industries lag in utilizing modern equipment and systems, and this federal effort will bring cohesion to the disparate systems now in existence.

The members of the American Industrial Extension Alliance are firmly behind efforts to strengthen this countries technical assistance programs and bring this needed service to all the states. The alliance members represent most of the industrial extension programs that now exist, but we are well aware of the size of the problem is beyond the capabilities of these few programs. We support the position of the National Coalition for Advanced Manufacturing and the expanding Manufacturing Extension partnership at NIST.

Your support in strengthening American manufacturing firms by the passage of Senate File 4 will be appreciated.

Sincerely,

DAVID H. SWANSON,
President.

AMERICAN SOCIETY FOR TRAINING AND DEVELOPMENT,
February 4, 1994.

Re S.4, The National Competitiveness Act of 1993.

Member,
U.S. Senate,
Washington, DC.

DEAR SENATOR: The American Society for Training and Development (ASTD), on behalf of more than 55,000 corporate-based human resources development specialists, urges your support for S.4, the "National Competitiveness Act of 1993," when it is considered on the floor in the coming days.

The "National Competitiveness Act of 1993" establishes key underpinnings of a national technology policy based on outreach to the private sector, the targeting of assistance to small and medium-size companies, and the integration of worker training with technology assistance.

ASTD specifically supports provisions to create Manufacturing Outreach Centers and expand the activities of the existing Manufacturing Technology Centers. Enactment of these provisions will help companies gain increased access to manufacturing assistance, implement the best manufacturing technology and processes at least cost, and train workers in maximum utilization of technology and productions systems.

ASTD is the world's largest association dedicated to advancing workforce training in conjunction with technological progress and the creation of high performance workplaces. We look forward to swift passage of this important initiative during the 2nd session of the 103rd Congress as a critical step to improve U.S. competitiveness.

Sincerely,

CURTIS E. PLOTT,
President and CEO.

THE AMERICAN SOCIETY OF MECHANICAL ENGINEERS,
Washington, DC, February 7, 1994.

Hon. BOB DOLE,
Hart Building,
Washington, DC.

DEAR SENATOR DOLE: On behalf of the Technology Policy Group of the American Society of Mechanical Engineers (ASME), I urge you to support S. 4, the "National Competitiveness Act of 1993," which is scheduled to be brought to the Senate floor this week.

This important legislation will provide the underpinning for a realistic national technology policy. It includes provisions that support the development and use of manufacturing technologies which are essential for continued U.S. gains in productivity and industrial competitiveness. The bill also calls for industry participation in the development of advanced manufacturing program strategies through the use of an advisory committee to assure that the infrastructure and new knowledge gained from the program will be effectively utilized by U.S. manufacturers.

ASME has accorded competitiveness a high priority in our 1994 public policy agenda. This letter is written on behalf of the Technology Policy Group, a group of ASME members with expertise in the field of competitiveness, and reflects it views, rather than an official position of ASME.

Again, I urge your support of this legislation to further the nation's industrial competitiveness.

Sincerely,

JOHN PARKER,
Vice President, Government Relations.

UNITED STATES ACTIVITIES,
March 4, 1994.

U.S. Senate,
Washington, DC.

DEAR SENATOR: On behalf of the 240,000 members of the Institute of Electrical and Electronics Engineers, United States Activities, I am writing to express our strong support for passage of S. 4, the National Competitiveness Act.

The programs and provisions contained in S. 4 are bi-partisan, and industry endorsed. The bill expands civilian technology initiatives like the Advanced Technology Program, started under the Bush Administration, that have the support of the business community because they are industry-led, cost-shared, and merit-based.

In supporting passage of S. 4, we join a multitude of electronics firms, manufacturing companies, and professional societies that believe its provisions will help make U.S. industry more competitive.

Thank you for considering our views on this important piece of legislation.

Sincerely,

CHARLES ALEXANDER,
Vice President, Professional Activities, and Chairman, United States Activities Board.

HONEYWELL INC.,
Minneapolis, MN, February 7, 1994.

Hon. ROBERT DOLE,
U.S. Senate, Hart Senate Office Building,
Washington, DC.

DEAR SENATOR DOLE: S. 4, The National Competitiveness Act of 1994, will be coming to the Senate floor for a vote at any time. As you know from our previous correspondence on this legislation, Honeywell very strongly supports the bill. We again urge you to vote for its passage as reported out of the Senate Commerce Committee.

Honeywell has been actively supporting the development and passage of this legislation for over two years. We have welcomed the leadership which the Congress has demonstrated on measures to support US technology and manufacturing competitiveness, and have been gratified that the Administration and the Congress have been able to cooperate effectively in the past year on this effort. These efforts by Congress and the Administration have also gained a strong consensus of support within the technology and manufacturing community.

Passage of the National Competitiveness Act represents a vital and strategic investment by the US government in our national competitiveness. As a high technology manufacturing company, Honeywell has had direct and positive experiences with the existing Commerce Department programs, such as the Advanced Technology Program, which S. 4 seeks to strengthen. We also see value in those measures in the bill which will be of benefit to our small and medium-sized customers and suppliers, such as Title II, which provides for a Manufacturing Extension Program, among other initiatives.

We sincerely hope the Senate will recognize and appreciate the interests and strong support for the Competitiveness Act which have been expressed by companies such as Honeywell throughout this deliberative process, and will act decisively to approve S. 4.

If you would like further information concerning Honeywell's views on specific elements of the legislation, please do not hesitate to contact Susan Rochford, Director, International and Technology Affairs, in our Washington Office (202) 872-0495.

Thank you for your kind consideration of our views.

Sincerely,

CARL L. VIGNALI.

OPTOELECTRONICS INDUSTRY
DEVELOPMENT ASSOCIATION,
March 7, 1994.

Hon. ERNEST F. HOLLINGS,
U.S. Senate,
Washington, DC.

DEAR SENATOR HOLLINGS: I am writing to express the support of the Optoelectronics Industry Development Association (OIDA) for S. 4 the National Competitiveness Act. OIDA was formed in 1991 to improve American competitiveness in optoelectronics, which includes fiber optic communications systems, flat panel computer displays, optical storage (e.g. CDs), and laser printers and scanners. These are key enabling technologies for the nation's information infrastructure and are critical technologies for the nation's defense.

OIDA has conducted a major study of the technology needs of the optoelectronics industry for the coming decade, and many of the programs authorized by S. 4, support the highest priorities of the industry. In particular:

The Advanced Technology Program in the National Institute of Standards and Technology (NIST) is an effective mechanism for supporting industry-driven optoelectronics research and development and is already having a significant impact.

NIST intramural research supports key measurement technologies that the optoelectronics industry needs.

The Information Technology Applications Research Program can help to expand the use of optoelectronics in hospitals, schools, factories, libraries, and other organizations. This will expand the markets for optoelectronics and will stimulate greater private sector investment.

We believe that this legislation is important for the competitiveness of the U.S. optoelectronics industry—and the nation—and support its passage. If you would like additional information, please do not hesitate to call either me at the above number or OIDA President Arpad Bergh at (201) 829-4938.

Sincerely,

DAVID W. CHENEY,
Executive Director.

Mr. HOLLINGS. Mr. President, addressing these on February 9, the Advanced Technology Coalition endorsed S. 4. Smart people, using the expression of our distinguished colleague, not failures in the marketplace:

The American Electronics Association, successes in the marketplace; the National Association of Manufacturers; the Modernization Forum; Microelectronics and Computer Technology Corp.; Honeywell; National Society of Professional Engineers; Business Executives for National Security—going down—Texas Instruments; Columbia University; Motorola; Intel; Cray Research; Electron Transfer Technologies; American Society for Engineering Education; Southeast Manufacturing Technology Center; Convex; Semiconductor Research; American Society of Engineering Societies; AT&T—all smart people. Smart people these are and successes, not failures in the marketplace—the National Coalition for Advanced Manufacturing—all smart people—the Council on Competitiveness—all smart people; not failures, but all successes. The chairman of that group is Paul Allaire, the chairman and CEO of Xerox; the Computer Systems Policy Project, Lewis E. Platt, chairman and CEO of Hewlett Packard—a smart individual, not a failure; a success in the marketplace.

We go on down the list. The Business Executives for National Security, Tyrus W. Cobb, president, dated March 4; the AIEA, the American Industrial Extension Alliance, David H. Swanson, Ph.D., president—not dumb, a smart fellow, a smart fellow here; ASTD, the American Society for Training and Development, Curtis E. Plott, president and CEO—not dumb, a smart fellow; a success in the marketplace.

All of these, successes in the marketplace, have endorsed S. 4.

The American Society of Mechanical Engineers, John Parker, vice president; the United States Activities of the Institute of Electrical and Electronics Engineers, the IEEE, Charles Alexander, Dr. Charles Alexander, chairman of the United States Activities Boards; next, the Honeywell Corp., Carl L. Vignali, the senior vice president in charge of operations.

We go right on down the list. The Optoelectronics Industry Development Association, David W. Cheney, executive director; the chairman being William Braun of Motorola. The president is Arpad Bergh. The treasurer is Roland Haitz of Hewlett Packard.

I cannot get a more distinguished group than all of these particular endorsements, which we have now entered in the RECORD.

So it is not politicians. It is the market force operating through the industry itself; it is the market force operating through the peer review and the merit selection and the actual individuals that we have in charge.

I do not know of a better, more well-considered success story than as a result here of the report card that we have just gotten from the National Academy of Engineers.

I reserve the remainder of my time.

The PRESIDING OFFICER. Let the Chair correct himself. The Chair was in error in stating the time of the Senator from Missouri. It is 20 minutes, rather than 27 minutes.

Who yields time?

Mr. DANFORTH. Mr. President, I do not know of any other speakers on my side. I do want to speak briefly if for no other reason than to give people the opportunity to call in if they do want to speak. If I hear from nobody, I intend to propose that we might consider yielding back the remainder of our time, but not quite yet. I would like to make just one comment.

Mr. President, I think that it would be no surprise to many people in the Senate for me to say that this last week has not exactly been my favorite week in the Senate. But, Senator HOLLINGS and I have had a very good relationship over the years and we have much work to do in the 7 months between now and when the Senate adjourns. We have telecommunications legislation, which I think is as important as any legislation that will be before the Senate. I think it is as important as the health care legislation. We are working on it and will continue to do so.

And so the difficulties of last week are really behind us and I am glad we could work out an arrangement by which we bring this matter to a conclusion on the floor of the Senate.

I think, though, for all the difficulty of the last week, it served a very useful purpose, because I think what it has done is to heighten the recognition in the Senate that there really is a serious issue out there, and it is an issue that I for sure have tended to bury on my list of priorities and I think maybe other Senators have as well. And the issue does have to do with how the Government relates to research and development. How do we feel about it? Do we believe that the Government should be directly involved, and, if so, how?

Most of us think that, with respect to basic research, the Government should be directly involved, and it is; in NIH, for example. Most of us believe that when Government has a direct result that it needs—for example, national defense—the Government is going to be involved and that it should be involved.

What we are talking about here is somewhere in between basic research and buying things for the needs of the Federal Government. We are talking about the business sector, the private sector of our economy, and how it functions and how products are developed and how products are manufactured and how products are brought into the marketplace. And that really is the issue.

Some people believe that there is a very definite role for the Government to play in subsidizing research and development, in subsidizing it directly, in subsidizing it through venture capital operations; that the Government really should be doing more; that the marketplace has failed; that somehow the private sector is underinvesting. Other people feel that the Government really is not the answer, that the Government is not going to do it well.

It is not just a matter of wasting money; that the Government is going to tend to invest in those things that do not make it in the marketplace. That is the justification for the program in the first place. And the Government is going to tend to continue investing in failed ideas in the future because of the propensity of those of us in Government not to give up on things as somebody with real money at stake would give up. So it is a very real issue and I think it is going to be a recurring issue about the role of Government in financing research and development.

I happen to be the ranking member of the Trade Subcommittee of the Fi-

nance Committee. International trade has been an interest of mine ever since 1978. I was the chairman of the Trade Subcommittee when our party was in the majority. I was very active in every trade bill that has come before the Senate since the Trade Act of 1979. I have followed the negotiations that went on in Geneva and the agreement that has been initialed.

What really hit me and what elevated this whole matter in my own mind was the change in the subsidies code which was pushed by this administration to provide that henceforth governmental subsidies for research and development would no longer be subject to countervailing duties up to a certain amount. I thought that that was and do believe that that was a major loophole in the subsidy code.

I am concerned that Airbus is to be the model for the future, internationally and with this legislation here at home. So I do see a connection between S. 4 and what was done with respect to the negotiations of the GATT agreement. I think it is bad policy. I think it is a bad approach.

I think that we are going to lose out if this is the way that other countries are going to operate. And I think if this is the way our country is going to operate, it may be necessary, in order to meet foreign subsidies, but that it is a real departure from the market system. When we depart from the market system, I think it is to the detriment of our economy and to the ultimate detriment of our people. That has been what this whole debate has been about.

I think the debate, particularly this afternoon, has been a good one. I am very, very pleased especially that Senator BRADLEY and Senator LIEBERMAN participated in it in their characteristically very well-informed and articulate ways, because I think that they brought to the floor of the Senate, both Democrats in that case, two different views of the relationship between Government and the private sector in the doing of research.

I hope that it is a matter that will continue to be debated, not only here on the floor of the Senate but in the media and by the American people.

So, while it has been a very difficult 6 or 7 days—there is no question about that at all—I think that it served a useful purpose.

The PRESIDING OFFICER (Mrs. FEINSTEIN). Who yields time?

Mr. HOLLINGS addressed the Chair.

The Senator from South Carolina.

Mr. HOLLINGS. Madam President, there is a fundamental difference between the distinguished Senator and myself about relief for that marketplace.

I could almost go back to the founding days—"We the People * * *, in Order to form a more perfect Union." In part those efforts were directed against abuses of the marketplace. We found long since that if we allowed the marketplace to operate as it sees fit, we would have child labor. So we passed laws against child labor.

This Government did it. Politicians did it. In a totally unfettered marketplace, we found out that big business would constitute all kinds of monopolies, so we passed our Robinson-Patman and the Sherman Antitrust Act against monopolies. We found the marketplace would not pay a decent, living wage—there is no question about it. So we continually, Republican and Democrat, look at it and say, instead of that marketplace just determining it, we invade that marketplace as a matter of public policy by creating a minimum wage.

We go into health care, where the majority of the money—it is in the billions that we are talking about—is a Government program now, right this minute, with Medicare and Medicaid and medical research and all the other attendant parts of it. It has been well conceived. The trouble is just that the marketplace is gobbling us alive with the 11- to 12-percent increase in the cost each year, way over and above any kind of inflation. Marketplace is the problem for this Congress, right now, when we are talking about health care reform.

We have the matter of safety. We legislated requirements for safe machinery and a safe working place under OSHA. We intervened to protect the environment. We did not depend on the marketplace to protect the environment. Heavens above, we would all be dead and gone the way they would pollute. We intervened in the marketplace with plant closing notice, parental leave, and many, many other things.

At the beginning of our Republic, when we were largely a rural, agricultural nation, the British said, "You go ahead as a fledgling colony, you have freedom, you produce what you can best and we in contrast will produce what we can best, and trade along those lines, no tariffs, no barriers."

Alexander Hamilton responded in his "Report on Manufactures." He said, in effect, "Bug off; we are not going to remain your colony." And the very first substantive bill that passed the first Congress on July 4, 1789, invaded the marketplace with tariffs. And with those tariffs of 50 percent on 30 different articles: iron, textiles, going down the list, we started building up our productive capacity. We did not leave it to the marketplace. In fact, we did not leave the rural market alone. We came in with agricultural subsidies way back in 1862, 132 years ago.

So we started with land-grant colleges, then continued to the enormously successful Agriculture Research and Extension Services; these are the models for the current bill. That is exactly what we have sought to accomplish for manufacturing, for technology, for the commercialization of our technology. And we did this some 6 years ago, in 1988. And it is working. We have gotten our report card in the form of glowing endorsements from all the technological industries and the leaders of America's industry, coming forth saying this is not a runaway grab bag. If it were anything akin to that, the Chamber of Commerce and other business groups would be in here opposing it.

So the debate on the marketplace has been going on for many, many years. We found out we have to come in, not only on agriculture, not only on the aerospace industry, not only on the energy industry, not only on the semiconductor industry—because we put in multimillion dollar, billion dollar programs along these lines, that have worked—but we have come along now with technology. We are saying, look at our competition in the global economy, the global competition. We are really behind the curve. We have to get out there in front and start playing catchup ball in a studied, deliberate, peer-reviewed, industry-initiated manner. That is what S. 4 does and it does a wonderful thing to this marketplace. It generates all these jobs, the backbone of manufacture that has gone from 32 percent down to 16 percent, half of our GDP. And we claim to be the only remaining superpower in the world? Come on.

We have this country, its national security, its foreign policy, can be compared to a three-legged stool. We have the one leg consisting of the values of our country, which are very strong. The second leg consists of military prowess and power. But the third leg—the leg of economic strength—has been fractured. All the reports say so and they have been saying so for 15 years around this country. So we finally started moving on a trade bill and now this technology bill.

S. 4 moves in the right direction. I implore our colleagues, look at it as you have before. You have systematically done it. You have had hearings on it. You unanimously passed it out of the Commerce Committee back 2 years ago; passed it unanimously through this body in a bipartisan way. We did not wait. I do appreciate the two Senators referred to getting back to bipartisanship again. But there has been bipartisanship throughout. It was bipartisan again last year when we reported it.

So here it is. There has been some differences with the other side of the aisle, but we have moved on. I do say to the Senator from Missouri, it is a pleasure to work with him. The differences we have had are past. We will be working together constructively and cooperatively on S. 1822, the Communications Act of 1994. We will have a good relationship. It is for his good, my good, the good of the Senate and the

country that we do that, and I am glad to do it.

But let us not talk of S. 4 as a new venture or new departure. We debated 26 amendments on everything from aircraft and pesticides and paperwork. But we did not get to the heart of this bill.

Now we are getting, finally, to our debate on one particular issue. I was glad for that debate.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HOLLINGS. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. I apologize to the Chair. I am a little bit out of sense of what my rights are, or lack of rights are, or what I should do. I would like to say a couple of things, but my time I am sure is gone.

The PRESIDING OFFICER. The Senator from Missouri controls the time for the Senator from West Virginia, and there is 12 minutes and 31 seconds remaining.

Mr. HOLLINGS. We are out of time.

Mr. DANFORTH. How much time does my colleague want, 5 minutes?

Mr. ROCKEFELLER. If Senator DANFORTH will give me 5 minutes, I will take it.

Mr. DANFORTH. I yield 5 minutes to the Senator from West Virginia.

Mr. ROCKEFELLER. I do not want people to be swayed by his personal generosity in terms of their votes, Madam President. But it is just a very generous thing.

Dr. John Carruthers, the head of Intel, testifying on behalf of the American Electronics Association, said:

> The early and mid-1980's were the age of startup, a period when investments in high technology flourished. * * *

But then he said:

> But for more than 5 years now, our Nation has failed to produce a new generation of such companies. The reasons for this precipitous decline are many, but chief among them has been the alarming and growing inability of American entrepreneurs to obtain seed and venture funding.

The Civilian Technology Investment Program, which the Senator from Missouri wants to strike from this bill, which I hope will fail, is based upon the SBA's small investment program. It was created in 1958. It has worked. This program, if we are to defeat the amendment of the Senator from Missouri, would give us, for every $1 of Federal money put in, $6 of private sector money. We cannot under any conditions spend more than $50 million, if that is the final amount that is in the bill. Private venture capitalists have focused up to this point on what is called mezzanine financing, which is second stage—not startup, that the Intel focused on—types of money. Exactly what this program is designed to fill is that early funding when people have a good idea, small, medium businesses, but they cannot get the venture capital. Which is a fact. They cannot do it these days. That is what this bill is for and this section of the bill.

The bill is flexible. The private sector must put up part of the money and share the risk. Under the Civilian Technology Investment Program the Government can share in the up side—which means they can get some money, and they will—and that can help to reduce the deficit.

It seems to me one of the most obvious things that is good that needs to happen to our country, Madam President. I do not consider it controversial. I grew up in a Republican family that was not unknown for business entrepreneurship. I cannot imagine my great grandfather saying, "Gee, this is a terrible idea." I think he would have thought this is a good idea.

It seems to me American business is saying this is a good idea. They are saying that unanimously, with the exception of one group which represents more or less high-level venture capital people who do not have to worry about startup money.

So I hope either the motion to table the amendment of the Senator from Missouri will succeed or, if it is an up-or-down vote, that the amendment of the Senator from Missouri will not succeed.

I thank the Chair and I thank the Senator from Missouri. Of course, I thank the chairman, Senator HOLLINGS, from South Carolina.

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Madam President, the committee report—and I am now speaking about the underlying bill—speaks of "an era of strong international economic competition."

Then on page 3 of the committee report it concludes that "the Department of Commerce has a leadership role to play in this new era."

This whole debate is about whether or not we really believe the Department of Commerce has a leadership role to play in this new era. It is the judgment of this Senator that if we are relying on the Department of Commerce to lead us into a new era, we are going to be led in exactly the opposite direction.

Madam President, seeing no other Senator who wishes to speak, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has either been yielded back or expired.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. HOLLINGS. Madam President, I ask unanimous consent that there now be a period for morning business, with Senators permitted to speak therein for not to exceed 10 minutes each.

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

TRIBUTE TO JENNIFER KNOX

Mr. FAIRCLOTH. Madam President, one of our colleagues in the Senate received a great and deserved honor this week, an honor I am certain is more special to him than the warehouse of plaques he had been given, or even the hundreds of letters of support he will receive this week.

Senator JESSE and Dot HELMS' granddaughter, Jennifer Knox, played this week in the NCAA II South Atlantic Regional Tournament. Jennifer, a 5-feet 9-inch sophomore guard and daughter of Charles and Jane Helms Knox, joined the Wingate College Bulldogs as they hosted the regional tournament.

A former standout player at Hale High in Raleigh, NC, Jennifer worked long and hard with her teammates for this opportunity. They lost only 1 game of 27, and ended the season ranked ninth in the Nation. Unfortunately, the Bulldogs narrowly lost the champion game in overtime last Saturday night.

I know JESSE had said many times that his father, the police chief of Monroe, NC, used to tell him, "God doesn't require you to win, son, he only requires that you do your best." I am sure Jennifer had heard those same words, and that they served her well last Saturday night.

Madam President, much is said in this body about education and family values. Many in the Senate are full of ideas about how the Federal Government and the taxpayer can strengthen both. I challenge them to find a government program more effective than the solid family guidance and moral leadership provided by my senior colleague from North Carolina. His four children and seven grandchildren are models of family values.

Like any granddaughter of a U.S. Senator, Jennifer Knox hears a lot about her grandfather. But on the court, it is all business. She says that the news about him go out, but it was "never a big deal" with her teammates. In the Senate sometimes we forget that there are things more important to people than politics, like basketball.

Jennifer's success, however, demonstrates that she is blessed with the

same strength of character and conviction that has characterized her grandfather's 21 years of service in the Senate.

I am sure Jennifer is as proud of her grandfather JESSE as he is of her. She should be. Jennifer is an excellent example of what can be accomplished when someone follows his prescription for personal success. Faith in God, hard work, and self reliance—that simple and time tested recipe produces winners like Jennifer Knox.

Madam President, I have with me an article from the Charlotte Observer concerning Jennifer Knox and Wingate College's bid for the NCAA II National Championship. I ask that the article be printed in its entirety in the CONGRESSIONAL RECORD.

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

[From the Charlotte (NC) Observer, Mar. 11, 1994]

WINGATE'S KNOX NOT JUST HELMS' GRANDDAUGHTER

(By Steve Lyttle)

WINGATE.—Jennifer Knox's grandfather attended Wingate more than 50 years ago, and he didn't play basketball.

But his papers are stored across the street from the college in a house bearing his name—the Jesse Helms Center.

Now Knox is making her mark at the college in her own way.

She and her teammates on the Wingate women's basketball team are hosts tonight and Saturday for the NCAA Division II South Atlantic Regional tournament.

The champion, to be crowned after an 8 p.m. game Saturday, advances to the NCAA Elite Eight, set for March 23-26.

Wingate, 26-1 and ranked seventh nationally, plays at 8 tonight in Cuddy Arena against South Atlantic Conference foe Presbyterian (22-7), which lost both regular season games to Wingate.

In the 6 p.m. opener, Norfolk State (25-3) faces USC-Spartanburg (27-3).

Knox is a 5-9 sophomore reserve guard for the Bulldogs, who are playing in NCAA Division II for the first season.

She was a standout player at Hale High, a private school in Raleigh, and has played well in stints at Wingate.

Along the way, news of her favorite grandfather leaked out. Sen. Jesse Helms, R-N.C., is known nationally for his conservative stands.

"Only Sherry Winn (a fellow sophomore guard on the team) knew about my grandfather when I came here as a freshman," Knox said.

"News got out about him in a hurry, though, but it never was a big deal with my teammates."

Knox said she has not heard about her famous grandfather from opponents or fans either—until last week, perhaps.

"I'm still not sure, but when we were warming up last weekend in the conference tournament, someone said, 'Hey, Helms',", she said. "I'm still not sure if that's what they said."

Knox said teammates and fellow Wingate students sometimes ask for her opinion to help settle a political debate.

"I guess they figure I'll have an opinion," she said, smiling.

A busy schedule in the U.S. Senate has prevented Helms from seeing his granddaughter play, but the two spent time together last fall when Helms visited Wingate to help open the Jesse Helms Center.

The center—a museum of government papers and Helms' memorabilia—is across the street from the Wingate campus.

A private foundation not connected to the school runs the center, but Helms already has brought Jeanne Kirkpatrick, former U.S. ambassador to the United Nations, to the campus. He said other notable political figures will visit Wingate soon, as part of the Helms Center program.

Knox said she visited the Wingate campus in 1986, when the Helms family arrived to work out details for the center.

"I really liked Wingate, and when coach (Johnny) Jacumin contacted me in my senior year, I remembered the place," Knox said. "I'm glad I came."

The move from a small private high school to a high-powered college program required an adjustment last year, she said.

"In high school, it was, 'Give the ball to Jennifer and hope she scores'" Knox said. "This year, I've been more comfortable."

Knox said she and her teammates are excited about their achievement.

"We're five wins away from a national championship," she said. "It's amazing, almost unbelievable."

SOCIAL SECURITY ADMINISTRATION INDEPENDENT ACT

Mr. SIMPSON. Madam President, on March 2, the Senate approved by voice vote legislation, S. 1560, which would establish the Social Security Administration as an independent agency. Although I did not object to the passage of this legislation, I do wish to make my views known. I have listened carefully to the advocates of this proposal and I share their strong commitment to preserving the integrity and the efficiency of the Social Security Administration. But I am not convinced that this legislation would do anything to accomplish these important goals.

However well-intentioned this bill may be, I am disappointed that it fails to address those aspects of Social Security that the American people seem to care about the most. Whenever I visit senior citizen centers or hold "town meetings" in Wyoming, issues relating to Social Security are always raised by my constituents.

The concerns they express cover a wide range of issues: the annual cost of living adjustment, the long-term solvency of the Social Security trust fund, the so-called "notch baby" issue, the Social Security payroll tax, the investment of surplus Social Security revenues, the taxation of Social Security benefits, the "earnings test" that limits benefits for seniors who work in their retirement, spousal and dependent benefits and the list goes on and on. People speak with great clarity and power on all of these issues—because they care about them. And, yet, no one has ever come to me and said: "SIMPSON, we need to 'restructure' the Social Security bureaucracy." I do not recall having ever heard that from a constituent.

So I think it is curious that—of all the issues that may arise in a serious discussion of Social Security—this issue is one that is hardly even mentioned by the American people. I know that some of the "special interest groups" have indicated their support, but the people themselves have not spoken with any great energy or enthusiasm on this matter. The reason is simply that this bill does not accomplish anything of great significance.

I think we should acknowledge very clearly that S. 1560 does nothing to address the long-term fiscal problems of Social Security. Nor does it change in any way the status or treatment of the Social Security trust funds. Nor does it prevent future Congresses from enacting changes in Social Security.

I make these observations simply because some of the rhetoric and debate accompanying this proposal might lead the casual observer to believe that the Senate may have acted in some extraordinary way to forever protect Social Security from certain unknown evil forces. That would surely be an overly dramatic description of what was done, so I think it is important to set the record straight in that respect.

While it is clear that this bill is nothing more than a symbolic gesture, it would be a serious mistake to assume that there is no harm in pretending to do something magnificent for the American people. As much as I understand the great desire to "do something"—indeed, to just "do anything"—I did not agree with a proposal that would so seriously disrupt and complicate the range of services that are presently available to our Nations' elderly.

It is not my intention to be an alarmist, but I do want to call attention to the serious concerns that were expressed to me 2 years ago by Dr. Louis Sullivan who served so ably as Secretary of Health and Human Services in the Bush administration. I visited personally with Dr. Sullivan at that time and we discussed the implications of isolating Social Security from other Federal programs that serve the elderly. Under existing law, the Department of Health and Human Services—also administers such vital programs as Medicare, Medicaid, the Low-Income Home Energy Assistance Program [LIHEAP], and a number of other services that fall under the Older Americans Act.

Because the department is involved in the coordination and delivery of all of these services, seniors have ready access to information on any of them simply by calling or visiting their local Social Security office. This convenience should not be taken for granted or casually discarded. Yet that is exactly what this legislation would do.

With the passage of this bill, the existing network of information will be disrupted and replaced by a statutory

requirement that orders the Commissioner of Social Security and the Secretary of Health and Human Services to "consult with each other" to assure that information about Medicare and Medicaid is available to the public. The bill does not specify how this will happen, nor does it provide any mechanism for achieving this coordination. Instead, it removes the structure that has coordinated these services for so long—and then hands down a mandate from on high that basically says, "coordination shall continue, regardless of what we have just done." In my view, that is a most remarkable display of wishful thinking and naivete.

Another truly fascinating thing about this debate is the manner in which the buzz word "independence" has been thrown around. I have heard some magnificent claims about what a glorious thing an independent Social Security Administration would be, but I have not yet heard one specific example of how independence, as defined by this bill, would benefit our Nation's seniors. I have just commented on the inconveniences that will result and it is clear that they are, indeed, very real. But the advantages, if there are any, have nothing to do with strengthening the Social Security system. This is a matter of highest concern, not only to today's retirees, but to future retirees as well. Millions of young Americans, who may be—and should be—concerned about the long-term solvency of the trust fund, are not going to find anything in this bill that addresses their concerns. I seriously doubt that this so-called independence will be of much comfort to them in the year 2030 when there will be only two people paying into the system for every one person receiving benefits.

Now this latter point is surely an issue that deserves our most thoughtful attention. But it is too difficult to address and not very PC, so we will just ignore it and pretend instead to do something great for seniors by giving them an independent—or an isolated—Social Security System. This is a phony and useless gift that I believe we should have rejected.

THE ARAB BOYCOTT

Mr. BROWN. Madam President, the State of Israel continues to be an outpost of freedom and the only true democracy in the Middle East. We have long recognized the importance of our partnership with Israel, which is based on a shared moral, political, and cultural heritage, as well as longstanding economic and security ties. At a time when Israel has made dramatic concessions at the bargaining table, it is tragic that there is a focused effort to effect a crippling boycott of American businesses that attempt to trade with Israel.

Nations participating in the Arab boycott routinely attempt to coerce United States firms to join in the secondary or tertiary boycott of Israel. Letters sent by these nations to U.S. firms request compliance with the boycott or solicit information concerning boycott compliance. The Department of Commerce has documented 8,660 Arab boycott requests for U.S. companies in 1993. Clearly, United States companies should not be punished for engaging in trade with Israel, one of our closest allies.

The Anti-Economic Discrimination Act of 1994, added as an amendment to the State Department authorization bill on January 28, 1994, would prohibit the sale of defense articles and defense services to countries that participate in the secondary and tertiary boycott of Israel. It is my hope that this amendment will help to protect American businesses doing business with Israel.

The American Jewish Committee recently ran a powerful ad in the New York Times on January 31, 1994 urging Arab leaders to end the boycott of Israel. The importance of this action should not go unnoticed. Raising public awareness of this practice is a crucial step in ending the boycott. I commend the American Jewish Committee for their efforts and ask that the New York Times advertisement be reprinted in the RECORD following my remarks.

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

[From the New York Times, Jan. 31, 1994]

THE ARAB BOYCOTT SHOULD BE LIKE THE BERLIN WALL—HISTORY

The Arab boycott is a weapon of economic warfare against Israel. It has been used for decades to block trade with the Jewish State and to punish companies in the United States and throughout the world who seek to do business with Israel. An end to the boycott is the first step on the road to the economic cooperation needed to secure long-term peace for Israelis, for Palestinians, indeed for all the people of the Middle East.

President Clinton has said that "the time has come to end the Arab boycott of Israel, a relic of past animosity that simply has no place in the architecture of peaceful relations we are all working to build in the Middle East."

As the peace process moves forward, we call on Arab leaders—who will be reviewing their policy on the boycott—to heed the President's words by relegating the boycott, like the Berlin Wall, to the dustbin of history.

RUSSIA'S SECRET NERVE GAS

Mr. MOYNIHAN. Madam President, on March 11, good news was heard from Moscow. All charges were dropped against a courageous Russian scientist, Dr. Vil Mirzayanov who, 2 years ago in a Moscow News article, revealed to the world that the Soviet Union had secretly developed a powerful binary nerve gas. For this, Dr. Mirzayanov was jailed twice, and placed on trial.

David Wise, who brought this case to my attention, is a noted and respected author who has written extensively about the dangers of excessive secrecy and about the operations of intelligence agencies. Mr. Wise spoke at great length with Dr. Mirzayanov in Moscow last November. Upon his return he contacted me. I was proud to add my voice to that of the many scientific and human rights organizations that have worked to free Dr. Mirzayanov. In particular, I would like to commend the efforts of two individuals, Gale M. Colby and Irene Goldman.

As Mr. Wise points out, although Dr. Mirzayanov no longer faces criminal charges, important questions remain about Russia's intentions in the field of nerve gas production. This case is particularly disturbing because agreement was reached on the chemical weapons convention in Geneva less than 2 weeks before Dr. Mirzayanov published his article.

In his article, David Wise wrote that it was a moral realization that gave Dr. Mirzayanov the courage to speak out. We can do no less. I trust that these questions will continue to be carefully pursued by our Government and the Senate as ratification of the chemical weapons convention is considered.

Madam President, at this time I ask that David Wise's article from the March 12, 1994, New York Times be placed in the RECORD.

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

[From the New York Times, Mar. 12, 1994]

NOVICHOK ON TRIAL

(By David Wise)

WASHINGTON.—Yesterday in Moscow, Russia's chief prosecutor dropped all charges against Vil Mirzayanov, a chemist who was jailed for revealing that the Soviets had secretly developed a binary nerve gas, codenamed Novichok, that is 8 to 10 times as powerful as anything in America's arsenal.

For speaking out, Mr. Mirzayanov was imprisoned twice and put on trial for supposedly disclosing state secrets. His vindication, due in large part to Western pressure, is a promising event, but it leaves unaddressed the larger issues of Russia's intentions in the field of chemical warfare.

He was first arrested on Oct. 22, 1992, by the successor to the K.G.B.'s internal security arm, for describing the development of Novichok in an article in The Moscow News. Although he was released after 11 days, Mr. Mirzayanov had been dismissed and he and his wife and their two young children had to subsist on small grants from human rights organizations. When his closed trial began in January, he was jailed again for refusing to participate in what he regarded as an unconstitutional procedure. The Constitution bars the prosecution of anyone for violating secret laws—precisely the charge against Mr. Mirzayanov.

Every country has a right to protect its military secrets. But at the time of Mr. Mirzayanov's arrest, chemical weapons were not on the list of "state secrets," presumably because the Government did not want to advertise that it had them. The Prime Minister, Viktor S. Chernomyrdin, remedied this oversight last March when he added chemical weapons to the list, retroactively.

In November, I spent more than 10 hours with Mr. Mirzayanov, a mild-mannered, gray-haired man who turned 59 this week. It was clear from our conversations that his case, a throwback to Soviet-style justice, involved much more than human rights issues. Mr. Mirzayanov lifted the curtain on a matter of great strategic importance: The lives of millions of people are at risk.

Nerve gases, first developed by the Nazis during World War II, are horrifying. A tiny drop on the skin, or inhaled, brings death within a minute or two. The gases—a misnomer since they are actually liquids delivered in a fine mist—inhibit the enzymes that control the nerve receptors in the brain. Victims, as one American expert explained, "forget to breath."

In September 1992, the Geneva chemical weapons convention was drafted. It has been signed by 156 countries, including the United States and Russia, although neither has ratified it. The convention outlaws the development, production and stockpiling of chemical weapons. The signatories agreed to list the chemical weapons they possess and to destroy them.

Until Mr. Mirzayanov spoke out, no one knew that the Soviets had developed Novichok (which translates as "newcomer"). Referring to the Mirzayanov trial, Ambassador Thomas Pickering said in Moscow that it seemed strange to us * * * that someone could either be prosecuted or persecuted for telling the truth about an activity which is contrary to a treaty obligation of a foreign government."

Mr. Mirzayanov told me that the Russian stockpile of chemical weapons, some 60,000 tons, "would be enough to kill tens of millions." Since Novichok was not developed in large quantities, he said, the Russians may have only enough of it to kill several hundred thousand people. Although this would be ample to wipe out a medium-sized city, he said, there would be hidden costs as well: "mutations in the next generation or future generations."

He is also concerned about another Soviet-developed nerve gas that the Russians call Agent 33. As with Novichok, he doubts that the Russians intend to disclose its existence or its formula, despite the Geneva convention.

Near the end of our talks, I asked Mr. Mirzayanov why he had decided to go public and risk prison. "It occurred to me that I was engaged in a criminal enterprise," he said. That moral realization, he added, gave him the courage to speak out. The U.S. can do no less; it should continue to press Moscow to disclose and destroy its nerve gas arsenal.

REMEMBERING A GREAT LOUISVILLIAN CIVIC LEADER

Mr. MCCONNELL. Madam President, I rise today with great sadness to honor a departed friend. Laramie [Larry] Leatherman, of Louisville, KY, passed away at the young age of 61 yesterday.

I have known Larry for many years, and Louisville will suffer because of this loss. He had long been involved in the Louisville community and was currently serving as the chairman of the Louisville Area Chamber of Commerce. Larry, along with other hardworking Louisvillians, was instrumental in forming the comprehensive plan for downtown Louisville.

I ask my colleagues to join me in remembering this outstanding Kentuckian. Those of us who knew Larry will miss his sense of humor, intellect, and dedication to helping his community. Madam President, I ask that a statement I gave honoring Larry Leatherman in September 1992, be included in the RECORD at this point. In addition, I ask that an article from the March 15, 1994, Courier Journal be inserted into the RECORD following my statement.

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

TRIBUTE TO LARAMIE L. LEATHERMAN—SMALL TOWN VALUES PAY BIG DIVIDENDS

Madam President, I rise today and ask my colleagues to join me in paying tribute to a great Louisvillian. Laramie (Larry) Leatherman has risen from a humble rural background to become chairman of the executive committee of one of Kentucky's most prestigious law firms, Greenbaum, Doll & McDonald.

Born and raised on a farm in East-Central Illinois, Mr. Leatherman is no stranger to hard work. At an early age he was driving a team of horses to cultivate a crop of corn, as well as raising cattle and butchering hogs. Despite enjoying his early life he knew that he would eventually want to get off of the farm. Through the guidance of his parents he learned that the way out was through education. Mr. Leatherman excelled in the classroom graduating high school at age 16 and the University of Kentucky College of Law by age 21.

Fresh from law school, Mr. Leatherman came to Washington, D.C. to be a clerk for a U.S. Tax Court judge. He stayed in this position for almost 3 years and believes that the job gave him ideal training for his position as a tax attorney at Greenbaum, Doll & McDonald. He has been with the Louisville firm for 33 years, the past 6 in his current capacity as chairman of the executive committee.

In addition to being an accomplished tax lawyer, Mr. Leatherman is praised by his friends and colleagues as one with a great deal of common sense. He is a master at explaining the complicated and making it understandable. He is able to quickly understand complex concepts and then effectively pass on his knowledge to others.

Outside the law, Mr. Leatherman is active in other activities as well. He is a trustee and vice president of the Gheens Foundation Inc., vice president of Kentucky Educational Foundation Inc., and vice chairman of Louisville Central Area. He gives freely of his time and expertise to these organizations contributing greatly to their successes.

Madam President, I ask my colleagues to join me in recognizing this fine Louisvillian whose life is an example of how hard work and dedication pay off with great reward.

LOUISVILLE CIVIC LEADER LARRY LEATHERMAN, 61, DIES OF HEART ATTACK

(By Sheldon Shafer)

Attorney Laramie "Larry" Leatherman, chairman of the Louisville Area Chamber of Commerce and one of Louisville's busiest civic leaders, died yesterday at Alliant Medical Pavillion. He was 61 and died of a heart attack, his law firm said.

Leatherman was chairman of the executive committee of Greenebaum, Doll & McDonald, one of Kentucky's largest law firms. In the late 1980s, as chairman of Louisville Central Area he was a prime mover in the creation of a comprehensive plan for downtown Louisville. He also was active in promoting education—he is credited with coming up with the idea for the Gheens Professional Development Academy, a teacher-training institute in Louisville. He was a trustee and vice president of the Gheens Foundation, and had been treasurer.

His death came as a shock to Mayor Jerry Abramson, who said Leatherman was one of 18 partners in Greenebaum, Doll & McDonald when Abramson joined the firm about 20 years ago. Leatherman worked closely with Abramson on numerous chamber activities and economic-development and downtown projects and committees.

Leatherman's death "is a tremendous loss to this community and to me personally," the mayor said, "he contributed greatly to our economic growth."

Abramson said Leatherman was a firm believer in the need to unify local government and the community. He and Jefferson County Judge-Executive Dave Armstrong had met with Leatherman on Friday to discuss a planned study of local government.

Leatherman "never talked about the East End or the West End; he truly believed in the community and that we could grow only as a consolidated community, with a common goal and common leadership," Abramson said.

Armstrong noted that Leatherman was serving as a co-chairman of the county's Cornerstone 2020 project, which includes the drafting of a new county land-use plan.

"This is a real blow," Armstrong said of Leatherman's death. "He was a close friend. . . . If you think of all the contributions he made, filling his shoes will not be easy for any individuals or the community."

Chamber of Commerce and downtown development officials said Leatherman had a critical leadership role in downtown projects now under way.

"As much as anybody else, he is responsible for the Louisville Downtown Development Plan," said Errol Frailey, president of Louisville Central Area. The plan, put together four or five years ago, triggered such projects as the expansion of Commonwealth Convention Center and development of a Main Street cultural district.

"He wanted to make sure this was not just a plan that sat on the shelf," Downtown Development Corp, director Barry Alberts said of the cultural district. "He made us stick with it."

Alderman Paul Bather said: "He was a hard worker. Even though he achieved financial success and some power, he was still just one of the guys, and very approachable. He had a great sense of humor, but at the same time, he did not mind cussing you out, if you deserved it."

P. Richard Anderson Jr., partner in charge of the Louisville office of Greenebaum, Doll & McDonald, said Leatherman was one of the firm's earliest partners, joining about 35 years ago. "His loss will leave a tremendous void, for the community and the firm," Anderson said. "His leadership will be missed terribly."

Leatherman, who specialized in tax law, was born in Martinsville, Ill. He graduated from Eastern Illinois State University in 1950 and the University of Kentucky Law School in 1953. He was a UK Fellow and past president of the UK Law Alumni Association.

In addition to his other community work, he was a director of the Downtown Develop-

ment Corp., a member of the executive committee of Bellarmine College, and director and secretary of the Center for Leadership in School Reform.

He was past director of the Louisville-Jefferson County Regional Airport Authority. He was a commissioner of the Louisville and Jefferson County Convention & Visitors Bureau and served on many chamber committees. He was a member of Calvin Presbyterian Church and an Army veteran.

He was a member of the Louisville, Kentucky and American bar associations; and of Harmony Landing Country Club, Pendennis Club and Jefferson Club.

He is survived by his wife, Portia; two sons, Jeffrey and Todd Leatherman; a daughter, Coutney Leatherman; and three grandchildren.

Funeral arrangements were incomplete last night at Pearson's.

NOMINATION OF ISRAEL BROOKS, JR., FOR SOUTH CAROLINA'S U.S. MARSHAL

Mr. HOLLINGS. Madam President, it was with great confidence and pride that I recommended to the President that he nominate Israel Brooks to the post of U.S. marshal for South Carolina. Mr. Brooks is one of the finest, most accomplished, most respected law enforcement officers in the modern history of my State.

Israel Brooks is a 48-year-old native of Newberry, SC. He graduated from the University of South Carolina in 1976, and has been with the South Carolina Highway Patrol since 1967. He began as a patrolman in Beaufort County, and later served as an instructor at the South Carolina Criminal Justice Academy. Since 1990, he has held the rank of major, with responsibility for administration of the entire South Carolina Highway Patrol. Prior to entering law enforcement, Mr. Brooks spent 4 years in the U.S. Marine Corps, rising to the rank of sergeant and platoon leader.

Madam President, I know of no law enforcement professional in South Carolina who is more superbly qualified for this job than Israel Brooks. I was enormously pleased that the Senate saw fit to confirm him by a unanimous vote last Thursday.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Madam President, anyone even remotely familiar with the U.S. Constitution knows that no President can spend a dime of Federal tax money that has not first been authorized and appropriated by Congress—both the House of Representatives and the U.S. Senate.

So when you hear a politician or an editor or a commentator declare that "Reagan ran up the Federal debt" or that "Bush ran it up," bear in mind that it was, and is, the constitutional duty of Congress to control Federal spending. Congress has failed miserably in that task for about 50 years.

The fiscal irresponsibility of Congress has created a Federal debt which stood at $4,548,393,027,513.76 as of the close of business yesterday, Monday, March 14. Averaged out, every man, woman, and child in America owes a share of this massive debt, and that per capita share is $17,446,11.

HOMICIDES BY GUNSHOT IN NEW YORK CITY

Mr. MOYNIHAN. Madam President, as I have done each week this session, I rise to report on the terrible toll taken by gun violence in New York City. I regret to inform the Senate that 30 persons were killed by gunshot this past week in New York City, bringing the total this year to 219.

HON. HERMAN M. HOLLOWAY, SR.

Mr. BIDEN. Madam President, Martin Luther King once called to our Nation to "forever realize that the time is always ripe to do right."

I rise today to honor a man who answered that call, a true leader who served as a public official in my State for more than 30 years, and who will always serve, to all who knew him and to those who will learn of him, as a model of character, principle, and dedication to doing right.

The Honorable Herman M. Holloway, Sr., died yesterday at the age of 72; his death was a great public loss for all Delawareans, and a great personal loss for those of us who were lucky enough to know him as a friend.

But I do not want to speak today about what we have lost, but of what we gained by the life of Herman Holloway, a noble life, a life truly well lived.

Herman M. Holloway, Sr., was born in Wilmington, DE, on February 2, 1922; he attended Howard High School, in the days when it was the only high school in the State open to black students; the second-rate text books came from the waste baskets of the white schools, but the first-rate teachers and role models came, it seemed, from the hand of God.

Young Herman Holloway was also blessed with a father, of whom he spoke often throughout his life, who taught his son to believe in himself, and in his capacity to achieve, despite the obstacles that lay before him.

In his youth, Herman Holloway was known as "knockout" for his skill as a boxer, and as "kool" for his ball-handling skills as a basketball guard.

He was, in fact, captain of the Howard basketball team, and also a well-regarded scholastic football player.

After a year at Hampton Institute in Virginia—which he financed by working in a school office and jobs running a bar and grill, coordinating activities for the Boy Scouts, and as a city police officer—Herman Holloway took up politics, one of the two routes he saw for black Americans of his time to pursue successful careers.

The other was the ministry, and I have no doubt, had Herman Holloway chosen the pulpit over politics, that I would still be speaking today in celebration and in gratitude for his contributions to my State.

In November 1963, a day after President John Kennedy was assassinated, Herman Holloway was elected to serve in the Delaware State House of Representatives.

He immediately felt the burden, at a time when many lawmakers did not even try to hide their racism, of being, in his words—which are invariably the best words—

> The one black individual who had the responsibility of relating to the members of the general assembly the wants, needs and desires of black citizens.

The next year, in 1964, Herman Holloway was elected to the State senate, the first and only African-American to serve in that body.

I do not know when it happened exactly, but it didn't take too long, for Herman M. Holloway, Sr., to become known as, simply, the Senator, and he has been so known ever since.

Through 30 years of service, the Senator remained, with probably just one peer in Louis Redding, Delaware's great champion in the fight against discrimination.

Despite the boxing nickname of his youth, the Senator did not resort always to the knockout punch; he also showed why he was called kool.

Intelligence, thoughtfulness, careful study and brilliant oratory—these were the most frequently unleashed weapons in the Senator's arsenal.

He never wavered in his belief that the power of conviction, the power of having right on your side, is the greatest force of all.

He fought for fair housing, beginning in his first legislative term in 1963, when his fellow Democrats in the House were, to say the least, reluctant to deal with the issue.

They needed his support on another piece of legislation, so to try to pressure them, when their bill came to a vote, he stood, this freshman member with the burden of a State's entire black population on his shoulders, and answered in his resonant, dignified voice, "present."

As the former president of our State NAACP Chapter, Littleton Mitchell, said of Herman Holloway, "He had the guts."

While arguing for that fair housing law back in 1963, the Senator spoke, as he so often would, to the conscience of his fellow legislators and his fellow citizens.

Again, his own words provide the best illustration:

> Only a few years ago Delaware was a closed society in which privilege and pleasure were

on one side while fear and darkness were on the other in regard to racial and social justice.

Today there are still pockets of resistance in Delaware, but they are being reduced by constant effort and steady application of good will and education.

For 30 years, Senator Holloway's constant effort and steady application of good will and education helped lead Delaware out of the darkness of segregation and discrimination.

His powerful voice seemed to rise from his heart, for he cared deeply and sincerely for the people of our State, especially those who most desperately needed a voice for their needs and concerns—African-Americans, children, the elderly, families living in poverty, the disabled, the sick—all of those who had to struggle for a chance to reach toward the promise of their lives.

Senator Holloway gave them one of the most eloquent voices ever heard in Delaware. His legislative accomplishments are far too numerous to list, but—from that fair housing fight that he did finally win, to enactment of the Martin Luther King Holiday, to increasing black voter participation—from better social services for the poor, to increased educational opportunities for disabled children, to heightened sensitivity to the needs of the elderly—the record stands as a living legacy of a quiet, patient warrior for right.

The Senator was a leader by the level of his dedication and the effectiveness of his efforts, but above all, he was a leader by the example of his character. He was, in the best and most meaningful sense, a truly distinguished gentleman.

In a lifetime of making history—serving during the most troubled time of racial tension, becoming the first African-American both to serve in the State senate and to be elected to a leadership position within that body, for all his history-making roles, Herman Holloway always kept his vision on the future, his eye on the prize.

He was a trailblazer whose main purpose was not his own journey, but to clear a path for those who would walk with him and for those who would follow him.

More personally, Madam President, I, like many in my State, will always cherish Herman Holloway's friendship as one of the greatest blessings I have known.

As friends and admirers, we join in extending our sympathies to the Senator's wife, Ethel, and to their five children, and the grandchildren and great-grandchildren whom the Senator cherished so deeply.

We extend our sympathies to his brother and three sisters, with gratitude to the entire family for sharing Senator Holloway with us so generously.

Abraham Lincoln was recalled in a poem as a mighty tree, which when it falls, "leaves a lonesome place against the sky."

The lonesome place left by Senator Herman Holloway's death will never be filled, but the strength of his life's roots and the worth of the seeds of understanding and compassion he sowed in all of us, will sustain us, and lead us to the best part of ourselves and to the best in each other—always.

REDSKIN CHARLES MANN

Mr. DURENBERGER. Madam President, when I picked up the sports section of today's Washington Post I was greeted with the sad news that Washington Redskins defensive end Charles Mann had been released after 12 years in the National Football League. My regret lies not so much in the fact that we will no longer be afforded the opportunity to watch him on the playing field, but that the Washington, DC community has lost a true spiritual and community leader.

My purpose in taking the floor today is not to recount Charles' many athletic achievements, but to talk about Charles Mann the individual. It is easy for us to narrowly define a person by what we read in the newspaper and see on television, but it is what those people give of themselves which defines the true content of their character.

While growing up in California, Charles always had a sense he had a lot to give, but did not know which avenue his life would take. Although he did not know a lot about the Lord, he did have a deep interest in God. This youthful curiosity was nurtured by both his mother and grandmother, who had a deep influence on Charles as he was growing up. Although he was blessed with this solid foundation, Charles knew there had to be more.

When Charles was drafted by the Redskins, he joined a small covenant group which consists of players who share a love for Christ and their fellow man. Charles is an evangelist at heart and has made a commitment that children should know Christ at an early age. His involvement in the March of Dimes and Special Olympics are but two examples of his commitment as a servant leader.

Madam President, Charles Mann will be playing football somewhere next season and the organization which is lucky enough to sign him will obtain more than a fine football player. They will also reap the benefits of an association with an outstanding human being, whose character is anchored by a personal faith and a commitment to others. It has been a true blessing to know him. He will be deeply missed in the Washington community.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. 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 Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

REEMPLOYMENT ACT OF 1994—MESSAGE FROM THE PRESIDENT—PM 98

The PRESIDING OFFICER laid before the Senate a message from the President of the United States transmitting a draft of proposed legislation; which was referred to the Committee on Finance:

To the Congress of the United States:

I am pleased to transmit today for your immediate consideration and prompt enactment the "Reemployment Act of 1994". Also transmitted is a section-by-section analysis. This legislation is vital to help Americans find new jobs and build sustainable careers.

Our current set of programs was designed to meet the different needs of an earlier economy. People looking for help today confront a confusing, overlapping, and duplicative tangle of programs, services, and rules. Job seekers—whether unemployed or looking for better jobs—have a difficult time getting the information they need: What benefits and services are available to them? Where can they get good quality training? What do they need to know to find and hold good jobs and to build sustainable careers?

The underlying problem is the lack of a coherent employment and training system. Instead, we have many disconnected, category-based programs—each with distinct eligibility requirements, operating cycles, and program standards. We need a true system of lifelong learning—not the current hodgepodge of programs, some of which work, and some of which don't. The legislation I am transmitting today is an important first step in building this system.

We need to build a reemployment system because our current unemployment system no longer delivers what many American workers need. In the past, when a worker lost a job, he or she often returned to that job as soon as the business cycle picked up again and the company was ready to rehire. The unemployment system was designed to tide workers over during temporary dry spells. Today, when a worker loses a job, that job often is gone forever.

Our economy has generated new jobs. In 1993 alone, 1.7 million new private sector jobs were created—more than in the previous 4 years combined. While the jobs exist, the pathways to them aren't always clear.

The Reemployment Act of 1994 strives to fix this. It is based on evidence of what works for getting workers into new and better jobs. Programs that work are customer-driven, offering customized service, quality information, and meaningful choices. Programs that work provide job search assistance to help dislocated workers become reemployed rapidly, feature skill training connected to real job opportunities, and offer support services to make long-term training practical for those who need it.

The Act reflects six key principles:

First is universal access and program consolidation. The current patchwork of dislocated worker programs is categorical, inefficient, and confusing. The Reemployment Act of 1994 will consolidate six separate programs into an integrated service system that focuses on what workers need to get their next job, not the reason why they lost their last job.

Second is high-quality reemployment services. Most dislocated workers want and need only information and some basic help in assessing their skills and planning and conducting their job search. These services are relatively simple and inexpensive, and they have been shown to pay off handsomely in reducing jobless spells.

Third is high-quality labor market information, which must be a key component of any reemployment effort. The labor market information component of the Reemployment Act of 1994 will knit together various job data systems and show the way to new jobs through expanding access to good data on where jobs are and what skills they require.

Fourth is one-stop service. At a recent conference that I attended on "What Is Working" in reemployment efforts, a common experience of workers was the difficulty of getting good information on available services. Instead of forcing customers to waste their time and try their patience going from office to office, the new system will require States to coordinate services for dislocated workers through career centers. It allows States to compete for funds to develop a more comprehensive network of one-stop career centers to serve under one roof anyone who needs help getting a first, new, or better job, and to streamline access to a wide range of job training and employment programs.

The fifth principle of the legislation is effective retraining for those workers who need it to get a new job. Some workers need retraining. The Reemployment Act of 1994 will also provide workers financial support when they need it to let them complete meaningful retraining programs.

Sixth is accountability. The Reemployment Act of 1994 aims to restructure the incentives facing service providers to begin focusing on workers as customers. Providers who deliver high-quality services for the customer and achieve positive outcomes will prosper in the new system. Those who fail to do so will see their funding dry up.

The Reemployment Act of 1994 will create a new comprehensive reemployment system that will enhance service, improve access, and assist Americans in finding good new jobs. This is a responsible proposal that is fully offset over the next 5 years.

I urge the Congress to give this legislation prompt and favorable consideration so that Americans will have available a new, comprehensive reemployment system that works for everyone.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *March 15, 1994.*

MESSAGES FROM THE HOUSE

At 2:44 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 239. Joint resolution to authorize the President to proclaim September 1994 as "Classical Music Month"; and

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 218. Concurrent resolution setting forth the congressional budget for the United States Government for the fiscal years 1995, 1996, 1997, 1998, and 1999.

The message further announced that the House has passed the following joint resolutions; each without amendment:

S.J. Res. 162. Joint resolution designating March 25, 1994, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy"; and

S.J. Res. 163. Joint resolution to proclaim March 20, 1994, as "National Agriculture Day."

The message also announced that the House disagreed to the amendments of the Senate to the bill [H.R. 3345] to provide temporary authority to Government agencies relating to voluntary separation incentive payments, and for other purposes; it agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. CLAY, Mr. MYERS of Indiana, Mr. MCCLOSKEY, Mrs. MORELLA, Ms. NORTON, Mr. BROOKS, Mr. SENSENBRENNER, Mr. SCHUMER, Mr. CONYERS, Mr. CLINGER, Mr. TOWNS, Mr. DERRICK, Mr. SOLOMON, and Mr. BEILENSON, as managers of the conference on the part of the House.

The message further announced that the Speaker makes a correction in the previous appointment of conferees in the conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the bill [H.R. 1804] entitled "An Act to improve learning and teaching by providing a national framework for education reform; to promote the research, consensus building, and systemic changes needed to ensure equitable educational opportunities and high levels of educational achievement for all American students; to provide a framework for reauthorization of all Federal education programs; to promote the development and adoption of a voluntary national system of skill standards and certifications; and for other purposes":

From the Committee on Education and Labor, for consideration of the House amendment—except title II—to the Senate amendment, and the Senate amendment, except sections 901–914, and modifications committed to conference: Mr. FORD of Michigan, Mr. KILDEE, Mr. MILLER of California, Mr. SAWYER, Mr. OWENS, Mrs. UNSOELD, Mr. REED, Mr. ROEMER, Mrs. MINK, Mr. ENGEL, Mr. BECERRA, Mr. GENE GREEN of Texas, Ms. WOOLSEY, Ms. ENGLISH of Arizona, Mr. STRICKLAND, Mr. PAYNE of New Jersey, Mr. ROMERO-BARCELÓ, Mr. GOODLING, Mr. GUNDERSON, Mr. MCKEON, Mr. PETRI, Ms. MOLINARI, Mr. CUNNINGHAM, Mr. MILLER of Florida, Mrs. ROUKEMA, and Mr. BOEHNER.

From the Committee on Education and Labor, for consideration of title II of the House amendment to the Senate amendment, and sections 901–914 of the Senate amendment, and modifications committed to conference: Mr. FORD of Michigan, Mr. OWENS, Mr. PAYNE of New Jersey, Mr. SCOTT, Mr. SAWYER, Mr. GOODLING, Mr. BALLENGER, Mr. BARRETT of Nebraska, and Mr. FAWELL.

Ordered that the Speaker names the following additional conferees in the conference on H.R. 1804:

As additional conferees from the Committee on Energy and Commerce, for consideration of title XII of the Senate amendment, and modifications committed to conference: Mr. DINGELL, Mr. WAXMAN, Mr. SYNAR, Mr. MOORHEAD, and Mr. BLILEY.

As additional conferees from the Committee on Foreign Affairs, for consideration of section 921 of the Senate amendment, and modifications committed to conference: Mr. HAMILTON, Mr. BERMAN, Mr. LANTOS, Mr. GILMAN, and Ms. SNOWE.

The message further announced that the minority leader appoints Mr. Thomas D. Campbell of Alexandria, VA, from private life to serve as a member of the Congressional Award Board on the part of the House.

MEASURES REFERRED

The following joint resolution was read the first and second times by unanimous consent, and referred as indicated:

H.J. Res. 239. Joint resolution to authorize the President to proclaim September 1994 as "Classical Music Month"; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RIEGLE, from the Committee on Banking, Housing, and Urban Affairs, with an amendment in the nature of a substitute:

S. 1527. A bill to provide for fair trade in financial services (Rept. No. 103-235).

By Mr. ROCKEFELLER, from the Committee on Veterans Affairs, with an amendment in the nature of a substitute:

S. 1226. A bill to amend title 38, United States Code, to provide for the organization and administration of the Readjustment Counseling Service, to improve eligibility for readjustment counseling and related counseling, and for other purposes (Rept. No. 103-236).

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-2325. A communication from the Comptroller of the Department of Defense, transmitting, pursuant to law, a report of a violation of the Antideficiency Act; to the Committee on Appropriations.

EC-2326. A communication from the Secretary of Defense, transmitting, pursuant to law, a report relative to revised obligations for facilitating weapons destruction and nonproliferation in the former Soviet Union; to the Committee on Armed Services.

EC-2327. A communication from the Secretary of Defense, transmitting, pursuant to law, the Department's fiscal year 1994 report on proposed obligations for facilitating weapons destruction and nonproliferation in the former Soviet Union; to the Committee on Armed Services.

EC-2328. A communication from the Secretary of Defense, transmitting, pursuant to law, the annual report for the National Security Education Program for fiscal year 1993; to the Committee on Armed Services.

EC-2329. A communication from the Acting Assistant Secretary of the Army (Installations, Logistics and Environment), transmitting, pursuant to law, a notice of the discovery of a rocket projectile at Aberdeen Proving Ground, Maryland; to the Committee on Armed Services.

EC-2330. A communication from the Secretary of Defense, transmitting, pursuant to law, the annual report of the Reserve Forces Policy Board for fiscal year 1993; to the Committee on Armed Services.

EC-2331. A communication from the General Counsel of the Department of Defense, transmitting, pursuant to law, an Executive Order amending the Rules for Courts-Martial, the Military Rules of Evidence and accompanying analysis; to the Committee on Armed Services.

EC-2332. A communication from the Chairman of the National Credit Union Administration, transmitting, pursuant to law, the annual report for calendar year 1993; to the Committee on Banking, Housing, and Urban Affairs.

EC-2333. A communication from the Acting Chairperson of the Appraisal Subcommittee of the Federal Financial Institutions Examination Council, transmitting, pursuant to law, the annual report for fiscal year 1993; to the Committee on Banking, Housing, and Urban Affairs.

EC-2334. A communication from the Secretary of the Treasury, transmitting, a draft of proposed legislation entitled "Regulatory Consolidation Act of 1994"; to the Committee on Banking, Housing, and Urban Affairs.

EC-2335. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, the report of the NASA Contract Adjustment Board for calendar year 1993; to the Committee on Commerce, Science, and Transportation.

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. WELLSTONE (for himself, Mr. HATFIELD, Mr. JEFFORDS, and Mr. METZENBAUM):

S. 1928. A bill to require the availability of adequate waste emplacement capacity for the future licensing of construction and operation of nuclear utilization facilities, and for other purposes; to the Committee on Environment and Public Works.

By Mr. KERRY (for himself and Mr. KENNEDY):

S. 1929. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for each of the vessels *Shamrock V* and *Endeavour*; to the Committee on Commerce, Science, and Transportation.

By Mr. LEAHY (for himself and Mr. CONRAD):

S. 1930. A bill to amend the Consolidated Farm and Rural Development Act to improve the administration of claims and obligations of the Farmers Home Administration, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. LUGAR (for himself and Mr. COATS):

S. 1931. A bill to provide duty-free privileges to participants in, and other individuals associated with, the 1994 World Rowing Championships; to the Committee on Finance.

By Mr. LIEBERMAN:

S. 1932. A bill to establish demonstration projects to expand innovations in State administration of the aid to families with dependent children program under title IV of the Social Security Act, and for other purposes; to the Committee on Finance.

By Mr. McCAIN:

S. 1933. A bill to repeal the Medicare and Medicaid Coverage Data Bank, and for other purposes; to the Committee on Finance.

By Mr. SHELBY:

S.J. Res. 170. Joint resolution to authorize the President to proclaim September 1994 as "Classical Music Month;" to the Committee on the Judiciary.

By Mr. HELMS (for himself, Mr. HATCH, Mr. THURMOND, Mr. BOND, Mr. GRASSLEY, Mr. PRESSLER, Mr. BAUCUS, and Mr. FAIRCLOTH):

S.J. Res. 171. Joint resolution to designate March 20 through March 26, 1994, as "Small Family Farm Week;" to the Committee on the Judiciary.

By Mr. DOLE:

S.J. Res. 172. Joint resolution designating May 30, 1994, through June 6, 1994, as a "Time for the National Observance of the Fiftieth Anniversary of World War II;" 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. D'AMATO (for himself, Mr. MACK, Mr. RIEGLE, Mr. SASSER, Mr. ROTH, Mr. HELMS, Mr. BOND, Mr. BENNETT, Mr. FAIRCLOTH, Mr. SHELBY, Mr. GREGG, and Mr. KERRY):

S. Res. 190. A resolution expressing the sense of the Senate that the President should work to achieve a clearly defined and enforceable agreement with allies of the United States which establishes a multilateral export control regime to stem the proliferation of products and technologies to rogue regimes that would jeopardize the national security of the United States; to the Committee on Banking, Housing, and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTION

By Mr. WELLSTONE (for himself, Mr. HATFIELD, Mr. JEFFORDS, and Mr. METZENBAUM):

S. 1928. A bill to require the availability of adequate waste emplacement capacity for the future licensing of construction and operations of nuclear utilization facilities, and for other purposes; to the Committee on Environment and Public Works.

SECOND GENERATION NUCLEAR WASTE ACT

Mr. WELLSTONE. Mr. President, today I rise to address a subject that has received too little attention here. I am talking about nuclear waste. Since the Senate's last major action on this issue, 7 years have passed, extremely little progress has been made, and more questions have been raised than resolved.

Today, I propose a two-pronged approach to dealing with this problem. The first part deals with our current nuclear waste crisis, and to help resolve that issue I am sending a letter to the President with 12 Senators signatures asking him to convene an independent review commission on nuclear waste programs and policies. The second part tries to keep us from ending up embroiled in another nuclear waste crisis, and to that end I will introduce and send to the desk in a few minutes, with three other cosponsors, the "Second Generation Nuclear Waste Act."

The nuclear waste issue is coming to a boil throughout our country. We all know about—and hear every day about—the Department of Energy's difficulties in figuring out what to do with our high-level nuclear wastes. The New York Times Magazine of two Sundays ago, which I have right here, is telling it like it is. This problem will not go away, and burying it beneath a mountain in Nevada will not make it go away.

This is a fine piece written by Kai Erikson. "Nuclear waste buried now in haste will still be deadly in 12001 A.D." I recommend this article to my colleagues.

Another high-level nuclear waste issue is the question of an interim storage facility—a monitored retrievable storage facility MRS. The congressional view of that program was made all too clear when we essentially killed Federal funding for it last year.

But there are many, many other facets to the nuclear waste crisis besides high-level waste. There is also so-called low-level waste, which was addressed in legislation in 1982, but States have failed to open any new low-level dump sites. Part of the problem there is that what we are calling low-level often is about as dangerous as the high-level.

We also have military facilities run by the Department of Energy that have been making headlines for years for their high contamination levels. To clean up these sites, DOE has just come to Congress to ask for $6.3 billion—one-third of DOE's budget request for fiscal year 1995. The variety of nuclear waste problems at military facilities is mind-boggling, including transuranic waste, both high- and low-level waste, and liquid wastes.

And that is just the problems that we have here now. How about the nuclear wastes that we import rather than allow them to be reprocessed abroad? Right now they seem to be ending up, at least temporarily, at the Savannah River site in South Carolina. Where will future imported wastes go? And how about wastes from future nuclear powerplants here in the United States? Do we even have a plan about how we are going to deal with these problems? How about a fallback plan in case Yucca Mountain proves to be an unacceptable site for deep geologic disposal?

Congress often does not act unless it absolutely has to. A crisis is sometimes necessary to move us into action. Well, that crisis—a national crisis—has arrived. Pieces of the crisis are manifesting themselves around the country—in Ward Valley, CA, Hanford, WA, and both the waste isolation pilot plant and the Mescalero Apache Reservation in New Mexico.

My own State of Minnesota now finds itself at the forefront of this complex issue. The legislature is currently trying to make a critical and difficult decision, whether to allow dry-cask storage of high-level nuclear waste on the site of the Prairie Island nuclear plant. People are confused by the advertisements and varying claims the different sides make about the permanency and safety of such a waste dump, and about alternatives to nuclear power electricity generation. And the Federal Government is not helping the State of Minnesota, or any of our States, make a decision. Just 2 weeks ago today, the director of DOE's Office of Civilian Radioactive Waste Management told the Senate Energy and Natural Resources Committee that if Minnesota allows dry-casks at Prairie Island, he cannot guarantee that the waste will ever leave. I asked him: 20 years, 60 years, 80 years—how long will it be there? And Minnesotans are all too aware that if Yucca Mountain fails to meet the need as a permanent repository, there is no Federal policy for what to do then.

Today I want to take a step toward breaking the current gridlock. There have been many calls for independent reviews of DOE's Nuclear Waste Program in the past, but today, along with 11 other Senators, I want to go much further. It is obvious from the litany of nuclear waste problems I have mentioned that this issue is significantly bigger than the finances and management of the Yucca Mountain project. We need to step back and see where we are and to decide whether, given our investment in our current course, we ought to do anything differently.

We need an independent, comprehensive review of our nuclear waste policies and programs. We need a credible, public commission to take stock of where we are and to make recommendations about where we ought to be headed. If such a commission finds that we are doing everything right, then the program is served by giving it that seal of public approval that it so desperately needs. If the commission finds problems and makes recommendations for change, then those recommendations and findings will help inform the public as it takes part in this debate.

In this letter, which I am sending to the President today, Senators JEFFORDS, BOXER, LEAHY, METZENBAUM, FEINSTEIN, REID, KENNEDY, KOHL, BRYAN, FEINGOLD, and JOHN KERRY join me in asking the administration to set up such a commission. There has never been such a comprehensive, public review of our nuclear waste policies and programs, and at least this one dozen Senators think that such a review is long overdue. Representative WYDEN and many of our House colleagues have also sent a similar letter.

I ask unanimous consent that our letter to the President be printed in the RECORD at this point.

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

U.S. SENATE,
Washington, DC, March 15, 1994.

The PRESIDENT,
The White House,
Washington, DC.

DEAR PRESIDENT CLINTON: The problem of nuclear waste management has been a burden on our national energy and environmental policies for decades. We urge you to appoint a Presidential Commission to perform an independent review of our nation's needs, policies, and programs with respect to this persistent and troubling subject.

The nuclear waste issue is coming to a boil throughout our country. Nuclear power plants are running out of existing storage capacity for spent fuel rods, states are repeatedly failing in their efforts to site "low-level" waste dumps, public opposition grows against the siting of a Monitored Retrievable Storage (MRS) facility for spent nuclear fuel, and the clean-up of the Department of Energy's (DOE) facilities is posing a monumental task in dealing with a wide range of nuclear wastes, including transuranic, spent fuel, "high-level" and liquid wastes. In addition, nuclear utilities around the country believe that in 1998, DOE will be obligated to take title to the spent nuclear fuel currently stored at nuclear power plants around the nation. Each of these aspects of the nuclear waste problem brings additional costs to ratepayers and taxpayers.

Meanwhile, the only site being considered as a possible location for a permanent spent fuel repository is Yucca Mountain, Nevada. As the nuclear waste problem grows, the pressure will continue to build to elevate Yucca Mountain from potential site to construction site. Nevertheless, the project is currently behind schedule and fraught with technical and political uncertainties.

Nuclear waste in this country has historically been addressed not based on its hazardous nature or length of life, but by other, non-scientific delineations, such as the source of waste. Thus, our nuclear waste programs deal with waste issues in a piecemeal fashion, not in the integrated and presumably safer and more cost-effective manner that would be preferable.

This difficulty in addressing our nuclear waste dilemma is cast against a background of continued waste generation. In fact, Congress regularly appropriates money to fund research and development for a second generation of commercial reactors. Somehow, there is a disconnect in our policies regarding the generation and disposal of nuclear waste.

An independent review by a Presidential Commission would clearly be appropriate and useful in discovering and rectifying that disconnect. There has never been a comprehensive, public review of our nuclear waste programs across the wide range of technical, managerial, and policy issues that make this problem so complex. The review we envision would consider all nuclear wastes, including "high-level" wastes, transuranic wastes, and "low-level" wastes.

We feel that such a review would enjoy greater credibility if it were conducted by a truly independent body operating in full public view. Accordingly, we urge the creation of a Presidential Commission that would:

1. Be independent from DOE;
2. Include members of communities affected by nuclear waste, representatives of tribal and state governments, facility workers, and representatives from concerned environmental, consumer, and taxpayer organizations;
3. Make information readily available to the public;
4. Engage in an extensive public hearing process including consideration of and response to all public comments;
5. Open all meetings to the public; and
6. Issue a comprehensive report including evaluations of current programs and recommendations for change.

Your decision to step back and take a broad, comprehensive look at our nation's health care system speaks volumes about your willingness and ability to address very complex and important problems created during previous administrations. We look forward to hearing from you with respect to our recommendations and appreciate your consideration of this issue of national concern.

Sincerely,
Paul Wellstone, Barbara Boxer, James M. Jeffords, Patrick J. Leahy, Howard M.

Metzenbaum, John F. Kerry, Edward M. Kennedy, Richard H. Bryan, Dianne Feinstein, Harry Reid, Herb Kohl, Russell D. Feingold.

Mr. WELLSTONE. Now let us look to the future. If this Commission comes back with recommendations that lead to the resolution of the current waste crisis, how do we avoid falling into another one?

Today on behalf of Senators HATFIELD, JEFFORDS, METZENBAUM, and myself, I introduce a bill that should have been the first law Congress passed upon entering the atomic age. It is nothing short of common sense.

The bill I introduce today simply requires that we build no more nuclear powerplants until we have someplace to permanently store the waste they will generate. That's all there is to this piece of legislation.

There is nothing radical about this idea. It is not a partisan idea—just look at the list of cosponsors: Two Democrats and two Republicans. All this bill does is put the nuclear cart back behind the horse, where it belongs.

It is true that no utility has yet stepped forward to site a new nuclear powerplant, and that is exactly why now is the time to pass this law. Once utilities make a huge investment in siting, licensing, and building new plants, the pressure upon Congress to provide a waste-disposal option for them becomes immense. Unfortunately, if Congress acts under such pressure, it might not come up with the best resolution. Let's ensure that for future plants, we deal with the waste issue in a deliberate way, free from pressure applied by utilities with vested interests.

I want to make this point crystal clear: This bill would not impact any existing plants. It would apply only to plants that would be licensed after the date of enactment. It would, therefore, not apply to renewal of existing licenses.

Here is the current commercial high-level nuclear waste situation in a nutshell: We have DOE, by congressional mandate, putting all of its eggs in the Yucca Mountain basket. Even when Yucca Mountain in on-line—if ever—it will be able to hold only the waste that has been and will be generated by our current generation of reactors.

Where will the waste from a new generation of reactors be disposed of? This bill requires that we answer this question before that second generation is born.

There is a common belief that no utility is likely to step forward with plans to build another nuclear powerplant anytime soon. While there may be some truth in this, do my colleagues know that two standardized advanced reactor designs will finish Nuclear Regulation Commission staff review within only a few months?

Do my colleagues know that after that there is only a 1½-year period before the designs are certified and ready to be built?

Do my colleagues know that DOE is offering to pay up to $58 million toward siting and licensing expenses and up to $100 million toward design work for second-generation reactors?

This bill does not judge the "deep geologic repository" approach that the DOE is currently pursuing. Nor does it make any mention of the monitored retrievable storage facility that the nuclear waste negotiator is working to site.

It only says that we ought to always have enough permanent storage capacity to take care of the waste that will be generated by any new nuclear power plant. It is not enough to have a plan for adequate storage. It is not enough to have begun construction on a storage facility. It is not enough to have finished building but not yet licensed a storage facility. The permanent storage facility must be sited, built, and licensed for operation before any new plant can be licensed under this piece of legislation.

Mr. President, it is written that way because of the huge difference between the planning and building of a nuclear waste facility, on the one hand, and its actually accepting waste on the other. With a politically charged issue like nuclear waste, it is wise to make absolutely certain that there is water in the pool before jumping in, rather than just turning on the spigot, taking a deep breath, and diving.

I will circulate a "Dear Colleague" letter with this bill attached asking for other Senators to become cosponsors. I urge Senators to do so. I think this piece of legislation, which I will send to the desk, is long overdue and I believe it represents just plain, good common sense.

Mr. President, let me just conclude by saying that I really do believe that Kai Erikson did a real service for the country in the piece he wrote Sunday 2 weeks ago.

For all too long, the nuclear waste problem has been sort of put in parentheses or put into brackets or swept under the rug. I commend Secretary O'Leary and the Department of Energy for trying to deal with this very difficult issue. But I have to say, Mr. President, one more time, that Yucca Mountain is not a certainty. There have been years of delay. The people in Nevada have raised important questions, and my State of Minnesota and many other States are going to be faced with an absolutely impossible position unless we have some kind of independent public commission that studies this issue, that has credibility and can build the political and public support in this country for the kind of decisions we have to make. I sent the bill to the desk on second-generation nuclear waste because I believe that it is absolutely unconscionable for us to even think about building any more nuclear power plants until we know for certain what we are going to do with the waste.

That is the two-pronged approach I take today on the floor of the Senate. I hope we will get a positive response from the letter I and 11 Senate colleagues have sent to the President. I will ask other Senators to cosponsor the bill I introduced on second-generation nuclear facilities, and I hope that we will begin to address this question because I think it has the potential to be an absolutely huge disaster for this Nation. We just cannot hide from it any longer. We have to get serious about what we are going to do with this nuclear waste. I believe that now is the time.

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. 1928

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 "Second Generation Nuclear Waste Act".

SEC. 2. PERMIT AND LICENSING REQUIREMENTS.

Section 185 of the Atomic Energy Act of 1954 (42 U.S.C. 2235) is amended by adding at the end the following new subsection:

"(c)(1) Notwithstanding any other law, no construction permit or combined construction and operating license shall be issued for a utilization facility used for the generation of electricity for commercial sale until such time as—

"(A) there is a facility licensed by the Federal Government for the permanent emplacement of spent nuclear fuel and high-level radioactive waste from the utilization facility; and

"(B) there is an adequate volume of capacity within the emplacement facility to accept all of the spent nuclear fuel and high-level radioactive waste that will be generated by the utilization facility during the reasonably foreseeable operational lifetime of the utilization facility.

"(2) At no time shall the total volume of spent fuel and high-level radioactive waste generated, or reasonably expected to be generated, by all utilization facilities used for the generation of electricity for commercial sale receiving construction permits or combined licenses after the date of enactment of this subsection, exceed the total volume of capacity available in facilities licensed by the Federal Government for the permanent emplacement of spent nuclear fuel and high-level radioactive waste.".

By Mr. KERRY (for himself and Mr. KENNEDY):

S. 1929. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for each of the vessels *Shamrock V* and *Endeavor;* to the Committee on Commerce, Science, and Transportation.

JONES ACT WAIVER

Mr. KERRY. Mr. President, I am pleased to join my colleague, the distinguished senior Senator from Massachusetts, in introducing a bill to allow the vessels *Shamrock V* and *Endeavor* to be employed in coastwise trade of the United States. These boats have a small passenger capacity, normally 8 to 12 passengers on overnight trips and up to 30 passengers on day trips, and their owners intend to operate a charter business based out of Boston Harbor. The purpose of this bill is to waive those sections of the Jones Act which prohibit foreign-made vessels from operating in coastwise trade. The waiver is necessary because, under the law, a vessel is considered built in the United States if all major components of its hull and superstructure are fabricated in the United States, and the vessel is assembled entirely in the United States. Both of these boats were originally foreign built in the 1930's, but since the mid-1980's they have been owned and operated by American citizens, repaired in American shipyards, and maintained with American products. The owners bought the boats due to their historical significance. These vessels are the only two remaining boats of a class of enormous sailing yachts built in the 1930's to compete for the America's Cup and, as such, are a very significant part of American maritime and yachting history. To better showcase these historic vessels the owners now want to start a charter boat operation based out of Boston offering voyages of various durations to various destinations.

After reviewing the facts in the cases of both the *Shamrock V* and the *Endeavor*, I find that these waivers do not compromise our national readiness in times of national emergency, which is the fundamental purpose of the Jones Act requirement. While I generally support the provisions of the Jones Act, I believe the specific facts of this case warrant a waiver to permit both the *Shamrock V* and the *Endeavor* to engage in coastwise trade. I hope and trust the Senate will agree and will speedily approve the bill being introduced today. Mr. President, I ask unanimous consent that the full text of my bill be printed in the RECORD.

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

S. 1929

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding section 27 of the Merchant Marine Act, 1920 (46 U.S.C. App. 883), the Act of June 19, 1886 (46 U.S.C. App. 289), and section 12106 of title 46, United States Code, the Secretary of Transportation may issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for each of—

(1) the vessel *Shamrock V* (United States official number 900936); and

(2) the vessel *Endeavor* (United States official number 947869).

By Mr. LEAHY (for himself and Mr. CONRAD):

S. 1930. A bill to amend the Consolidated Farm and Rural Development Act to improve the administration of claims and obligations of the Farmers Home Administration, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FARMERS HOME ADMINISTRATION IMPROVEMENT ACT OF 1994

Mr. LEAHY. Mr. President, the Washington Post ran a front page story recently about millions of dollars in delinquent debts owed by several wealthy farm loan borrowers to the Department of Agriculture's Farmers Home Administration.

Delinquencies on large loans made by Farmers Home more than a decade ago are unpaid not because of the debtors' inability to pay—many of them are millionaires—but because they apparently feel no obligation to repay the loans made to them in good faith by the taxpayers.

It is time to clean up the mess.

The farmers who milked FmHA instead of cows will be forced to part with their profits and pay back the American taxpayers.

Payback time has come.

These poorly underwritten loans should not have been made in the first place. The problem at hand now is doing everything that is possible and lawful to collect from the well-heeled deadbeats who unjustly give real farmers a bad name, and who by avoiding their legitimate debts insult the thousands of small, limited resource farmers who play fair and pay regularly.

It is time to stop communicating, negotiating, threatening, deliberating—it is time to send the private bar after the public scofflaws.

It can be done. A threat will not do it. A real good lawsuit will.

I cannot explain why somebody who has the means to repay a loan does not. It is unconscionable. I do not know how the people identified in the Washington Post story can live with themselves. This is an insult to the thousands of farmers who wait for years for modest FmHA loans.

American taxpayers should not have to live with the delinquent debts of millionaires who thought they took our loans for a song—the time has come to pay the piper.

I do not cast blame on Justice Department attorneys for not fully prosecuting these cases. They are excellent attorneys who have many demands placed on them and simply do not have time nor resources. They are up against some high-powered legal gunslingers, paid for by the same sophisticated scofflaws who claim they cannot afford to pay back the Federal farm loans.

In addition to the horror stories we read about in the Post, there are currently pending over 4,000 foreclosures on bad debts from loans made by Farmers Home.

Over $4.2 billion is involved in these delinquent debts. We need to act vigorously to recoup as much of the taxpayers' money as possible.

The Farmers Home Administration is often the only credit source available to beginning or limited resource farmers to obtain operating loans for their farms.

In times of disaster Farmers Home provides essential financial assistance to farmers, the majority of whom have small, modest operations.

The millionaires in the Post story are exceptions to the typical borrower who is a bona fide farmer. Unlike bona fide farmers, these wealthy deadbeats are abusing the corrective legislation to ensure that such abuses do not occur again.

It is clearly time to toughen the law and accelerate efforts to clear up this huge backload of delinquent debt.

The bill I am introducing today would allow Agriculture Secretary Espy, who has requested this legislation, to hire private attorneys to work at collecting on this debt.

This would result in recouping up to one third of the $4.2 billion the taxpayers loaned out. Using private attorneys would not cost any additional public money; part of the debt collected could be used to reimburse the private attorneys.

I am sick and tired of reading about part-time farmers living in $800,000 houses, developing golf courses, and running big nonfarm businesses when they owe Farmers Home millions of dollars. I am sick and tired of frivolous, time consuming legal defenses that have no merit.

The FmHA was created to assist farmers who are nothing like the "farmers" in the Post story. They live along rocky hillsides, not oceanside vistas. They drive tractors—often very old ones—and do not collect vintage airplanes. They do not have expensive lawyers on retainer, but hire them only when absolutely necessary. And they milk Holstein and Jersey cows—not Federal farm credit programs.

In the interest of these real farmers and all American taxpayers, we need to act decisively now to serve and protect the taxpayer by protecting the integrity of the Farmers Home Administration.

By Mr. LUGAR (for himself and Mr. COATS):

S. 1931. A bill to provide duty-free privileges to participants in, and other individuals associated with, the 1994 World Rowing Championships; to the Committee on Finance.

WORLD ROWING CHAMPIONSHIPS

Mr. LUGAR. Mr. President, this September over 1,000 athletes from more

than 40 countries will travel to Indianapolis to compete in the World Rowing Championships. This year marks the first time that this championship has been held in the United States, and I am naturally quite pleased that the men and women who compete in the championships' 23 events will honor my State's capital with their presence.

Indianapolis is the home of USRowing, the national governing body for this sport. The Eagle Creek Reservoir in Indianapolis is the only internationally sanctioned rowing course in the United States. Hoosiers are looking forward to hosting this premier sporting event, which will take place September 11–18.

Equipment for the championship events ranges from 10-inch-wide, 30-foot, single-person sculls to eight-person shells as long as 62 feet. Because of the equipment's length and delicacy, it poses shipping challenges and will enter the United States separately from the competing athletes.

Partly for this reason, in order to ease the Customs clearance process for the athletes, the World Rowing Championships has requested a Customs waiver, providing duty-free entry privileges for participants and other individuals associated with the 1994 championships. Such a waiver will greatly simplify athletes' entry and streamline the transportation process for their equipment. Such waivers have often been granted for sporting events such as this, where sporting equipment is in the United States only on a temporary basis. I rise today to introduce legislation granting the waiver for participants in the 1994 World Rowing Championships.

Congressman JACOBS has introduced a similar measure in the House of Representatives, and I am honored to introduce this legislation in support of a prestigious championship event which is, for the first time, coming to America. I hope my colleagues will support this bill.

By Mr. LIEBERMAN:

S. 1932. A bill to establish demonstration projects to expand innovations in State administration of the Aid to Families With Dependent Children Program under title IV of the Social Security Act, and for other purposes; to the Committee on Finance.

WELFARE REFORM THROUGH STATE INNOVATION ACT

Mr. LIEBERMAN. Mr. President, today I am introducing the Welfare Reform Through State Innovation Act of 1994. The welfare system is in crisis. The United States has one of the most expensive welfare systems in the world. But last year 20 percent of America's children were poor—a higher percentage than any other industrialized country.

There is a consensus that we need to do something different from what we have done for the past 25 years to move poor children out of poverty and despair. The primary welfare program—aid to families with dependent children [AFDC]—is viewed by those participating in it and those paying for it as a failure. And there is some consensus about the objectives of reform—Americans agree that welfare should strengthen, not weaken, the benefits of work and family. But little consensus exists on how best to achieve our goals, and the welfare reform debate is increasingly polarized.

As a legislator and law enforcer, I have worked on welfare issues for nearly 25 years. Over the past year, I have tried to pull together the best welfare reform idea. In the process, I have talked to those studying the system, those working in the system, and those dependent on the system. I am particularly appreciative of the counsel of Audrey Rowe, Connecticut's commissioner of social services. Most of all, I have benefited from my discussions with people who have been on welfare, and who have been willing to talk candidly with me about their experiences and their ideas.

The bill I am introducing today is designed to move the debate forward and respond to the concerns of all who are justifiably disappointed with welfare as we know it. It is designed to supplement the administration's pending legislation that will make wholesale national changes in the welfare system. My bill embraces certain national reforms about which there is broad agreement, and gives States the responsibility and the opportunity to test innovative solutions to this complicated crisis. Making the States central players in our reform strategy is good policy and enlisting their involvement will help us pass a welfare reform bill this year.

The focus of a reformed welfare system must be to move people back into the work force. The administration is preparing welfare reform legislation that will, among other things, impose a national 2-year limit on welfare benefits, followed by a requirement to work in private sector, or if necessary, public service jobs. I commend and support this effort.

My bill will work in concert with the President's proposal to ensure we achieve meaningful reform. It provides the flexibility, resources, and guidance States need to implement innovative solutions not ready for application at the national level. It makes States full partners in our efforts to put people back to work, strengthen families, reduce teenage pregnancies, and reinvent the welfare bureaucracy.

I believe States must take center stage in order for us to fully meet the objectives of reform. Let me review those objectives.

First, we need to change the many perverse incentives in the current system that discourage work and weaken families. Today's welfare system demands little of people on welfare. It impedes, rather than empowers, those who seek to help themselves. It provides direct rewards for behaviors—including teenage childbearing—that contribute to the cycle of poverty. In multiple ways, it undermines our fundamental American values of work, family, and responsibility.

Let me give you some specific examples. Under current AFDC rules:

If an AFDC mother goes back to work, her income increases only minimally—often not enough to cover child care—and she loses her Medicaid benefits. She is likely to be economically worse off if she returns to the work force; so she stays on welfare;

If she or her children save money for education, the family becomes ineligible for welfare because they have too much money in the bank. Their inability to save without losing AFDC helps trap her children in the cycle of poverty;

Getting married reduces or eliminates a mother's benefits; and

If a mother identifies the father of her child and works with authorities to secure child support payments, she receives only a limited portion of the benefit, $50 per month. She therefore has limited incentives to seek child support. The result is that few children of poor mothers see any portion of their father's earnings.

There are reasons for each of these rules. They seek to target benefits toward our most needy citizens. But the lines they draw to keep the undeserving out inadvertently discourage those in the system from leaving it. For welfare mothers, it is more often than not a rational economic decision to stay single and stay on welfare. That result is absurd. Welfare reform must reverse these incentives.

Second, welfare reform must also seek to address some of the causes of poverty that bring people onto the system in the first place. The recent growth in the number of people on welfare is alarming. Between 1979 and 1989, about 7 million children were in the AFDC Program at any given time. But between 1989 and 1993, the number of children receiving AFDC increased by about 30 percent to 9.3 million children. Today 14 million people—5 million families—receive AFDC assistance.

And the numbers alone don't tell the worst part of the story. An increasing percentage of those entering the system are never-married mothers at greatest risk of long-term welfare dependency. Between 1983 and 1992, families headed by unwed mothers accounted for about four-fifths of the growth in people on welfare, and at least 40 percent of never-married mothers receiving AFDC remain in the system for 10 years or more.

Never-married teen parents are particularly likely to fall into long-term

welfare dependency. More than one-half of welfare spending goes to women who first gave birth as teens. As William Raspberry noted in a recent Washington Post column aptly entitled "Out of Wedlock, Out of Luck," children born to parents who had their first child out-of-wedlock before they finished high school and reached the age of 20 are almost guaranteed a life of poverty. In other words, they and their parents are almost guaranteed a life on welfare. Citing William A. Galston's analyses, Raspberry notes that a startling 79 percent of children in this category lived in poverty in 1992. In contrast, only 8 percent of children whose parents had achieved all three milestones—marriage, graduation, and the 20th birthday—before having their first child were living in poverty.

These numbers make it clear that we must make preventing teenage pregnancy a central part of our welfare reform strategy. If we do not, more and more children and their unwed teenage mothers will be condemned to lives of poverty and hopelessness.

Reducing teenage, out-of-wedlock childbearing will not be easy. As Senator DANIEL PATRICK MOYNIHAN points out, the illegitimacy rate in 1970 was about 10 percent. Since that time it has continued its steady, linear rise and has now reached an alarming 30 percent.

The potential effect of welfare itself on illegitimacy has taken center stage in the welfare reform debate. David Ellwood, economist and Department of Health and Human Services official, has found little evidence that welfare contributes to the increase in illegitimacy. In his book, "Poor Support," he points to several other concurrent social changes that are likely contributors to the increase—the growing percentage of women in the work force, the drop in earnings and rise in unemployment among young men, and changes in attitudes toward marriage.

Others interpret the data differently. Most notably, Charles Murray believes that welfare is the primary cause of the increase in illegitimate births. In a catalytic Wall Street Journal article published October 29, 1993, Murray argues that welfare has reduced the economic penalty associated with out-of-wedlock childbearing and, in turn, has reduced the social stigma associated with it. He concludes that the removal of both of these disincentives has led to more out-of-wedlock births. Based on this conclusion, Murray recommends the dramatic step of ending welfare altogether. Murray recognizes that his approach may put this generation of children at risk and advocates, among other things, Government investment in new facilities to care for these children.

The stigma of illegitimacy was not just an accident of social history; it was a societal attempt to protect children. The stigma is largely gone. Raspberry's article cites polling results indicating that 70 percent of Americans aged 18 to 34 believe that people having children out of wedlock do not deserve any moral reproach. But the decision to bear a child has profound moral and practical content. We must infuse our children with a clear understanding of the consequences of teenage childbearing.

Few would argue that a national campaign to discourage unmarried teenagers from having children is not a good thing to do. The question for those of us working on welfare reform is this: Can we supplement that campaign with changes in welfare policy that also discourage out-of-wedlock births?

Some might say no, believing that there is little correlation between welfare and out-of-wedlock births. The empirical evidence is generally viewed as inconclusive. Some controlled studies have demonstrated a positive association between welfare payments and out-of-wedlock births, and my own conversations with teenage mothers bear this out.

However, imposing nationwide changes in welfare payments to reduce teenage parenthood is not yet appropriate, given the lack of conclusive evidence, and the impact of those changes on the people on welfare. But it is important to test these ideas at the State level, in a way that poses little risk, yet possesses the potential for very positive results. Our goal for this aspect of welfare reform should be to reduce the number of children born into poverty, while providing greater assistance and opportunities for children who are born poor.

We must pursue several paths to reform:

Improving the economic outlook for young men and women by enhancing their education and job opportunities. That increases their hope for success and therefore the "opportunity costs" associated with early childbearing;

Requiring young people on welfare to stay in school and/or work, and to live at home, to reduce the advantages of welfare; and

Strengthening child support enforcement, and holding parents of young men financially accountable for their sons' children, to increase the teenagers' disincentives to father children.

As we try to discourage out-of-wedlock births, we must not forget the children who are born, despite the disincentives. That involves a redirection of welfare support from the parents of poor children to the children themselves.

A portion of the welfare population—perhaps a small but significant portion—is unlikely to respond to stronger inducements and penalties. In a recent Los Angeles Times article, Adela de la Torre, and economist at California State University at Long Beach, writes that the children of such parents "become victims of trickle down welfare programs—if we deem the parent unfit for welfare support, the child, too, loses." De la Torre rejects the notion that building stronger parental inducements into the welfare system will change the behavior of all parents and calls instead for a more child-centered social service agenda that recognizes and serves the needs of children in a more direct, comprehensive, and integrated fashion. She makes an important point.

Similarly, Thomas Corbett of the University of Wisconsin asks in a spring 1993, Focus article whether it is "compassionate to throw a little bit of welfare into troubled families and do little else to aid the children?" The answer is, of course, relative. AFDC reflects our best intentions toward these children, but it often fails them. Whether cash payments to unresponsive parents is the most compassionate approach, Corbett concludes, "depends partly on how many children are involved and whether we can design and finance the technologies required to assist them." It is incumbent on us, as part of welfare reform, to explore the alternatives to a largely parent-based system, and find the answers to his question. One way to do this is to enable States to reduce and convert part or all of AFDC payments to block grants and combine the grants with other funds available under this bill to care for children, strengthen families, and implement other reforms.

Taken together, these reforms, I believe, would begin to address the underlying problems that Ellwood and Murray have highlighted.

Changing the welfare system to move people back into the work force and to better serve the needs of children will require changing the way the welfare bureaucracy does business. Many welfare offices don't know how many children they have in foster care. Many still operate out of cardboard files and lose people in the shuffle of paper. Offices often suffer from interagency rivalry and bureaucratic bickering. It is tragic when a child suffers needlessly because the system fails under the weight of its own inefficiency.

This need not happen. Some innovative States and municipalities have tried to make their welfare systems more efficient and service oriented. At a hearing I held last December, Carmen Nazario, the secretary of Health and Human Services in Delaware, testified that her State has brought public and private social services together in a single location and is now developing a computer network to link programs.

David Truax from the Maryland Department of Human Resources described a second approach to improving services. Maryland now provides each

participant with a debit card that has AFDC, Food Stamps, and General Assistance benefits on it. Electronic benefit cards have several advantages: They preclude the trading of food stamps for drugs; they introduce people to the banking system; they make it easier for them to budget their money since they don't have to cash one single check; and, they reduce their vulnerability to crime.

Further, offices should encourage and empower, not discourage and demean, those they serve. It can be done. America Works, a private organization that trains people on welfare for work and places them in jobs, provides proof. During my visit to their Hartford, CT office I found that clients felt they were getting the help they needed to succeed, and were motivated and optimistic. I asked one young woman who had just completed her training if she expected to be placed successfully in a job. She responded with enthusiasm, "absolutely." This spirit does not typically pervade traditional welfare offices.

Most important, welfare offices should be held accountable for results. They need to make the shift from writing checks to moving people on welfare into jobs. To promote this change, we should seek to establish competition among agencies and greater choice for people on welfare. We should encourage public agencies to contract with effective private sector companies and to better reward those public employees who successfully help people become self-sufficient.

These welfare reform goals are a tall order, and we cannot, and should not, expect far-reaching reform to happen overnight. In fact, several factors will temper our pace.

First, cost. Changing the disincentives for work in the current system, providing recipients with the tools they need to return to the work force, strengthening the family and increasing efforts to prevent teen pregnancy—these reforms will cost money.

In a recent article in The New Republic, Paul Offner of the Senate Finance Committee staff advises us to learn an important lesson from the 1988 Family Support Act: Overly ambitious and underfunded reform efforts are doomed to failure. They do little to change the expectations of those working in the system or those using it.

Second, uncertainty. We have few proven reforms, and those that have been tested, such as the model education and training programs launched in California and Florida, have delivered only marginal results to date. Absent better information, we would be wise to heed the advice of Proverbs: "It is not good to have zeal without knowledge." Changes in welfare are consequential. They affect people's lives, children's lives.

How then should we proceed?

First, we should implement on a national level reforms about whose effects we are most certain. For example, the Federal Government should take the lead in making work pay. Congress has already taken an important step in this direction by increasing the earned income tax credit. And I hope and expect that this Congress will pass a health care reform bill that ensures all individuals have health insurance, regardless of their economic status, so that health care worries will no longer provide a disincentive for leaving welfare.

We must also make returning to work the primary focus of the welfare system. President Clinton's pending legislation establishing a 2-year time limit followed by work will be central to this effort. To avoid the dangers of underfunding, the administration appears to be considering targeting its program to younger, new entrants, those most at risk for welfare dependency. This approach makes sense. And I fully support the administration's effort.

The Federal Government must also take the lead in improving child support enforcement. As a starting point, it should fully implement the recommendations of the U.S. Commission on Interstate Child Support. Senator BILL BRADLEY, a member of the Commission, has introduced S. 689, the Interstate Child Support Enforcement Act, to implement the Commission's recommendations. My Connecticut colleague, Congresswoman KENNELLY, also a Commission member, has introduced a similar bill, H.R. 1961, in the House. I am cosponsoring Senator BRADLEY's bill, which will, among other things: Mandate hospital-based paternity acknowledgment programs; require employers to submit W-4 forms for all new employees to State child support enforcement agencies; and provide States the authority they need to assert jurisdiction over nonresident parents. The era of deadbeat dads should end.

Further, the Federal Government should take the lead on improving our understanding of the causes of and solutions to welfare dependency. Senator MOYNIHAN advocates, and I support, a national effort to develop and track indicators or correlates of poverty, welfare participation, and the performance of welfare programs. That kind of baseline information is essential if we are to measure the benefits of reforms.

And while we are studying the problem, we should aggressively test new solutions. That is the part of the puzzle my bill targets. States should be the testing ground for those proposals that are promising but unproven, or that involve some human or financial risk. States have both the willingness and the ability to test multifaceted, targeted solutions to the problem. They understand the unique needs of their citizens and are best able to creatively bring together public and private resources to affect change.

States are willing and eager to play this role. In testimony before the Senate Finance Committee's Subcommittee on Social Security and Family Policy, the American Public Welfare Association and other State organizations indicated their strong desire to pursue innovative strategies. My own State of Connecticut has developed a comprehensive reform proposal, and I believe the Federal Government should assist in implementing it. While States can already pursue their own welfare reform initiatives through a Federal waiver process, certain waiver conditions, particularly the requirement for budget neutrality, limit their ability to move forward.

My bill will provide States with the resources, technical support and flexibility necessary to organize and test the additional solutions we need. The bill authorizes the Department of Health and Human Services to spend $500 million over 3 years to support a series of specific demonstration projects set forth in the bill as well as other, State-initiated reforms. These State demonstrations will be reviewed and approved by the Department's Secretary. At the end of the 3 years of demonstration projects, the Secretary will recommend to Congress which are ready to be imposed nationally. My proposal requires States to obtain independent evaluations of these projects, but allows for flexibility in how such evaluations are conducted so as not to hinder program design. Some of the demonstration projects in the bill are already underway in one or two States, but have not yet been fully evaluated. The added resources and flexibility will allow more States to test a broader range of ideas.

Specifically, the bill supports the following reforms:

Title I includes initiatives to move people on welfare into the work force. Two pilot programs focus on teenage parents. The first allows States to condition AFDC benefits for single parents under 20 years of age on: First, attending school, participating in job training or holding a job; and second, living at home. The second allows States to include young AFDC clients in the Jobs Corps—a successful, residential antipoverty program for youths 16 to 22 years of age.

Title I also permits States to require 30 days of State-assisted job search or, where appropriate, substance abuse treatment, during the usual lag time between application for and receipt of benefits. Other provisions in this title assist people on welfare in accumulating assets to invest in education or to start a small business.

Title II supports State demonstrations that strengthen families and break the cycle of welfare dependency. States could establish a more child-

centered welfare program through conversion of all or part of AFDC and JOBS funds into a block grant. Under this pilot program, States could apply the block grant funds, supplemented by additional funds made available under the act, to: Establish residential homes for teenage mothers and their children which include enhanced social and employment services; improve child care; speed adoption; made available residential schooling for children enrolled at the request of their parents; and provide other services to needy children. No State program under this title could move forward unless the Secretary of the Department of Health and Human Services found that the program fully protected the well-being of affected children. State welfare administrators I spoke with were interested in the block grant approach because they felt it could provide the flexibility and resources they need to tackle real program reforms.

Another section of title II allows States to discourage people on welfare from having additional children. States could eliminate the payment increase for additional children while increasing the financial reward for work. The title also allows States to liberalize eligibility rules for two-parent families to encourage marriage. It also supports States seeking to strengthen child support collection by raising the amount of child support people on welfare can keep without reducing their benefits, by holding parents accountable for the child support obligations of their sons who are minors, and through other means proposed by the State. Finally, title II supports innovative State teenage pregnancy prevention programs.

Title III seeks to diversify and improve the performance of welfare services and change the culture of welfare offices. The title supports State pilots to provide incentives to private sector, for-profit and nonprofit groups to place people on welfare in private sector jobs. Companies would keep a portion of welfare savings as payment for successful job placements. Title III also supports State pilots to improve the performance of welfare office employees through, for example, providing direct bonuses to employees and judging their performance based on the clients' progress toward self-sufficiency.

Finally, title IV authorities offsetting expenditure reductions to ensure the bill is budget neutral. In other words, the bill pays for itself. Specifically, it eliminates the three-entity rule. Currently, an individual farmer can qualify for up to $125,000 per year in certain Government subsidies. If he forms two other business entities with two other individuals, say, a friend and a sister, each of these entities can qualify for another $125,000 per year. So the individual farmer can receive up to $250,000 in subsidies per year—$125,000 for his first business entity, and half of $125,000 for each of his second and third entities. My bill says, "enough is enough," and caps the amount of agricultural subsidies any one person gets from the Federal Government at $125,000. A preliminary Congressional Budget Office estimate indicates this change will save $675 million over 5 years—money that is better spent on the truly needy.

Americans continue to show concern for the poor, and particularly poor children. A recent poll commissioned by the Children's Defense Fund and others found that 64 percent of Americans believe we should spend more on poor children. But the same poll found that 55 percent think we spend too much on welfare, and 68 percent think we should not increase payments to parents for any additional children they have while on welfare.

Our current approach to helping the poor is clearly not working. The goal of welfare reform is to transform the status quo into a system that promotes work, family, and responsibility, and protects children from a life of poverty. This bill, with the administration's proposal, will begin to allow us to do just that.

Mr. President, I ask unanimous consent that the full text of the bill and a short summary of the bill be printed in the RECORD.

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

S. 1932

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Welfare Reform Through State Innovation Act".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Purpose.
Sec. 3. Definitions.
Sec. 4. General provisions relating to demonstration projects.
Sec. 5. Authorization of appropriations.
TITLE I—INITIATIVES TO MOVE WELFARE RECIPIENTS INTO THE WORK FORCE
Sec. 101. Demonstration projects which condition AFDC benefits for certain individuals on school attendance or job training, limit the time period for receipt of such benefits, and require teenage parents to live at home.
Sec. 102. Pilot Job Corps program for recipients of aid to families with dependent children.
Sec. 103. Demonstration projects requiring up-front 30-day assisted job search, or substance abuse treatment before receiving AFDC benefits.
Sec. 104. Disregard of education and employment training savings for AFDC eligibility.
Sec. 105. Incentives and assistance in starting a small business.
Sec. 106. Increased emphasis in JOBS program on moving people into the work force.
Sec. 107. Additional demonstration projects to move AFDC recipients into the work force.
TITLE II—INITIATIVES TO STRENGTHEN FAMILIES AND BREAK THE CYCLE OF WELFARE DEPENDENCY
Sec. 201. Demonstration projects to establish child centered programs through conversion of certain AFDC and JOBS payments into block grants.
Sec. 202. Demonstration projects providing no additional benefits with respect to children born while a family is receiving AFDC and allowing increases in the earned income disregard.
Sec. 203. Demonstration projects providing incentives to marry.
Sec. 204. Demonstration projects reducing AFDC benefits if school attendance is irregular or preventive health care for dependent children is not obtained.
Sec. 205. Demonstration projects to increase child support collection.
Sec. 206. Demonstration projects to develop community-based programs for teenage pregnancy prevention and family planning.
Sec. 207. Additional demonstration projects to strengthen families and break the cycle of welfare dependency.
TITLE III—INITIATIVES TO DIVERSIFY AND IMPROVE THE PERFORMANCE OF WELFARE SERVICES
Sec. 301. Demonstration projects for providing placement of AFDC recipients in private sector jobs.
Sec. 302. Demonstration projects providing performance-based incentives for State public welfare providers.
TITLE IV—OFFSETTING EXPENDITURE REDUCTIONS
Sec. 401. Offsetting expenditure reductions.

SEC. 2. PURPOSE.

It is the purpose of this Act to implement the demonstration projects established under this Act as part of a comprehensive national program which would—

(1) terminate aid to families with dependent children after 2 years; and

(2) make employment available to such families where necessary.

SEC. 3. DEFINITIONS.

For purposes of this Act:

(1) AID TO FAMILIES WITH DEPENDENT CHILDREN.—The term "aid to families with dependent children" has the meaning given to such term by section 406(b) of the Social Security Act (42 U.S.C. 606(b)).

(2) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

SEC. 4. GENERAL PROVISIONS RELATING TO DEMONSTRATION PROJECTS.

(a) APPLICATIONS.—

(1) IN GENERAL.—Each State desiring to conduct a demonstration project under this

Act shall prepare and submit to the Secretary an application in such manner and containing such information as the Secretary may require. The Secretary shall actively encourage States to submit such applications.

(2) APPROVAL.—The Secretary shall consider all applications received from States desiring to conduct demonstration projects under this Act and shall approve such applications in a number of States to be determined by the Secretary, taking into account the overall funding levels available under section 5.

(b) DURATION.—A demonstration project under this Act shall be conducted for not more than 3 years plus an additional time period of up to 12 months for final evaluation and reporting. The Secretary may terminate a project if the Secretary determines that the State conducting the project is not in substantial compliance with the terms of the application approved by the Secretary under this Act.

(c) EVALUATION PLAN.—

(1) IN GENERAL.—Each State conducting a demonstration project under this Act shall submit an evaluation plan (meeting the standards developed by the Secretary under paragraph (2)) to the Secretary not later than 90 days after the State is notified of the Secretary's approval for such project. A State shall not receive any Federal funds for the operation of the demonstration project or be granted any waivers of the Social Security Act necessary for operation of the demonstration project until the Secretary approves such evaluation plan.

(2) STANDARDS.—Not later than 3 months after the date of the enactment of this Act, the Secretary shall develop standards for the evaluation plan required under paragraph (1) which shall include the requirement that an independent expert entity provide an evaluation of each demonstration project to be included in the State's annual and final reports to the Secretary under subsection (d)(1).

(d) REPORTS.—

(1) STATE.—A State that conducts a demonstration project under this Act shall prepare and submit to the Secretary annual and final reports in accordance with the State's evaluation plan under subsection (c)(1) for such demonstration project.

(2) SECRETARY.—The Secretary shall prepare and submit to Congress annual reports concerning each demonstration project under this Act.

(e) LEGISLATIVE PROPOSAL.—Within 6 months after the date that the Secretary has received the last final report due under subsection (d)(1), the Secretary shall submit proposed legislation to Congress which would nationally implement (taking into account factors important in determining implementation of a demonstration project on a national scale, including population density and poverty) those demonstration projects—

(1) which are established under this Act; and

(2) for which the Secretary has made a determination of effectiveness in breaking the cycle of welfare dependency, unemployment, and poverty after evaluation of the final report for such project.

(f) PROVISIONS SUBJECT TO WAIVER.—The Secretary may waive such requirements of title IV of the Social Security Act (42 U.S.C. 601 et seq.) as the Secretary determines to be necessary to carry out the purposes of the demonstration projects established under this Act.

(g) EXPENDITURES OTHERWISE INCLUDED UNDER THE STATE PLAN.—The costs of a demonstration project under this Act which would not otherwise be included as expenditures under the applicable State plan under title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall to the extent and for the period prescribed by the Secretary, be regarded as expenditures under the applicable State plan under such title, or for administration of such State plan or plans, as may be appropriate.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated $150,000,000 for each of fiscal years 1995 and 1996, and $200,000,000 for fiscal year 1997 to carry out the provisions of sections 101, 103, 105(b), 105(c), 105(d), 107, 201, 202, 203, 204, 205, 206, 207, 301, and 302.

(b) ALLOCATION OF FUNDS.—Of the amount appropriated pursuant to subsection (a), the Secretary shall obligate—

(1) 75 percent of such amount to—

(A) offset any increase in the amount of the Federal share resulting from any demonstration project established under a section described in subsection (a) (other than demonstration projects established under sections 107 and 207 of this Act); and

(B) to the extent such amount remains after any such offset—

(i) increase the otherwise applicable Federal share rate under a State plan under title IV of the Social Security Act (42 U.S.C. 601 et seq.) for such demonstration projects; and

(ii) increase the amount of a State's block grant under the demonstration project under section 201 of this Act; and

(2) 25 percent of such amount to—

(A) offset any increase in the amount of the Federal share resulting from any demonstration project established under sections 107 and 207 of this Act; and

(B) to the extent such amount remains after any such offset increase the otherwise applicable Federal share rate under a State plan under title IV of the Social Security Act (42 U.S.C. 601 et seq.) for such demonstration projects.

(c) RESERVATION OF CERTAIN AMOUNTS UNTIL FINAL REPORT SUBMITTED.—The Secretary shall reserve 10 percent of any amounts obligated to a State for a demonstration project under subsection (b), and shall not pay such reserved amounts until such State has submitted a final report on such demonstration project.

TITLE I—INITIATIVES TO MOVE WELFARE RECIPIENTS INTO THE WORK FORCE

SEC. 101. DEMONSTRATION PROJECTS WHICH CONDITION AFDC BENEFITS FOR CERTAIN INDIVIDUALS ON SCHOOL ATTENDANCE OR JOB TRAINING, LIMIT THE TIME PERIOD FOR RECEIPT OF SUCH BENEFITS, AND REQUIRE TEENAGE PARENTS TO LIVE AT HOME.

(a) ESTABLISHMENT.—The Secretary shall provide for demonstration projects described in subsection (b) in States with applications approved under this Act.

(b) PROJECT DESCRIBED.—

(1) IN GENERAL.—Except as provided in paragraph (2), each State conducting a demonstration project under this section shall provide that—

(A) a family described in paragraph (3) shall not receive aid to families with dependent children—

(i) unless the individual described in paragraph (3)(A) is, for a minimum of 35 hours a week—

(I) attending school,

(II) studying for a general equivalency diploma, or

(III) participating in a job, job training, or job placement program; and

(ii) except in the case of a situation described in clause (i) through (v) of section 402(a)(43)(B) of the Social Security Act (42 U.S.C. 602(a)(43)(B))—

(I) such individual is residing in a place of residence maintained by a parent, legal guardian, or other adult relative of such individual as such parent's, guardian's, or adult relative's own home, or residing in a foster home, maternity home, or other adult-supervised supportive living arrangement, and

(II) such aid (where possible) shall be provided to the individual's parent, legal guardian, or other adult relative on behalf of such individual and the individual's dependent child; and

(B) such family shall be entitled to receive such aid for a time period determined appropriate by the State which shall, at a minimum, permit such individual to complete the activities described in subparagraph (A)(i).

(2) LIMITATION.—A State conducting a demonstration project under this section shall not apply the provisions of paragraph (1) to a family unless—

(A) the State has made adequate child care available to such family;

(B) the State has paid all tuition and fees applicable to the activities described in paragraph (1)(A); and

(C) such application does not endanger the welfare and safety of a dependent child who is a member of such family.

(3) FAMILY DESCRIBED.—A family described in this paragraph is a family which—

(A) includes a parent under 20 years of age;

(B) includes at least 1 dependent child of such parent; and

(C) does not include a child under 6 months of age.

SEC. 102. PILOT JOB CORPS PROGRAM FOR RECIPIENTS OF AID TO FAMILIES WITH DEPENDENT CHILDREN.

Section 433 of the Job Training Partnership Act (29 U.S.C. 1703) is amended by adding at the end the following new subsection:

"(f)(1) The Secretary may enter into appropriate agreements with agencies as described in section 427(a)(1) for the development of pilot projects to provide services at Job Corps centers to eligible individuals—

"(A) who are eligible youth described in section 423;

"(B) whose families receive aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

"(C) who are mothers of children who have not reached the age of compulsory school attendance in the State in which the children reside.

"(2) A Job Corps center serving the eligible individuals shall—

"(A) provide child care at or near the Job Corps center for the individuals;

"(B) provide the activities described in section 428 for the individuals; and

"(C) provide for the individuals, and require that each such individual participate in, activities through a parents as teachers program that—

"(i) establishes and operates parent education programs, including programs of developmental screening of the children of the eligible individuals;

"(ii) provides group meetings and home visits for the family of each such individual by parent educators who have had supervised experience in the care and education of children and have had training; and

"(iii) provides periodic screening, by such parent educators, of the educational, hearing, and visual development of the children of such individuals.

"(3) The Secretary shall prescribe specific standards and procedures under section 424 for the screening and selection of applicants to participate in pilot projects carried out under this subsection. In addition to the agencies described in the second sentence of such section, such standards and procedures may be implemented through arrangements with welfare agencies.

"(4) As used in this subsection:

"(A) The term 'developmental screening' means the process of measuring the progress of children to determine if there are problems or potential problems or advanced abilities in the areas of understanding and use of language, perception through sight, perception through hearing, motor development and hand-eye coordination, health, and physical development.

"(B) The term 'parent education' includes parent support activities, the provision of resource materials on child development and parent-child learning activities, private and group educational guidance, individual and group learning experiences for the eligible individual and child, and other activities that enable the eligible individual to improve learning in the home.".

SEC. 103. DEMONSTRATION PROJECTS REQUIRING UP-FRONT 30-DAY ASSISTED JOB SEARCH, OR SUBSTANCE ABUSE TREATMENT BEFORE RECEIVING AFDC BENEFITS.

(a) ESTABLISHMENT.—The Secretary shall provide for demonstration projects described in subsection (b) in States with applications approved under this Act.

(b) PROJECT DESCRIBED.—

(1) IN GENERAL.—Except as provided in paragraph (2), each State conducting a demonstration project under this section shall require a parent or other relative of a dependent child to undergo 30 days of assisted job search or substance abuse treatment (or both) before the family may receive aid to families with dependent children as part of the application process for the receipt of such aid.

(2) LIMITATION.—A State conducting a demonstration project under this section shall not apply the provisions of paragraph (1) to a family unless—

(A) all of the dependent children in the family are over 6 months of age;

(B) the State has made adequate child care available to such family;

(C) the State has paid all fees applicable to the activities described in paragraph (1); and

(D) such application does not endanger the welfare and safety of a dependent child who is a member of such family.

SEC. 104. DISREGARD OF EDUCATION AND EMPLOYMENT TRAINING SAVINGS FOR AFDC ELIGIBILITY.

(a) DISREGARD AS RESOURCE.—Subparagraph (B) of section 402(a)(7) of the Social Security Act (42 U.S.C. 602(a)(7)) is amended—

(1) by striking "or" before "(iv)", and

(2) by inserting ", or (v) except in the case of the family's initial determination of eligibility for aid to families with dependent children, any amount up to $10,000 in a qualified education and employment account (as defined in section 406(i)(1))" before "; and".

(b) DISREGARD AS INCOME.—

(1) IN GENERAL.—Subparagraph (A) of section 402(a)(8) of such Act (42 U.S.C. 602(a)(8)) is amended—

(A) by striking "and" at the end of clause (vii), and

(B) by inserting after clause (viii) the following new clause:

"(ix) shall disregard any qualified distributions (as defined in section 406(i)(2)) made from any qualified education and employment account (as defined in section 406(i)(1)) while the family is receiving aid to families with dependent children; and".

(2) NONRECURRING LUMP SUM EXEMPT FROM LUMP SUM RULE.—Section 402(a)(17) (42 U.S.C. 602(a)(17)) is amended by adding at the end the following: "; and that this paragraph shall not apply to earned and unearned income received in a month on a nonrecurring basis to the extent that such income is placed in a qualified education and employment account (as defined in section 406(i)(1)) the total amount which, after such placement, does not exceed $10,000.".

(c) QUALIFIED EDUCATION AND EMPLOYMENT ACCOUNTS.—Section 406 of such Act (42 U.S.C. 606) is amended by adding at the end the following:

"(i)(1) The term 'qualified education and employment account' means a mechanism established by the State (such as escrow accounts or education savings bonds) that allows savings from the earned income of a dependent child or parent of such child in a family receiving aid to families with dependent children to be used for qualified distributions.

"(2) The term 'qualified distributions' means distributions from a qualified education and employment account for expenses directly related to the attendance at an eligible postsecondary or secondary institution or directly related to improving the employability (as determined by the State) of a member of a family receiving aid to families with dependent children.

"(3) The term 'eligible postsecondary or secondary institution' means a postsecondary or secondary institution determined to be eligible by the State under guidelines established by the Secretary.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to payments under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) for calendar quarters beginning on or after January 1, 1995.

SEC. 105. INCENTIVES AND ASSISTANCE IN STARTING A SMALL BUSINESS.

(a) AUTHORITY FOR STATES TO PERMIT CERTAIN SELF-EMPLOYMENT PROGRAM PARTICIPANTS A ONE-TIME ELECTION TO PURCHASE CAPITAL EQUIPMENT FOR A SMALL BUSINESS IN LIEU OF DEPRECIATION; REPAYMENTS BY SUCH PERSONS OF THE PRINCIPAL PORTION OF SMALL BUSINESS LOANS TREATED AS BUSINESS EXPENSES FOR PURPOSES OF AFDC.—

(1) AMENDMENTS TO THE SOCIAL SECURITY ACT.—Section 402(a)(8) of the Social Security Act (42 U.S.C. 602(a)(8)) is amended—

(A) in subparagraph (B)(ii)(II), by striking "and" after the semicolon;

(B) by redesignating subparagraph (C) as subparagraph (D); and

(C) by inserting after subparagraph (B) the following new subparagraph:

"(C) provide that, in determining the earned income of a family any of the members of which owns a small business and is a participant in a self-employment program offered by a State in accordance with section 482(d)(1)(B)(ii), the State may—

"(i)(I) during the 1-year period beginning on the date the family makes an election under this clause, treat as an offset against the gross receipts of the business the sum of the capital expenditures for the business by any member of the family during such 1-year period; and

"(II) allow each such family eligible for aid under this part not more than 1 election under this clause; and

"(ii) treat as an offset against the gross receipts of the business—

"(I) the amounts paid by any member of the family as repayment of the principal portion of a loan made for the business; and

"(II) cash retained by the business for future use by the business; and".

(2) AMENDMENT TO THE INTERNAL REVENUE CODE OF 1986.—Section 167 of the Internal Revenue Code of 1986 (relating to depreciation), as amended by section 13261(b) of the Omnibus Budget Reconciliation Act of 1993, is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) CERTAIN PROPERTY OF AFDC RECIPIENTS NOT DEPRECIABLE.—No depreciation deduction shall be allowed under this section (and no depreciation or amortization deduction shall be allowed under any other provision of this subtitle) with respect to the portion of the adjusted basis of any property which is attributable to expenditures treated as an offset against gross receipts under section 402(a)(8)(C)(i) of the Social Security Act.".

(3) EFFECTIVE DATE.—

(A) SOCIAL SECURITY ACT AMENDMENTS.—The amendments made by paragraph (1) shall apply to payments made under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) on or after January 1, 1995.

(B) INTERNAL REVENUE CODE AMENDMENT.—The amendments made by paragraph (2) shall apply to property placed in service on or after January 1, 1995.

(b) DEMONSTRATION PROJECTS ESTABLISHING PUBLIC-PRIVATE PARTNERSHIPS FOR TECHNICAL ASSISTANCE TO SELF-EMPLOYED AFDC RECIPIENTS.—

(1) IN GENERAL.—The Secretary shall provide for demonstration projects to be conducted in States with applications approved under this Act under which one or more partnerships are developed between State agencies and community businesses or educational institutions to provide assistance to eligible participants.

(2) ELIGIBLE PARTICIPANTS.—For purposes of this subsection, the term "eligible participants" means—

(A) individuals who are receiving aid to families with dependent children; and

(B) individuals who cease to be eligible to receive such aid who have been participating in a demonstration project conducted by a State under this subsection.

(3) PERMISSIBLE EXPENDITURES.—Funds from any demonstration project conducted under this subsection may be used to pay the costs associated with developing and implementing a process through which businesses or educational institutions would work with the State agency to provide assistance to eligible participants seeking to start or operate small businesses, including—

(A) mentoring;

(B) training for eligible participants in administering a business;

(C) technical assistance in preparing business plans; and

(D) technical assistance in the process of applying for business loans, marketing services, and other activities related to conducting such small businesses.

(c) DEMONSTRATION PROJECTS FOR TRAINING AFDC RECIPIENTS AS SELF-EMPLOYED PROVIDERS OF CHILD CARE SERVICES.—

(1) IN GENERAL.—The Secretary shall provide for demonstration projects to be conducted in States with applications approved under this Act under which one or more partnerships are developed between State agencies and community businesses or educational institutions to provide assistance to eligible participants in the establishment and operation of child care centers in the home or in the community which would provide child care services.

(2) ELIGIBLE PARTICIPANTS.—For purposes of this subsection, the term "eligible participants" means—

(A) individuals who are receiving aid to families with dependent children; and

(B) individuals who cease to be eligible to receive such aid who have been participating in a demonstration project conducted by a State under this subsection.

(3) PERMISSIBLE EXPENDITURES.—Funds from any demonstration project conducted under this subsection may be used to pay the costs associated with developing and implementing a process through which businesses or educational institutions would work with the State agency to provide assistance to train eligible participants to provide licensed child care services, including—

(A) mentoring;

(B) training in the provision of child care services;

(C) training for eligible participants in administering a business;

(D) training in early childhood education;

(E) technical assistance in preparing business plans;

(F) technical assistance in the process of applying for loans, marketing services, qualifying for Federal and State programs, and other activities related to the provision of child care services; and

(G) technical assistance in obtaining a license and complying with Federal, State, and local regulations regarding the provision of child care.

(d) DEMONSTRATION PROJECT TO PROMOTE OWNERSHIP OF FAMILY-OWNED BUSINESSES BY AFDC RECIPIENTS.—

(1) ESTABLISHMENT.—The Secretary shall provide for demonstration projects described in paragraph (2) in States with applications approved under this Act.

(2) PROJECT DESCRIBED.—Each State conducting a demonstration project under this subsection shall develop a program under which the State shall—

(A) encourage incentives for families receiving aid to families with dependent children to work together as managers and employees in family-owned businesses;

(B) develop State and private partnerships for making or guaranteeing small business loans, including seed money, available to such families;

(C) provide such families with technical training in small business management, accounting, and bookkeeping;

(D) regularly evaluate the status of the recipients of assistance under the project; and

(E) continue a transitional period of benefits under title IV and title XIX of the Social Security Act for recipients of assistance under the project until such time as the State determines such family is self-sufficient.

For purposes of this paragraph, a family-owned business may include other relatives of the family receiving aid to families with dependent children regardless if such relatives are also receiving aid to families with dependent children.

SEC. 106. INCREASED EMPHASIS IN JOBS PROGRAM ON MOVING PEOPLE INTO THE WORK FORCE.

Section 481(a) of the Social Security Act (42 U.S.C. 681(a)) is amended by adding at the end the following new sentence: "It is further the purpose of this part to encourage individuals receiving education and training to enter the permanent work force by developing programs through which such individuals enter the work force and then receive post-employment education and training.".

SEC. 107. ADDITIONAL DEMONSTRATION PROJECTS TO MOVE AFDC RECIPIENTS INTO THE WORK FORCE.

(a) ESTABLISHMENT.—The Secretary shall provide for additional demonstration projects described in subsection (b) in States with applications approved under this Act.

(b) PROJECT DESCRIBED.—Each State conducting a demonstration project under this section shall develop a program or programs to better move recipients of aid to families with dependent children into the work force.

TITLE II—INITIATIVES TO STRENGTHEN FAMILIES AND BREAK THE CYCLE OF WELFARE DEPENDENCY

SEC. 201. DEMONSTRATION PROJECTS TO ESTABLISH CHILD CENTERED PROGRAMS THROUGH CONVERSION OF CERTAIN AFDC AND JOBS PAYMENTS INTO BLOCK GRANTS.

(a) ESTABLISHMENT.—The Secretary shall provide for demonstration projects described in subsection (b) in States with applications approved under this Act.

(b) PROJECT DESCRIBED.—

(1) IN GENERAL.—Each State conducting a demonstration project under this section shall elect to receive payments under paragraph (2) in lieu of—

(A) all payments to which the State would otherwise be entitled to under section 403 of the Social Security Act (42 U.S.C. 603) for aid to families with dependent children under part A of title IV of such Act or the job opportunities and basic skills training program under part F of such title; or

(B) any portion of the payment described in subparagraph (A) to which the State would otherwise be entitled under such section for benefits (identified by the State) under part A or part F of such title for populations (identified by the State) who receive such benefits.

(2) PAYMENT.—The Secretary shall make payment under this paragraph for each year of the project in an amount equal to—

(A) during fiscal year 1995—

(i) 100 percent of the total amount to which the State was entitled under section 403 of the Social Security Act (42 U.S.C. 603) for aid to families with dependent children under part A of title IV of such Act or the job opportunities and basic skills training program under part F of such title; or

(ii) the amount to which the State was entitled to under such section for those benefits and populations identified by the State in paragraph (1)(B),

for fiscal year 1994 plus the product of such amount and the percentage increase in the consumer price index for all urban consumers (U.S. city average) during fiscal year 1995; and

(B) during each subsequent fiscal year, the amount determined under this paragraph in the previous fiscal year plus the product of such amount and the percentage increase in such consumer price index during such previous fiscal year.

(3) DESCRIPTION OF ACTIVITIES.—

(A) IN GENERAL.—Each State which is paid under paragraph (2) shall expend the amount received under such paragraph and the amount, if any, made available to such State under section 5(b)(1)(B)(ii) for one or more of the following purposes:

(i)(I) Establish residential programs for teenage mothers with dependent children where education, job training, community service, or other employment is provided.

(II) Support the pilot project described in section 433(f) of the Jobs Training Partnership Act, as added by section 102 of this Act, to provide such services to teenage mothers with dependent children.

(ii) Establish programs to promote, expedite, and ensure adoption of children, particularly neglected or abused children.

(iii) Expand child care assistance for the children of needy working parents (as determined by the State).

(iv) Establish residential schooling with appropriate support services for children from needy families (as determined by the State) enrolled at the request of the parents of such children.

(v) Establish other services which will be provided directly to children from needy families (as determined by the State).

(vi) Implement other reforms consistent with this Act.

(4) COMMUNITY-BASED ACTIVITIES.—The Secretary shall ensure that each State receiving a grant under this section—

(A) takes adequate steps to assure the well-being of the children affected by the State's receipt of the grant; and

(B) to the fullest extent possible, utilizes the grant under this section to support community-based services in communities affected by the State's receipt of the grant.

SEC. 202. DEMONSTRATION PROJECTS PROVIDING NO ADDITIONAL BENEFITS WITH RESPECT TO CHILDREN BORN WHILE A FAMILY IS RECEIVING AFDC AND ALLOWING INCREASES IN THE EARNED INCOME DISREGARD.

(a) ESTABLISHMENT.—The Secretary shall provide for demonstration projects described in subsection (b) in States with applications approved under this Act.

(b) PROJECT DESCRIBED.—If a child is born to a family after the date on which such family begins receiving aid to families with dependent children, a State conducting a demonstration project under this section—

(1) shall not take such child into account in determining the need of such family for such aid; and

(2) shall increase the amounts disregarded from earned income under section 402(a)(8)(A) of such Act (42 U.S.C. 602(a)(8)(A)).

SEC. 203. DEMONSTRATION PROJECTS PROVIDING INCENTIVES TO MARRY.

(a) AID TO TWO-PARENT FAMILIES.—

(1) ESTABLISHMENT.—The Secretary shall provide for demonstration projects described in paragraph (2) in States with applications approved under this Act.

(2) PROJECT DESCRIBED.—

(A) IN GENERAL.—Each State conducting a demonstration project under this subsection shall not apply the requirements described in subparagraph (B) to a parent of a dependent

child who is married to the natural parent of such child.

(B) REQUIREMENTS WAIVED.—The requirements described in this subparagraph are:

(i) The work history requirement described in section 407(b)(1)(A)(iii) of such Act (42 U.S.C. 607(b)(1)(A)(iii)).

(ii) The 100-hour rule under section 233.100(a)(1)(i) of title 45, Code of Federal Regulations.

(b) INCREASE IN STEPPARENT EARNED INCOME DISREGARD.—

(1) ESTABLISHMENT.—The Secretary shall provide for demonstration projects described in paragraph (2) in States with applications approved under this Act.

(2) PROJECT DESCRIBED.—For purposes of making determinations for any month under section 402(a)(7) of the Social Security Act (42 U.S.C. 602(a)(7)), each State conducting a demonstration project under this subsection shall modify the income disregards provided in subparagraphs (A) through (D) of section 402(a)(31) of such Act (42 U.S.C. 602(a)(31)) in order to decrease the amount of income determined under such section with respect to a dependent child's stepparent.

SEC. 204. DEMONSTRATION PROJECTS REDUCING AFDC BENEFITS IF SCHOOL ATTENDANCE IS IRREGULAR OR PREVENTIVE HEALTH CARE FOR DEPENDENT CHILDREN IS NOT OBTAINED.

(a) ESTABLISHMENT.—The Secretary shall provide for demonstration projects described in subsection (b) in States with applications approved under this Act.

(b) PROJECT DESCRIBED.—

(1) IN GENERAL.—Each State conducting a demonstration project under this section shall reduce the amount of aid to families with dependent children received by a family if the State agency determines that one or both (at the State's option) of the following conditions exist:

(A) A member of such family is attending school or participating in a course of vocational or technical training and such family member is absent from such school or training with no excuse for more than a number of days per month determined appropriate by the State.

(B) A member of such family is a child under the age of 6 who has not received appropriate immunizations (as determined by the State).

(2) LIMITATION.—Each State conducting a demonstration project under this section shall establish procedures which ensure that no reduction in aid to families with dependent children under paragraph (1) will endanger the welfare and safety of any dependent child.

SEC. 205. DEMONSTRATION PROJECTS TO INCREASE CHILD SUPPORT COLLECTION.

(a) ESTABLISHMENT.—The Secretary shall provide for demonstration projects described in subsection (b) in States with applications approved under this Act.

(b) PROJECT DESCRIBED.—Each State conducting a demonstration project under this section shall increase the State's child support collection efforts through one or more of the following methods:

(1) Enhanced child support enforcement and collection, including holding a parent accountable for supporting any children of the parent's minor children.

(2) Applying section 402(a)(8)(vi) of the Social Security Act (42 U.S.C. 602(a)(8)(vi)) by substituting an amount greater than $50 (to be determined by the State) for "$50" each place such dollar amount appears.

(3) Any other method that the State deems appropriate.

SEC. 206. DEMONSTRATION PROJECTS TO DEVELOP COMMUNITY-BASED PROGRAMS FOR TEENAGE PREGNANCY PREVENTION AND FAMILY PLANNING

(a) ESTABLISHMENT.—The Secretary shall provide for demonstration projects described in subsection (b) in States with applications approved under this Act.

(b) PROJECT DESCRIBED.—Each State conducting a demonstration project under this section shall develop a community-based program for teenage pregnancy prevention and family planning.

SEC. 207. ADDITIONAL DEMONSTRATION PROJECTS TO STRENGTHEN FAMILIES AND BREAK THE CYCLE OF WELFARE DEPENDENCY.

(a) ESTABLISHMENT.—The Secretary shall provide for additional demonstration projects described in subsection (b) in States with applications approved under this Act.

(b) PROJECT DESCRIBED.—Each State conducting a demonstration project under this section shall develop a program or programs to strengthen families and break the cycle of welfare dependency.

TITLE III—INITIATIVES TO DIVERSIFY AND IMPROVE THE PERFORMANCE OF WELFARE SERVICES

SEC. 301. DEMONSTRATION PROJECTS FOR PROVIDING PLACEMENT OF AFDC RECIPIENTS IN PRIVATE SECTOR JOBS.

(a) ESTABLISHMENT.—The Secretary shall provide for demonstration projects described in subsection (b) in States with applications approved under this Act.

(b) PROJECT DESCRIBED.—Each State conducting a demonstration project under this section shall—

(1) contract with private for-profit and nonprofit groups to provide any individual receiving aid to families with dependent children with training, support services, and placement in a private sector job which permits such individual to cease receiving aid to families with dependent children; and

(2) upon employment of such individual, pay such groups a negotiated portion of the total amount that such individual's family would have received over the course of the year in which such individual began such employment in the form of aid to families with dependent children.

SEC. 302. DEMONSTRATION PROJECTS PROVIDING PERFORMANCE-BASED INCENTIVES FOR STATE PUBLIC WELFARE PROVIDERS.

(a) ESTABLISHMENT.—The Secretary shall provide for demonstration projects to establish performance-based incentives for State public welfare providers in States with applications described in subsection (b)(1) which are approved under this Act.

(b) APPLICATIONS.—

(1) APPLICATION DESCRIBED.—An application described under this paragraph is an application which—

(A) identifies the State offices or administrative units which will participate in the demonstration project;

(B) describes indicators of employee or program performance based on outcome measures for—

(i) training and education;

(ii) job search and placement assistance;

(iii) child support collection;

(iv) teen pregnancy prevention programs; and

(v) any other program objective that the State finds appropriate;

(C) describes budgetary incentives for program performance, including direct financial incentives for employees where appropriate;

(D) describes a process for developing, in cooperation with employees of participating offices or units, a job evaluation system based on performance measures; and

(E) describes the way in which State public welfare providers, private providers, welfare clients, and members of the community have been or shall be involved in the planning and implementation of a performance based welfare delivery system.

(2) TECHNICAL ASSISTANCE.—The Secretary shall provide a State desiring to submit an application for a demonstration project under this section with technical assistance in preparing an application described under paragraph (1).

TITLE IV—OFFSETTING EXPENDITURE REDUCTIONS

SEC. 401. OFFSETTING EXPENDITURE REDUCTIONS.

(a) IN GENERAL.—Subparagraph (C) of section 1001(5) of the Food Security Act of 1985 (7 U.S.C. 1308(5)(C)) is amended to read as follows:

"(C) In the case of corporations and other entities included in subparagraph (B) and partnerships, the Secretary shall attribute payments to natural persons in proportion to their ownership interests in an entity and in any other entity, or partnership, that owns or controls the entity, or partnership, receiving the payments.".

(b) REMOVAL OF 3-ENTITY RULE.—Section 1001A(a)(1) of the Food Security Act of 1985 (7 U.S.C. 1308-1(a)(1)) is amended—

(1) in the first sentence—

(A) by striking "substantial beneficial interests in more than two entities" and inserting "a substantial beneficial interest in any other entity"; and

(B) by striking "receive such payments as separate persons" and inserting "receives the payments as a separate person"; and

(2) by striking the second sentence.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1994.

SUMMARY OF THE WELFARE REFORM THROUGH STATE INNOVATION ACT

Sections 1-4: Purpose of bill and general provisions relating to state pilot projects.

Sec. 2. States that the purpose of the bill is to implement the demonstration projects established in the bill as part of a comprehensive national program which would terminate aid to families with dependent children after 2 years, and would make employment available to such families where necessary to ensure their employment (i.e. this bill complements, and is not an alternative to, Administration's).

Sec. 4. Sets forth general provisions relating to demonstration projects. Authorizes $150 million/yr for two years and $200 million in the third year to support pilots, and requires states to have HHS-approved evaluation plans before receiving funds. A portion of these funds (25%) would support innovative pilot programs not specified in the bill but proposed by states.

TITLE I.—INITIATIVES TO MOVE WELFARE RECIPIENTS INTO THE WORK FORCE

Sec. 101. Supports State pilots to condition AFDC benefits for single parents under 20 years of age with at least one dependent child and no children under 6 months of age on attending school or participating in a job

or job training program for a minimum of 35 hours per week and on living at home. States would also impose a time limit (not specified) on benefits, and make child care available during training and work activities. Since the program would be expensive, it targets those at greatest risk of long-term welfare dependency—teenage mothers.

Sec. 102. Authorizes the Secretary of HHS to establish a pilot program with the Jobs Corps (a successful, residential anti-poverty program for youths 16-22 years of age) targeting teenage mothers on AFDC with below school-age children. The pilot would include a Parents-as-Teachers type program designed to teach parents how to help prepare their children for school and learning.

Sec. 103. Supports state pilots to require 30 days of assisted job search or, where appropriate, substance abuse treatment immediately following application for AFDC, coinciding with the usual lag time between application for and receipt of benefits. Applicants would have to complete the assigned activities before receiving AFDC payments.

Sec. 104. A national change to permit states to allow AFDC families to save money (up to $10,000) for education and training or starting a small business.

Sec. 105. Expands on legislation introduced in 1993 with Senator Dodd.

A national change to permit states to help recipients start a small business by allowing participants a one-time election to fully deduct capital equipment purchases in one year;

Supports state pilots to establish public-private partnerships to provide technical assistance to self-employed AFDC recipients;

Supports state pilots to train AFDC recipients as self-employed providers of child care services; and

Supports state pilot projects to promote ownership of extended family-owned businesses by AFDC recipients. Would provide incentives and assistance for families receiving aid to families with dependent children to work together as managers and employees in extended family-owned businesses.

Sec. 106. Amends JOBS provisions to emphasize efforts to move people into the work force over training and education.

TITLE II—INITIATIVES TO STRENGTHEN FAMILIES AND BREAK THE CYCLE OF WELFARE DEPENDENCY

Sec. 201. Supports state pilots to establish child centered programs through conversion of AFDC and JOBS payments into block grants, plus funds available under other sections of this bill. States could apply portions of funds to: (1) establish residential homes for teenage mothers with children, including supporting the pilot described in section 107; (2) expand programs to expedite and improve adoption of children; (3) expand child care assistance for needy children of working families; (4) establish supportive residential schools for children enrolled at the request of their parents; (5) provide other services directly to needy children; and (6) fund other programs that are consistent with the purposes of the Act. The Secretary of DHHS, in reviewing the application, must ensure that the State's program will protect the well-being of affected children.

Sec. 202. Supports state pilots to discourage welfare recipients from having additional children while on welfare and increase the financial reward for work. Recipients who had a second child would not get additional benefits but would be allowed to keep a higher portion of job earnings.

Sec. 203. Supports state pilots to improve incentives to get married. States would disregard to a greater extent the second parent's earnings and work patterns in determining benefits.

Sec. 204. Supports state pilots to reduce AFDC benefits if school attendance of mother or child is irregular or preventive health care for the dependent children is not attained.

Sec. 205. Supports demonstration projects to increase child support collection, including: increasing the child support disregard, from $50 to a higher level decided by the state; and, holding parents accountable for the child support obligations of their minor children.

Sec. 206. Supports state demonstrations of innovative teenage pregnancy prevention programs.

TITLE III—INITIATIVES TO DIVERSIFY AND IMPROVE PERFORMANCE OF WELFARE SERVICES

Sec. 301. Supports state pilots to provide incentives to private sector, for-profit and non-profit groups to place welfare recipients in private sector jobs. Companies would keep a portion of welfare savings as payment for successful job placements.

Sec. 302. Supports state pilots to implement performance-based management systems for public welfare providers.

TITLE IV—OFFSETTING EXPENDITURE REDUCTIONS

Sec. 401. Eliminates the "three-entity" rule, reducing the amount of certain Federal subsidies individual farmers can receive from $250,000 to $125,000 per year.

By Mr. McCAIN:

S. 1933. A bill to repeal the Medicare and Medicaid coverage data bank, and for other purposes; to the Committee on Finance.

REPEAL OF MEDICARE/MEDICAID DATA BANK

Mr. McCAIN. Mr. President, I am pleased to introduce a bill that would eliminate a large and unjustified administrative burden imposed on employers by an ill-considered piece of legislation passed last year. It would repeal a law that is extremely expensive, burdensome, punitive, and in my view, entirely unnecessary.

Specifically, the bill would repeal section 13581 of OBRA 1993, which established the Medicare and Medicaid data bank. This remarkably intrusive law requires every employer who offers health care coverage to provide substantial and often difficult-to-obtain information on current and past employees and their dependents, including names, social security numbers, health care plans and period of coverage. This information would have to be provided on each employee's W-2 form beginning this year. Employers that do not satisfy this considerable reporting obligation are subject to substantial penalties, possibly up to $1,000 per violation.

According to the law that created the requirement, the purpose of the Medicare and Medicaid data bank is to assist in "the identification of, and the collection from, third parties responsible for the reimbursement of" costs under Medicare and Medicaid. Thus, its purported objective is to ensure reimbursement of costs to Medicare or Medicaid when a third party is the primary payor. This is a legitimate objective. However, if the objective of the data bank is to preserve Medicare and Medicaid funds, why is it necessary to mandate information on all employees, the vast majority of whom have no direct association with either the Medicare or Medicaid Program.

While employers have to report on over 140 million individuals, HCFA has estimated that only about 5 percent of the work force is potentially affected by Medicare or Medicaid's coordination of benefits and secondary payor provisions. Private sector groups, such as those included in the Coalition on Employer Health Coverage Reporting and the Medicare/Medicaid Data Bank, believe that only 2 percent of employees would be subject to these provisions. This would mean that 98 percent of the required data are irrelevant to the stated objective of the data bank law. At the very least, the law is unduly broad and needs to be seriously reconsidered.

I would add that the law applies only to employers that provide health insurance coverage to their employees. It is unconscionable that we are adding costs and penalties to those who have been most diligent in providing health coverage to their employees. The last thing that the Federal Government should do is impose disincentives to employee health care coverage. These are precisely the employers who we should be rewarding.

We must not underestimate how burdensome the reporting requirement of this law is. The information required is often not maintained on a routine basis by employers for any business reason and will be expensive to obtain. For example, businesses typically do not maintain the names and Social Security numbers of the dependents of employees. Moreover, due to the vague statutory language and the lack of HCFA guidance, it is not clear exactly what information must be provided. For instance, employers do not know how far back they must go in reporting on former employees.

What makes the reporting requirement particularly egregious is that HCFA is already obtaining this information in a much more efficient manner than that required under OBRA 1993. The data bank duplicates other legislative and administrative efforts to ensure that Medicare and Medicaid are reimbursed by primary payors. For example, OBRA 1989 provides for HCFA to periodically match Medicare beneficiary data with Internal Revenue Service employment information. Also, HCFA directly asks beneficiaries about primary payor coverage. To the extent that the data bank duplicates these efforts, any potential savings will not be

realized. It is clearly preferable to require HCFA to use the information it already has than to require the private sector to provide duplicative information.

In addition to these administrative problems imposed on employers, no funds have been appropriated by Congress to implement the data bank and no administrative regulations have been drafted by HCFA. Still, employers are being required to provide the data with a threat of substantial penalties for failing to do so. Once again, the Federal Government is imposing substantial financial burdens on the private sector without fully accepting its share of the burden to implement a program. Mr. President, we should expect the worst case scenario to occur: employers will provide the required information at substantial administrative burden and there will be no data bank in which to make use of it.

I do not want this bill to be construed, in any way, as opposition to HCFA obtaining the information it needs to administer the Medicare and Medicaid programs efficiently, and obtaining reimbursement from third party payors when appropriate. To assure that HCFA has the information it needs, the bill would also require the Secretary of HHS to conduct a study and report to Congress on how to achieve the purported objectives of the data bank in the most cost-effective manner possible.

The Secretary's study would have to take into consideration the administrative costs and burden on the private sector and the Government of processing and providing the necessary information versus the benefits and savings that such reporting requirements would produce. It must also consider current HCFA reporting requirements and the ability of entities to obtain the required information.

Too often, Congress considers only the cost savings to the Federal Government of legislation while ignoring costs to other parties. The Medicare and Medicaid data bank is a case in point. Congress required information on millions of employees to save the Federal Government money. Yet, it will cost employers more money to comply than the Government saves. Congress must stop passing laws that impose large, unjustified administrative burdens on other entities.

I was initially planning to introduce this bill as an amendment to S. 4, the Competitiveness Act, due to the adverse effect of the reporting requirement on businesses. However, I have decided instead to introduce it as a free-standing bill to allow the Labor and Human Resources Committee or the Finance Committee an opportunity to consider it. I reserve the right to raise it as an amendment at a later time if it is not being addressed adequately and in a very timely manner to avoid further unnecessary costs to employers.

In summary, the reporting requirement for the Medicare and Medicaid data bank is duplicative, burdensome, ineffective, and unnecessary. In addition, it penalizes employers who provide health care benefits to their workers—exactly the opposite of the goal we should be pursuing. The data bank should be repealed and a more cost-effective approach should be found to ensure that Medicare and Medicaid are appropriately reimbursed by primary payors.

Mr. President, I request unanimous consent that the text of this bill be included in the RECORD, as well as a statement by the Coalition on Employer Health Coverage Reporting and the Medicare/Medicaid Data Bank and several representative letters from employers and employer groups.

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

S. 1933

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

SECTION 1. REPEAL OF MEDICARE AND MEDICAID COVERAGE DATA BANK.

(a) REPEAL.—

(1) IN GENERAL.—Section 13581 of the Omnibus Budget Reconciliation Act of 1993 is hereby repealed.

(2) APPLICATION OF THE SOCIAL SECURITY ACT.—The Social Security Act shall be applied and administered as if section 13581 of the Omnibus Budget Reconciliation Act of 1993 (and the amendments made by such section) had not been enacted.

(b) STUDY AND REPORT.—

(1) STUDY.—The Secretary of Health and Human Services (hereafter in this subsection referred to as the "Secretary") shall conduct a study on how to achieve the objectives of the data bank described in section 1144 of the Social Security Act (as in effect on the day before the date of the enactment of this Act) in the most cost-effective manner, taking into account—

(A) the administrative burden of such data bank on private sector entities and governments,

(B) the possible duplicative reporting requirements of the Health Care Financing Administration in effect on such date of enactment, and

(C) the legal ability of such entities and governments to acquire the required information.

(2) REPORT.—The Secretary shall report to the Congress on the results of the study described in paragraph (1) by not later than 180 days after the enactment of this Act.

COALITION ON EMPLOYER HEALTH COVERAGE REPORTING AND THE MEDICARE/MEDICAID DATA BANK,

March 14, 1994.

Hon. JOHN MCCAIN,

U.S. Senate, Russell SOB, Washington, DC.

DEAR SENATOR MCCAIN: I have been informed that you may offer an amendment to S. 4, the National Competitiveness Act of 1994, to repeal the employer reporting requirement associated with the Health Care Financing Administration's Medicare and Medicaid Data Bank. I am writing to urge you to offer the amendment and to urge all your colleagues in the Senate to support it.

Enclosed is a copy of the written statement submitted by 28 members of the Coalition on Employer Health Coverage Reporting and the Medicare/Medicaid Data Bank for inclusion in the record of the Senate Finance Committee's February 23, 1994 hearing on the President's fiscal year 1995 budget. The written statement urges the Committee to help ensure that implementation of the data bank is excluded from the 1995 budget until the current employer reporting requirement is replaced with a more efficient and cost-effective source of health coverage information.

The Coalition is a broad-based, ad hoc group of more than 70 associations, organizations and individual companies reflecting a cross-section of the employer community. It was formed to work with Congress and the Administration to identify an alternative means to address the secondary payer enforcement and compliance needs of the Health Care Financing Administration (HCFA) that does not impose such a disproportionate financial and administrative burden on employers.

On behalf of the Coalition, I would like to thank you for your efforts and again urge you to offer the amendment to repeal the employer reporting requirement. You have our strong support for this effort.

Sincerely,

ANTHONY J. KNETTEL,
Director, Health Policy, The ERISA Industry Committee, Coalition Coordinator.

COALITION ON EMPLOYER HEALTH COVERAGE REPORTING AND THE MEDICARE /MEDICAID DATA BANK,

March 9, 1994.

WAYNE HOSIER,

Committee on Finance, U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR MR. HOSIER: Enclosed please find five copies of a written statement, submitted jointly by the undersigned associations, organizations and companies, for the record of the Finance Committee's February 23, 1994 hearing on the President's fiscal year 1995 budget. Per your request, we are also submitting a copy of the written statement on computer disk in both Wordperfect (document databank.wpf) and ASCII (document databank.asc) format.

Each of the associations, organizations and companies jointly submitting this statement is a participating member in the Coalition on Employer Health Coverage Reporting and the Medicare/Medicaid Data Bank.

Submitted by

Aetna Life & Casualty.
American Express Co.
American Restaurant Group Inc.
American Telephone & Telegraph Co.
American Trucking Associations.
Associated Builders & Contractors.
Atlantic Richfield Co.
Bell Atlantic—NSI.
Chevron Corp.
Employers Council on Flexible Compensation.
The ERISA Industry Committee.
Food Marketing Institute.
William M. Mercer, Incorporated.
Motorola Inc.

National Association of Manufacturers.
National Association of Wholesalers.
National Employee Benefits Institute.
National Retail Federation.
NYNEX Corp.
PPG Industries.
Profit Sharing Council of America.
Ralston Purina Co.
Small Business Council of America.
Society of Professional Benefit Administrators.
U.S. Chamber of Commerce.
United Technologies Corp.
Washington Business Group on Health.
Zeneca Inc.

[From members of the Coalition on Employer Health Coverage Reporting and the Medicare/Medicaid Data Bank, Feb. 23, 1994]

THE PRESIDENT'S BUDGET FOR FISCAL YEAR 1995—COMMITTEE ON FINANCE, U.S. SENATE

Members of the Coalition on Employer Health Coverage Reporting and the Medicare/Medicaid Data Bank submit to the Committee on Finance, U.S. Senate, the following written testimony regarding the implementation and operation of the data bank as proposed by the President's fiscal year 1995 federal budget. Specifically, Coalition members urge the Committee to ensure that the implementation and operation of HCFA's Medicare and Medicaid Data Bank be excluded from the fiscal year 1995 budget until the current employer reporting requirement is replaced with a more efficient and cost-effective source of health coverage information.

The Coalition is a broad-based, ad hoc group of associations, organizations and individual companies reflecting a cross-section of the employer community. The Coalition was formed to work with Congress and the Administration to identify an alternative means to address the secondary payer enforcement and compliance needs of the Health Care Financing Administration (HCFA) that does not impose a disproportionate financial and administrative burden on employers.

BACKGROUND

Beginning with calendar year 1994, an employer that "has, or contributes to, a group health plan, with respect to which at least 1 employee of such employer is an electing individual," must annually report to a new HCFA Medicare and Medicaid Data Bank information relating to the health insurance coverage status of covered employees, their dependents, and other covered electing individuals. An "electing individual" is "an individual associated or formerly associated with the employer in a business relationship who elects coverage under the employer's group health plan."

The reporting requirement was created by §13581 of the Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66). This provision adds a new §1144 at the end of Part A of title XI of the Social Security Act (see 42 U.S.C. 1301 et seq.). The information supplied to the data bank is intended to be used to help prevent mistaken payments to physicians and hospitals by Medicare and Medicaid.

The budget the President recently submitted to Congress requested a supplemental amount of $15 million for fiscal year 1994 to implement the data bank, as well as budget authority for the ongoing administration of the data bank in fiscal year 1995 and subsequent years.

ANALYSIS

The Coalition's analysis suggests that, so long as the Medicare and Medicaid Data Bank is based on the current employer reporting requirement, it will neither successfully address HCFA's concerns regarding mistaken primary payments nor justify the financial and administrative burdens imposed on employers.

1. Employer compliance

In many cases it will be impossible for employers to fully comply with current law. Employers cannot easily obtain from employees any missing information that must be reported. For example, employees' responses are frequently unreliable and are time-consuming and expensive to verify. Further, employers' ability to request documentation to verify certain information to be reported, such as dependents' social security numbers, is limited by privacy laws.

Obtaining information about dependents, in particular, will be difficult, time consuming, expensive, and in many cases impossible—especially for employers with high work force turnover. The statute is sufficiently broad that employers appear to be required to report such information about retirees and their spouses, employees' separated/divorced spouses and noncustodial dependent children who are still covered under the employer's health plan, franchisees, participants in Taft-Hartley plans, and many other persons who may fit the definition of "electing individuals" under the statute—all of whom are either geographically dispersed and difficult to locate, or otherwise pose significant administrative problems for employers trying to obtain accurate information.

As a result, employers are at risk to be assessed significant penalties for failure to report information that they do not routinely possess and which they may not be able to obtain from any other source.

2. Administrative and financial burden on employers

The administrative and financial burden imposed on employers by full compliance with the law is enormous. A significant portion of the information to be reported to the data bank is not currently maintained by employers for any business purpose. Nor is all of the required information routinely maintained by insurers. In many cases, it will have to be compiled manually, at tremendous cost. In the aggregate, employers will have to expend hundreds of millions of dollars annually to comply.

The only persons who have all the information HCFA needs are Medicare and Medicaid enrollees themselves. HCFA claims it is too difficult for the government to obtain this information directly from enrollees; instead, HCFA wants to burden employers and their insurers. HCFA is relying on a false premise, however. The information will be far more difficult and expensive for employers to obtain that it is for HCFA to obtain, in part because employers are required to obtain it from tens of millions of additional persons who are neither Medicare nor Medicaid enrollees.

3. Utility of the data collected:

The rationale for the reporting requirement to allow HCFA to march the health coverage information received against other government records in an effort to identify employer plans that should be paying "primary" and thus prevent mistaken reimbursements for health care services by Medicare and Medicaid. However, employer reporting is an extremely inefficient means to obtain the information HCFA is seeking.

Employers will have to report coverage information for more than 140 million individuals. But only a minute amount of the information employers will report will be relevant to the data bank's purpose because, according to a preliminary General Accounting Office report, only about 2 percent of employees and their dependents are Medicare and Medicaid beneficiaries subject to secondary payer rules. In many industries with a young work force, such as food service and hospitality, the percentage may be even less.

Even where the data reported by employers is relevant, it will still not be sufficient in many cases to enable HCFA to identify or prevent mistaken payments. Moreover, by the time the information is reported to HCFA, processed by the data bank, and incorporated into claims payment systems it will often be a year old or more, further limiting its usefulness.

4. Availability of other sources of data:

HCFA should already receive, when claims are filed, much of the information that is part of the employer reporting requirement. For example, under Medicare the UB-92 and other claims forms require secondary payer information to be reported. In fact, HCFA has not been successful at enforcing this claims-based reporting requirement or fully incorporating the information it does receive into its systems. HCFA has also been unable to take full advantage of additional information it receives from other sources, such as beneficiaries themselves and the Medicare Secondary Payer data match. It makes far more sense to ensure HCFA makes better use of the information that it currently receives than to overwhelm it with data generated by the new employer reporting requirement.

5. Effective date and guidance

Not only has the federal government imposed an unclear and unworkable reporting requirement on employers, it also has compounded the problem with an unrealistic effective date. Due to several vague provisions in the statutory language, as well as the complete lack of any timely guidance from HCFA, many employers either are unaware that they have an obligation to report this data or cannot determine with any certainty what their obligation is.

It is already too late to provide the guidance employers need to prepare to collect and report data on employees' health coverage status for calendar year 1994. Employers would need to learn about and understand their obligation, train staff, rewrite payroll computer programs, modify health plan open season election forms, and otherwise prepare to report such information before they can successfully comply with the law. Despite employers' good-faith efforts, there is likely to be widespread noncompliance for calender year 1994 and for an indeterminable period following the eventual publication of guidance.

CONCLUSION

The employer reporting requirement effectively forces employers to perform HCFA's program administration, enforcement and compliance responsibilities in a very inefficient manner. Further, even if the reporting requirement itself were feasible—which it emphatically is not—employers who spend (in the aggregate) hundreds of millions of dollars annually attempting to comply with the law in good faith will find their effort and expense squandered since the date received by HCFA will be incomplete, incom-

patible, or unusable due to the impossibly short effective date and the complete lack of any timely guidance.

Coalition members urge the Committee to ensure that the implementation and operation of HCFA's Medicare and Medicaid Data Bank be excluded from the fiscal year 1995 budget until the current employer reporting requirement is replaced with a more efficient and cost-effective source of health coverage information. We hope to work with you and others in Congress and the Administration to find an alternative means to address HCFA's secondary payer enforcement and compliance needs that does not impose such disproportionate financial and administrative burdens on employers. In particular, we urge that the multiple sources of data and data collection vehicles already available to HCFA be adequately funded and implemented rather than imposing this massive new reporting burden on employers.

NATIONAL FEDERATION OF INDEPENDENT BUSINESS,
Washington, DC, March 15, 1994.

Hon. JOHN MCCAIN,
U.S. Senate, Washington, DC.

DEAR SENATOR MCCAIN: On behalf of the 600,000 members of the National Federation of Independent Business (NFIB), I am writing to support your efforts to repeal the Medicare and Medicaid data bank reporting requirement. This requirement will be a new paperwork nightmare for America's small business men and women who are creating the majority of our country's new jobs.

The burdensome provision requires all employers to provide the names, addresses, tax identification numbers, types of coverage, and enrollment dates for all individuals (including dependents and part-time workers) participating in any employer-sponsored health insurance plan to the Health Care Financing Administration (HCFA). Employers are at risk of being assessed significant penalties for failure to report information that they do not routinely possess.

In order to solve a small problem, the government is requiring far-reaching reporting, resulting in needless paperwork for employers and the government. The General Accounting Office has reviewed the data bank proposal determining it was an expensive and inefficient way to address the problem of coordination of benefits with Medicare.

What is a problem of communication between a patient, the health care provider, Medicare, and insurance companies is "solved" by placing a tremendous burden on small business. Business is not part of the problem, but under the Medicare data bank they must bear the expense of the solution.

Currently, HCFA receives through other sources much of the information this requirement would mandate. We believe HCFA should better manage the information it already has before creating new burdens on business.

Thank you for your efforts against excessive paperwork burdens on small business. We look forward to working with you.

Sincerely,

JOHN J. MOTLEY,
Vice President,
Federal Government Relations.

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EMPLOYEE ASSISTANCE PROGRAM AND BEHAVIORAL HEALTH MANAGED CARE SERVICE,
Tempe, AZ, February 22, 1994.

Hon. JOHN MCCAIN,
U.S. Senate, Washington, DC.

DEAR SENATOR MCCAIN: I am the Vice President, Administration at CONTACT which employs 75 employees in the Phoenix area. I am writing you today to urge you to repeal the Medicare/Medicial Data Bank provisions enacted as part of OBRA 93.

As you may know, the Data Bank law requires employers to submit extensive information on their employees and the employees' spouses and dependents. Like Section 89, which Congress hastily enacted and then repealed, the burdens imposed by the Data Bank law far outweigh any possible benefit that could be produced.

The Data Bank provisions were enacted without the benefit of proper analysis or the input of the employers and human resource professionals who have to comply with the law and were slipped into OBRA 1993 just before the bill was passed.

The information to be requested from the employee is overly broad. Under the new law, an employee is defined as any individual associated or formerly associated with the employer in a business relationship. Therefore, employers have to submit information, not just on employees but on independent contractors and former employees such as retires and COBRA recipients. Gathering the detailed information required is nearly impossible. Should an employer take all the steps necessary to collect the data about employees, spouses, and dependents, they risk completely alienating their workforce or even violating the Privacy Act.

Now, employers are faced with a huge reporting requirement with penalties of up to $10,000 for each employee or dependent whose information is not submitted. In addition, Congress has not appropriated any funding for the Data Bank to be set up. As a result, employers are being asked to spend tens of thousands of dollars to gather and submit information to a Data Bank that does not even exist, or face enormous fines and penalties.

Enactment of this Data Bank would be overly burdensome and costly for both the government and employers. I urge you to enact legislation to repeal the Data Bank law.

Sincerely,

ANGELA WILLIAMS,
Vice President,
Administration.

NATIONAL EMPLOYEE BENEFITS INSTITUTE,
Washington, DC, March 14, 1994.

Re Medicare and Medicaid data bank.

Hon. JOHN MCCAIN,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR MCCAIN: The National Employee Benefits Institute (NEBI) supports legislation you propose to introduce to repeal the employer health coverage reporting requirement associated with the Medicare & Medicaid Data Bank ("Data Bank"). NEBI also supports provisions in the proposed legislation to require the Health Care Financing Administration (HCFA) to conduct a study of alternative methods to collecting this information.

As you know, the Medicare & Medicaid Data Bank was enacted under OBRA '93 (P.L. 103-66) to assist HCFA to identify mistaken reimbursements for health care services paid by Medicare and Medicaid. NEBI supports legislation to repeal the employer reporting requirement for the following reasons:

(1) Inefficient Collection Method. The employer reporting requirement is not the most efficient method of collecting the intended information because only a small percentage of employees are Medicare and Medicaid beneficiaries. Therefore, only a small amount of the information will fulfill HCFA's objectives. Employers and HCFA will spend unnecessary resources and time on processing the information to identify very little useful data. Alternative methods should be explored to collect this information more efficiently.

(2) Administrative Burden. The employer reporting requirement imposes significant administrative and financial costs on employers. Employers have to install costly new programs to track the required information and to submit the reports to HCFA.

(3) Employer Compliance. This information is difficult to collect due to high employee turnover, incomplete employee responses, and locating geographically diverse employee dependents and other "electing individuals" for whom the employer has to report. Therefore, even with good faith efforts, employers may not be able to fully comply with the requirement.

(4) Lack of Funding. OBRA '93 did not provide funding for the Data Bank. A funding request was defeated earlier this year under the supplemental funding bill for the FY1994 budget and a new proposal under the Administration's FY1995 federal budget is still under consideration. Without funding, HCFA will not be able to effectively process nor enforce the reporting requirement.

(5) Limited Guidance. HCFA has not yet issued guidance for employers to use to comply with the requirement. HCFA has indicated it may release limited guidance in the form of a press release or some other publication. This underscores the belief that HCFA is not prepared to utilize the data effectively.

NEBI is an organization composed of Fortune 1,000-sized companies which monitors, evaluates and comments upon pending legislation and regulations affecting employee benefits. NEBI provides Congress and the federal agencies with facts and information, positions and alternatives so that Congress and regulatory agencies understand the impact of proposed legislation and regulations on employers and the employee benefit programs maintained by employers.

NEBI urges you to introduce your legislation to repeal the reporting requirement. NEBI supports the efforts of you and your Senate colleagues to identify a more effective and less costly method to collect this information.

Please feel free to contact NEBI Legislative Assistant, Laura Tomarchio, at (202) 872-8080, with any questions.

Sincerely,

JOSEPH SEMO,
Director.

ERISA INDUSTRY COMMITTEE,
Washington, DC, March 14, 1994.

Hon. JOHN MCCAIN,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR MCCAIN: We understand that you may offer an amendment to S. 4, the National Competitiveness Act of 1994, to

repeal the requirement that employers report certain health coverage information to the Health Care Financing Administration (HCFA) for use by the Medicare and Medicaid Data Bank. The members of the ERISA Industry Committee (ERIC) urge you to offer the amendment and urge your colleagues in the Senate to support it.

ERIC is a non-profit employer association committed to the advancement of the employee retirement, health and welfare benefit plans of America's major employers. ERIC represents the employee benefits interests of more than 125 of the nation's largest employers. As sponsors of health, disability, pension, savings, life insurance, and other welfare benefit plans directly covering approximately 25 million plan participants and beneficiaries, ERIC's members provide coverage to about 10 percent of the U.S. population.

Beginning January 1, 1994, employers must report employees' and dependents' health insurance coverage status, social security numbers, and related information to HCFA's data bank. This reporting requirement was created by last year's budget reconciliation law (OBRA '93, P.L. 103-66). ERIC's analysis has concluded that the employer reporting requirement neither successfully addresses HCFA's concerns regarding the prevention of mistaken primary payments nor justifies the burdens it imposes on employers.

First, it will be impossible for employers (small and large) to fully comply with the requirement to report information regarding health coverage to the data bank because employers do not possess all the information to be reported and are prohibited by other laws from requesting documentation from employees to verify the accuracy of some of the information they must collect from employees.

Second, even if full compliance were possible, the financial and administrative burden imposed on employers by full compliance with the current data bank reporting requirement is enormous—far exceeding any actual savings to be realized by HCFA. These hundreds of millions of dollars in annual employer compliance costs would be far better spent on benefits for employees and dependents.

Third, the manner in which employers are required to collect data for HCFA is incredibly inefficient and impracticable—less than 5 percent of the information reported by employers will be relevant to Medicare and Medicaid. Even this data won't prevent most mistaken Medicare/Medicaid payments.

Fourth, the government has been unable to make use of the relevant information that it currently receives from other sources. It would be more efficient to help HCFA manage the information that will not be effectively utilized.

Fifth, the unrealistic effective date for the reporting requirement (January 1, 1994), together with the complete lack of any timely guidance from HCFA, compounds the unclear and unworkable reporting burden imposed on employers.

ERIC hopes to work with you and others in Congress and the Administration to find alternative means to address HCFA's secondary payer enforcement and compliance needs that does not impose such disproportionate financial and administrative burdens on employers. In particular, we urge that the multiple sources of data and data collection vehicles already available to HCFA be adequately funded and implemented rather than imposing this massive new reporting burden on employers.

Thank you for your efforts to repeal the employer reporting requirement. You have our strong support for this effort.

Sincerely,

MARK J. UGORETZ,
President.

WASHINGTON BUSINESS GROUP ON HEALTH,
Washington, DC, March 14, 1994.

Hon. JOHN MCCAIN,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR MCCAIN: On behalf of the Washington Business Group on Health (WBGH), I would like to express our support of your efforts to repeal the Medicare and Medicaid Health Coverage Data Bank, authorized by the Omnibus Budget Reconciliation Act of 1993, and its attendant reporting requirements imposed on employers. The WBGH is a nonprofit organization of 200 of the nation's largest employers, representing all sectors of American industry, and is devoted exclusively to health policy and related worksite issues. WBGH members provide health care benefits to more than 30 million employees, retirees, and dependents.

We have been concerned about the design and implementation of the Data Bank and the mandate for employers to report certain health coverage information about employees, their dependents, and "other eligible employees" in the absence of any regulations or other guidance. Although we support efforts to ease the administration of the Medicare and Medicaid programs, we firmly believe that the Data Bank will not provide meaningful assistance to HCFA. We also know that it will impose tremendous costs on employers, with little of value being produced.

We appreciate your recognition of the serious problems the Data Bank and its reporting requirements pose for employers. We hope that your colleagues will joint you in supporting repeal of the Data Bank as designed under OBRA 93.

Sincerely,

KELLY L. TRAW, J.D.,
Manager.

THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA,
Washington, DC, March 14, 1994.

Hon. JOHN MCCAIN,
U.S. Senate, Washington, DC.

DEAR SENATOR MCCAIN: The Associated General Contractors of America (AGC), representing 33,000 firms, including 8,000 of America's leading general contractors, supports your efforts to repeal the employer reporting requirement included in Section 13851 of the Omnibus Budget Reconciliation Act of 1993 (OBRA '93) establishing a Medicare/Medicaid Coverage Data Bank to be housed in the Health Care Financing Administration (HCFA) at the Department of Health and Human Services.

I understand that you may offer an amendment repealing the reporting requirement and replacing it with a requirement that HCFA conduct a study to identify a better source of information for the data bank. AGC would support such an amendment.

The current employer requirement in our estimation will not solve HCFA's secondary payer enforcement problems while at the same time imposing enormous new annual compliance problems on construction industry employers who must comply with a host of existing burdensome paperwork requirements.

Again, we support your amendment and urge you to offer it as soon as possible.

Sincerely,

STEPHEN E. SANDHERR,
Executive Director, Congressional Relations.

FOOD MARKETING INSTITUTE,
Washington, DC, March 14, 1994.

Hon. JOHN MCCAIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR MCCAIN: We strongly support your effort to repeal the employer health coverage reporting requirement to the Health Care Financing Administration (HCFA) associated with the Medicare and Medicaid Data Bank. The requirement is unduly burdensome to business and will not serve its intended purpose of recouping the estimated billion dollars owning to the government by employers to finance Medicare as Secondary Payer rules (MSP).

The Food Marketing Institute (FMI) is a nonprofit association conducting programs in research, education, industry relations and public affairs on behalf of its 1,500 members—food retailers and wholesalers and their customers in the United States and around the world. FMI's domestic member companies operate approximately 19,000 retail food stores with a combined annual sales volume of $190 billion—more than half of all grocery store sales in the United States. FMI's retail memberships is composed of large multi-store chains, small regional firms and independent supermarkets.

Less than two percent of all employees and dependents are subject to the Medicare as secondary payer provision. Thus, 98 percent of the data collected will be irrelevant to the problem being addressed. This unnecessary overkill would be disastrous and indicates how poorly thought out this measure is.

Much of the data required to be reported is not routinely maintained by employers. Food retailers employ many part-timers and have a high employee turnover rate. It is virtually impossible to gather the required information for thousands of current and former employees and dependents.

Even if it were possible for employers to comply in spite of privacy of information concerns and the lack of available data, the information gathered will be useless. HCFA acknowledges that it simply does not have the resources—human or financial—or even a data bank system in place—to begin to handle the data required to be collected.

On behalf of our nation's food distributors, we strongly support the repeal of this ill-conceived requirement.

Sincerely,

TIM HAMMONDS,
President.

HEALTH COVERAGE REPORTING REQUIREMENTS

Under existing law Medicare is generally the secondary payer (MSP) when an individual is covered by employer provided group health insurance. The Health Care Financing Administration (HCFA) believes that noncompliance with these rules costs the U.S. Treasury close to a billion dollars a year in Medicare overpayments.

The Omnibus Budget Reconciliation Act of 1993 includes a new provision establishing a data bank to identify employers responsible for health benefits provided to employees

and their dependents by Medicare or Medicaid. This new law went into effect on January 1st of this year, with the first report to be filed on Feb. 28, 1995. As part of the data bank program, all employers will have to submit a new form (H-2) that identifies for the prior year:

Name and social security number of each employee and former employee electing coverage under the employer's health plan.

Name and social security number of each covered dependent.

Type of coverage (single/family).

Name/Address/identifying number of the plan.

The period during the year the coverage was in effect.

This creates huge new burdens for employers because much of this information is not currently collected. Amazingly, this data collection and paperwork nightmare will produce little of value for HCFA. For the following reasons, these reporting requirements should be repealed:

ENORMOUS BURDEN

Much of the information to be reported to the data bank (especially the names and social security numbers of dependents) is not maintained on a routine basis by employers. There is no business reason to do so. New programs to collect this data will depend on employee cooperation and will certainly be effected by privacy concerns. Food retailers employ many part-timers (more than half of store employees) and have high employee turnover rates. Their ability to gather the required data for hundreds, even thousands of current and former employees and dependents is problematic. Also, many food distributors' employees are in multiemployer health plans and do not receive information from the plan about the type of coverage elected.

PAPERWORK OVERKILL

Less than two percent of all employees and dependents are subject to the medicare as secondary payer provision. Thus, 98 percent of the data collected will be irrelevant to the problem being addressed. This is incredible even for a government program. Even for the covered two percent, HCFA will be receiving huge amounts of data to find a small number of violations—and still won't be able to identify those violators without significant further investigation.

INFORMATION OVERLOAD

The magnitude of the data that will be generated by these reports is so huge that HCFA will be overwhelmed with the information. HCFA acknowledges that it simply does not have the resources—human or financial—or the systems in place to begin to handle the data that will be collected. The agency is asking for increased funding to handle the data. Reporting this information to HCFA will be a futile and wasteful exercise.

EMPLOYERS MUST COMPLY WITHOUT INSTRUCTIONS

Despite the fact that employers are already required to comply with the law, no guidance has been issued yet on how to comply. Employers will be penalized for failing to report information that they do not routinely possess and which they may not be able to obtain from any other source. The Department of Labor may assess civil penalties of up to $1,000 for each violation of the new reporting requirements. A violation is per participant or beneficiary, not per group of employees as a whole. Employers would also be subject to the same penalties as those for failure to file W-2's—generally $50/violation, or $1,000/violation with no limit, if the violation is willful.

HEALTH CARE REFORM IS COMING

Health care reform legislation is likely to mean fundamental changes in employer plans. What is the point of initiating the extremely costly new systems necessary to comply with these new requirements when the whole program could be moot in short order.

For all these reasons, these new reporting requirements must be repealed.

By Mr. DOLE:

S.J. Res. 172. A joint resolution designating May 30, 1994, through June 6, 1994, as a "Time for the National Observance of the Fiftieth Anniversary of World War II"; to the Committee on the Judiciary.

THE 50TH ANNIVERSARY OF WORLD WAR II

Mr. DOLE. Mr. President, I rise today to introduce a joint resolution to designate the week of May 30, through June 7, 1994, for the National Observance of the 50th Anniversary of World War II.

1944 was a turning point in the war that was a turning point in America's history and in world history. It is fitting that Americans remember that year, and that we remember the soldiers who fought and died in places like Anzio, Bastogne, and the Phillipine Sea.

Of course, June 6 will also mark the 50th anniversary of D-day—the greatest amphibious operation in military history. Led by Kansas native Dwight Eisenhower, allied forces landed on the beaches of Normandy, marking the beginning of the end of the war in Europe.

We should also remember the words of Franklin Roosevelt, who told Americans, "We are all in (this war)—all the way. Every single man, woman, and child is a partner in the most tremendous undertaking of our * * * history."

And here at home, that partnership could be seen as American agriculture and industry worked together to form the greatest war machine the world had ever seen. Ships, aircraft, tanks and vehicles were manufactured at an unprecedented rate, while American farmers produced enough food to feed the world.

The ingenuity, creativity, and patriotism demonstrated by the American people not only contributed to victory, but after the war, also transformed the United States into an unmatched industrial giant.

Mr. President, by commemorating the 50th anniversary of World War II, we will not only be remembering the past, we will also be looking to the future, reminding all Americans that we must always be prepared, so that we may always be free.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

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

S.J. RES. 172

Whereas the brave men and women of the United States of America made tremendous sacrifices during World War II to save the world from tyranny and aggression;

Whereas the winds of freedom and democracy sweeping the globe today spring from the principles for which over four hundred thousand Americans gave their lives in World War II;

Whereas World War II and the events that led up to that war must be understood in order that we may better understand our own times, and more fully appreciate the reasons why eternal vigilance against any form of tyranny is so important;

Whereas the World War II era, as reflected in its family life, industry, and entertainment, was a unique period in American history and epitomized our Nation's philosophy of hard work, courage, and tenacity in the face of adversity;

Whereas, between 1991 and 1995, over nine million American veterans of World War II will be holding reunions and conferences and otherwise commemorating the fiftieth anniversary of various events relating to World War II; and

Whereas June 4, 1994, marks the anniversary of the Battle of Midway, and June 6, 1994, marks the anniversary of D-Day: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That May 30, 1994, through June 6, 1994, is designated as a "Time for the National Observance of the Fiftieth Anniversary of World War II", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe that period with appropriate ceremonies and activities.

ADDITIONAL COSPONSORS

S. 21

At the request of Mrs. FEINSTEIN, the names of the Senator from Rhode Island [Mr. CHAFEE], and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 21, a bill to designate certain lands in the California Desert as wilderness, to establish Death Valley, Joshua Tree, and Mojave National Parks, and for other purposes.

S. 1149

At the request of Mr. DOMENICI, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 1149, a bill to establish in the Department of the Interior the Office of Indian Women and Families, and for other purposes.

S. 1231

At the request of Mr. MOYNIHAN, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of S. 1231, a bill to provide for simplified collection of employment taxes on domestic services, and for other purposes.

S. 1275

At the request of Mr. RIEGLE, the name of the Senator from Tennessee [Mr. SASSER] was added as a cosponsor of S. 1275, a bill to facilitate the establishment of community development financial institutions.

S. 1329

At the request of Mr. D'AMATO, the name of the Senator from Wisconsin [Mr. FEINGOLD] was added as a cosponsor of S. 1329, a bill to provide for an investigation of the whereabouts of the

United States citizens and others who have been missing from Cyprus since 1974.

S. 1458

At the request of Mrs. KASSEBAUM, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 1458, a bill to amend the Federal Aviation Act of 1958 to establish time limitations on certain civil actions against aircraft manufacturers, and for other purposes.

S. 1614

At the request of Mr. LEAHY, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 1614, a bill to amend the Child Nutrition Act of 1966 and the National Lunch Act to promote healthy eating habits for children and to extend certain authorities contained in such Acts through fiscal year 1998, and for other purposes.

S. 1806

At the request of Mr. NICKLES, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of S. 1806, a bill to rescind the fee required for the use of public recreation areas at lakes and reservoirs under the jurisdiction of the Army Corps of Engineers, and for other purposes.

1860

At the request of Mr. DODD, the names of the Senator from Rhode Island [Mr. PELL], the Senator from Washington [Mr. GORTON], the Senator from Maine [Mr. COHEN], the Senator from Vermont [Mr. LEAHY], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Colorado [Mr. CAMPBELL], and the Senator from Utah [Mr. HATCH] were added as cosponsors of S. 1860, a bill to authorize the minting of coins to commemorate the 1995 Special Olympics World Games.

S. 1915

At the request of Mr. SHELBY, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 1915, a bill to require certain Federal agencies to protect the rights of private property owners.

SENATE JOINT RESOLUTION 123

At the request of Mr. SHELBY, the names of the Senator from Minnesota [Mr. DURENBERGER], the Senator from Mississippi [Mr. LOTT], the Senator from Oklahoma [Mr. BOREN], the Senator from Montana [Mr. BAUCUS], the Senator from Indiana [Mr. COATS], the Senator from Mississippi [Mr. COCHRAN], the Senator from Colorado [Mr. BROWN], and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of Senate Joint Resolution 123, a joint resolution to designate the week beginning November 6, 1994, as "National Elevator and Escalator Safety Awareness Week."

SENATE JOINT RESOLUTION 151

At the request of Mr. LIEBERMAN, the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of Senate Joint Resolution 151, a joint resolution designating the week of April 10 through 16, 1994 as "Primary Immune Deficiency Awareness Week."

SENATE JOINT RESOLUTION 165

At the request of Mr. COCHRAN, the names of the Senator from Tennessee [Mr. MATHEWS] and the Senator from Alaska [Mr. STEVENS] were added as cosponsors of Senate Joint Resolution 165, a joint resolution to designate the month of September 1994 as "National Sewing Month."

SENATE CONCURRENT RESOLUTION 27

At the request of Mr. LEAHY, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of Senate Concurrent Resolution 27, a bill to express the sense of Congress that funding should be provided to begin a phase-in toward full funding of the special supplemental food program for women, infants, and children [WIC] and of Head Start programs and to expand the Job Corps program, and for other purposes.

SENATE CONCURRENT RESOLUTION 60

At the request of Mr. GRAMM, the names of the Senator from Missouri [Mr. DANFORTH] and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of Senate Concurrent Resolution 60, a concurrent resolution expressing the sense of the Congress that a postage stamp should be issued to honor the 100th anniversary of the Jewish War Veterans of the United States of America.

SENATE CONCURRENT RESOLUTION 61

At the request of Mr. WOFFORD, the name of the Senator from Colorado [Mr. CAMPBELL] was added as a cosponsor of Senate Concurrent Resolution 61, a concurrent resolution expressing the sense of the Congress in support of the President's actions to reduce the trade imbalance with Japan.

SENATE RESOLUTION 190—RELATING TO AN ANTIPROLIFERATION REGIME

Mr. D'AMATO (for himself, Mr. MACK, Mr. RIEGLE, Mr. SASSER, Mr. ROTH, Mr. HELMS, Mr. BOND, Mr. BENNETT, Mr. FAIRCLOTH, Mr. SHELBY, Mr. GREGG, and Mr. KERRY) submitted the following resolution:

S. RES. 190

Whereas the United States and its allies have agreed that as of March 31, 1994, the Coordinating Committee (hereafter referred to as "CoCom"), the multilateral body that controlled strategic exports to the former Soviet Union and other Communist States, will cease to exist;

Whereas no successor has yet been established to replace the CoCom;

Whereas threats to United States security are posed by rogue regimes that support terrorism as a matter of national policy;

Whereas a critical element of the United States proposal for a successor to CoCom is that supplier nations agree on a list of militarily critical products and technologies that would be denied to a handful of rogue regimes;

Whereas some allies of the United States oppose this principle and instead propose that such controls be left to "national discretion", effectively replacing multilateral export controls with a loose collection of unilateral export control policies which would be adverse for United States security and economic interests;

Whereas multilateral controls are needed to thwart efforts of Iran, Iraq, North Korea, Libya, and other rogue regimes, to acquire arms and sensitive dual-use goods and technologies that could contribute to their efforts to build weapons of mass destruction; and

Whereas the United States would be forced to make the difficult choice of choosing between unilateral export controls under the Export Administration Act of 1979, which would put American companies at a competitive disadvantage worldwide, or allowing exports that could seriously harm the national security interests of the United States: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the President should work to achieve a clearly defined and enforceable agreement with allies of the United States which establishes a multilateral export control system for the proliferation of products and technologies to rogue regimes that would jeopardize the national security of the United States; and

(2) the President should persuade allies of the United States to promote mutual security interests by preventing rogue regimes from obtaining militarily critical products and technologies.

Mr. D'AMATO. Mr. President, today I rise to introduce a sense-of-the-Senate resolution with Senators MACK, RIEGLE, SASSER, ROTH, HELMS, BOND, BENNETT, FAIRCLOTH, SHELBY, GREGG, and KERRY. The resolution expresses how extremely important it is that the President work with our allies in order to achieve a clearly defined and enforceable agreement which establishes a multilateral export control system for the antiproliferation of products and technologies to rogue regimes that would jeopardize the national security of the United States.

On March 31, 1994, a mere 2 weeks from now, COCOM, the multilateral body that controlled strategic exports to the former Soviet bloc will cease to exist. On several occasions, I have expressed my concerns to the President on the absolute necessity of having a successor regime in place in order to deal with the new post-cold-war threats to our national security. Specifically, a multilateral export control organization is essential to deal with the threats posed by countries that support proliferation and terrorism.

Today, three other multilateral control organizations exist. While they address proliferation of nuclear weapons, chemical and biological weapons and missile technology, they do not have the teeth of the COCOM organization which should and must be a part of the

new multilateral proliferation organization. A regime without the COCOM characteristics of target destinations, veto power, or prenotification falls far short of achieving an enforceable multilateral, antiproliferation, export control organization.

Enforceable and effective multilateral controls are essential to thwart efforts of Iran, Iraq, North Korea, Libya, and other rogue regimes from acquiring arms and sensitive dual-use goods and technologies that could contribute to their efforts to build weapons of mass destruction.

Last December 16, 1993, I wrote to the President expressing my deep concerns about the end of COCOM on March 31, 1994, and the dangers of a world with no clear international multilateral export control regime. I stated to him that "I think that we have reached a critical moment for our Nation's ability to conduct an international regime to deal with threats of proliferation and terrorism in the 1990's." On January 10, 1994, I, along with Senators MACK, RIEGLE, and SASSER, again wrote to the President on the same issue. After endless delays, I received a response from President Clinton which did not answer the tough questions but stated that he would have the State Department respond to me in detail. I am still waiting for this response.

While the President committed to continue to pursue an "effective multilateral regime that includes prior information exchange among members when needed to ensure that sensitive goods can be prevented from reaching dangerous destinations," I remain immediately concerned about the specific progress that has or has not been made in achieving commitments from our allies to establish an effective international multilateral control regime by March 31, 1994.

The President should persuade allies of the United States to promote mutual security interests by preventing rogue regimes from obtaining militarily critical products and technologies. Without such an agreement, the President risks the national security interests of the United States and subjects the U.S. export community to inevitable unilateral export controls putting them at a competitive disadvantage worldwide.

The administration must not repeat the mistakes of its recent past in allowing other nations to decide what is best for the United States. If we allow this to happen again we will place our Nation and our people at risk.

Mr. RIEGLE. Mr. President, I rise today in support of a sense-of-the-Senate resolution urging the United States to pursue a policy that would attempt to achieve multilateral cooperation on stemming the flow of militarily critical products and technology to rogue regimes. Such a policy is important to promoting the security interests of the United States and our allies.

For over 40 years we cooperated with our allies under the auspices of COCOM, the Coordinating Committee on Multilateral Controls, in controlling exports of certain strategic items and technology to the former Soviet Union and other Communist countries. For over 40 years this cooperation worked well in slowing down the acquisition by our adversaries of dual use goods and technologies that could have helped them militarily.

But times have changed, and COCOM will cease to exist on March 31. However, this does not mean that cooperation with our allies on expert controls must cease. We have an opportunity to use the experience of our past cooperation to focus on the threat of the future—the proliferation of militarily critical items to rogue regimes in volatile areas such as Southeast Asia and the Middle East. The United States has realized these threats for many years, but we alone cannot stem the proliferation of these items.

I do not want this country to stand by, only to find out when it's too late, that exports from COCOM countries have helped North Korea, Iran, Iraq, Libya, and other rogue regimes to develop the capacity to make chemical, biological, and nuclear weapons and the means to deliver them. It is in the interest of this country, as well as our allies, to prevent such regimes from obtaining military critical products and technologies. We and our allies should use the goodwill and experience of our past cooperation to prevent future proliferation problems.

It is critical that the United States work to achieve a clearly defined and enforceable agreement with our allies that establishes a multilateral export control system preventing the export of militarily critical products and technologies to rogue regimes that would jeopardize our security and that of our allies as well.

AMENDMENTS SUBMITTED

NATIONAL COMPETITIVENESS ACT

SIMON AMENDMENT NO. 1498

(Ordered to lie on the table.)

Mr. SIMON submitted an amendment intended to be proposed by him to the bill (S. 4) to promote the industrial competitiveness and economic growth of the United States by strengthening and expanding the civilian technology programs of the Department of Commerce, amending the Stevenson-Wydler Technology Innovation Act of 1980 to enhance the development and nationwide deployment of manufacturing technologies, and authorizing appropriations for the Technology Administration of the Department of Commerce, including the National Institute of Standards and Technology, and for other purposes; as follows:

At the end of the bill, insert the following new title:

TITLE —PRIVACY PROTECTION COMMISSION

SECTION __01. SHORT TITLE.

This title may be cited as the "Privacy Protection Act of 1994".

SEC. __02. FINDINGS AND PURPOSE.

The Congress finds that—

(1) we live in an age of ever-increasing dependence on electronic data storage, communications, and usage;

(2) vast quantities of data are stored electronically and may be instantly transferred electronically from 1 party to another for business or for other purposes;

(3) the nature of such data allows for the increasing possibility that an individual's privacy rights may be violated;

(4) the technology is growing so rapidly that broader societal consequences may not have been reviewed or studied nor is it clear how the use of such technology will affect existing data systems and their use; and

(5) a United States Privacy Protection Commission should be established to—

(A) ensure that privacy rights of United States citizens in regard to electronic data and fair information practices and principles are not abused or violated;

(B) provide advisory guidance to the public and private sector on matters related to electronic data storage, communication, and usage;

(C) provide the public with a central agency for information and guidance on privacy protections and fair information practices and principles;

(D) oversee Federal agencies' implementation of section 552a of title 5, United States Code; and

(E) promote and encourage the adoption of fair information practices and principles in the public and private sector, which should include—

(i) the principle of openness, which provides that the existence of recordkeeping systems and databanks containing information about individuals be publicly known, along with a description of main purpose and uses of the data;

(ii) the principle of individual participation, which provides that each individual should have the right to see any data about him or herself and to correct any data that is not timely, accurate, or complete;

(iii) the principle of data quality, which provides that personal data should be relevant to the purposes for which they are to be used, and data should be timely, accurate, and complete;

(iv) the principle of collection limitation, which provides that there should be limits to the collection of personal data, that data should be collected by lawful and fair means, and that data should be collected, where appropriate, with the knowledge and consent of the subject;

(v) the principle of use limitation, which provides that there are limits to the use of personal data and that data should be used only for purposes specified at the time of collection;

(vi) the principle of disclosure limitation, which provides that personal data should not

be communicated externally without the consent of the data subject or other legal authority;

(vii) the principle of security, which provides that personal data should be protected by reasonable security safeguards against such risks as loss, unauthorized access, destruction, use, modification, or disclosure; and

(viii) the principle of accountability, which provides that recordkeepers should be accountable for complying with fair information practices and principles.

SEC. ___03. ESTABLISHMENT OF PRIVACY PROTECTION COMMISSION.

There is established the Privacy Protection Commission (referred to in this title as the "Commission").

SEC. ___04. PRIVACY PROTECTION COMMISSION.

(a) MEMBERSHIP.—(1) The Commission shall be composed of 3 members who shall be appointed by the President, by and with the advice and consent of the Senate, from among members of the public at large who are qualified for service on the Commission by their knowledge and expertise in—

(A) civil rights and liberties;

(B) law;

(C) social sciences;

(D) computer technology;

(E) business; or

(F) State and local government.

(2) Not more than 2 members of the Commission shall be members of the same political party.

(3) The President shall designate 1 of the members as Chairperson of the Commission.

(b) MEETINGS.—The Chairperson shall preside at all meetings of the Commission, but the Chairperson may designate another member as an acting Chairperson who may preside in the absence of the Chairperson. A quorum for the transaction of business shall consist of at least 2 members present, except that 1 member may conduct hearings and take testimony if authorized by the Commission. Each member of the Commission, including the Chairperson, shall have equal responsibility and authority in all decisions and actions of the Commission, and shall have full access to all information relating to performance of the duties or responsibilities of the Commission, and shall have 1 vote. Action of the Commission shall be determined by a majority vote of the members. The Chairperson or acting Chairperson shall see to the faithful execution of the policies and decisions of the Commission and shall report thereon to the Commission from time to time or as the Commission may direct.

(c) TERMS.—(1) A member of the Commission shall serve for a term of 7 years, except that of members first appointed to the Commission—

(A) the member designated as Chairperson by the President shall be appointed for a term of 7 years;

(B) 1 member shall be appointed for a term of 5 years;

(C) 1 member shall be appointed for a term of 3 years; and

(D) all such terms shall begin on—

(i) January 1, next following the date of the enactment of this title; or

(ii) such date as designated by the President.

(2) A member may continue to serve until a successor is confirmed.

(3) Members shall be eligible for reappointment for a single additional term.

(d) VACANCIES.—(1) Vacancies in the membership of the Commission shall be filled in the same manner in which the original appointment was made.

(2) If there are two or more Commission members in office, vacancies in the membership of the Commission shall not impair the power of the Commission to execute functions and powers of the Commission.

(e) COMPENSATION AND RESTRICTION ON OTHER EMPLOYMENT.—(1) The members of the Commission may not engage in any other employment during their tenure as members of the Commission.

(2) Section 5315 of title 5, United States Code, is amended by adding at the end the following new item:

"Members of Privacy Protection Commission (5).".

(f) REQUESTS AND RECOMMENDATIONS.—(1) Whenever the Commission submits a budget estimate or request to the President or the Office of Management and Budget, it shall concurrently transmit a copy of that request to Congress.

(2) Whenever the Commission submits a legislative recommendation, testimony, or comment on legislation to the President or Office of Management and Budget, it shall concurrently transmit a copy of such recommendation, testimony, or comment to the Congress. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendation, testimony, or comment on legislation, to any officer or agency of the United States for approval, comment, or review, prior to the submission of such recommendation, testimony, or comment to the Congress.

(g) SEAL.—The Commission shall have an official seal which shall be judicially noted.

SEC. ___05. PERSONNEL OF THE COMMISSION.

(a) EXECUTIVE DIRECTOR AND GENERAL COUNSEL.—The Commission shall appoint an Executive Director and a General Counsel who shall perform such duties as the Commission determines necessary and appropriate. Such appointment may be made without regard to the provisions of title 5, United States Code. The Executive Director and the General Counsel shall be compensated at a rate not in excess of the rate payable for a position under level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) LIMITATION ON EMPLOYEES.—The Commission is authorized to appoint and fix the compensation of not more than 25 officers and employees (or the full-time equivalent), and to prescribe their functions and duties.

(c) CONSULTANTS.—The Commission may obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.

(d) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

SEC. ___06. FUNCTIONS OF THE COMMISSION.

(a) IN GENERAL.—The Commission shall—

(1) provide leadership and coordination to the efforts of all Federal departments and agencies to enforce all Federal statutes, Executive orders, regulations, and policies that involve privacy or data protection;

(2) maximize effort, promote efficiency, and eliminate conflict, competition, duplication, and inconsistency among the operations, functions, and jurisdictions of Federal departments and agencies responsible for privacy or data protection, data protection rights and standards, and fair information practices and principles;

(3) develop model standards, guidelines, regulations, policies, and routine uses for and by Federal, State, and local agencies in implementing the provisions of section 552a of title 5, United States Code;

(4) publish on a regular basis a guide to sections 552 and 552a of title 5, United States Code, and other laws relating to data protection, for use by record subjects;

(5) publish a compilation of agency system of records notices, including an index and other finding aids;

(6) not later than December 1, 1996, make recommendations to Congress regarding any possible amendments to section 552a of title 5, United States Code, and for improving the coordination between such section and section 552 of such title;

(7) provide active leadership, guidance, education, and appropriate assistance to private sector businesses, organizations, groups, institutions, and individuals regarding privacy, data protection rights and standards, and fair information practices and principles;

(8) develop model privacy, data protection, and fair information practices, principles, standards, guidelines, policies, and routine uses for use by State and local governments and by the private sector; and

(9) upon written request, provide appropriate assistance in implementing privacy, data protection, and fair information practices, principles, standards, guidelines, policies, or routine uses of privacy and data protection, and fair information.

(b) DISCRETIONARY FUNCTIONS.—The Commission may—

(1) issue advisory opinions relating to section 552a of title 5, United States Code, or privacy and data protection practices, principles, standards, guidelines, policies, or routine uses of data at the request of a Federal agency, a data integrity Commission of an agency or business, a court, the Congress, a business, or an individual;

(2) investigate compliance with section 552a of title 5, United States Code, and report on violations of such section to the appropriate agency, the President, the Attorney General, and the Congress;

(3) file comments with the Office of Management and Budget and with the appropriate agency on each proposal to—

(A) amend section 552a of title 5, United States Code, or a regulation promulgated under such section;

(B) create or modify a system of records; or

(C) establish or alter routine uses of such a system;

(4) request an agency to stay—

(A) the establishment or revision of a system of records;

(B) a routine use;

(C) an exemption; or

(D) any other regulation promulgated under section 552a of title 5, United States Code;

(5) review Federal, State, and local laws, Executive orders, regulations, directives, and judicial decisions and report on the extent to which they are consistent with privacy and data protection rights, and fair information practices and principles;

(6) at the request of a Federal, State, or local government agency, a private business, or an individual, provide assistance on matters relating to privacy or data protection;

(7) comment on the implications for privacy or data protection of proposed Federal,

State, or local statutes, regulations, or procedures;

(8) propose legislation on privacy or data protection;

(9) accept and investigate complaints about violation of privacy or data protection rights, and fair information practices and principles;

(10) participate in each formal or informal Federal administrative proceeding or process when, in the judgment of the Commission, the action being considered would have a material effect on privacy or data protection, either as a result of direct Government action or as the result of direct Government regulation of others;

(11) petition a Federal agency to take action on a matter affecting privacy or data protection;

(12) conduct, assist, or support research, studies, and investigations on the collection, maintenance, use, or dissemination of personal information, the implications for privacy or data protection of computer, communications, and other technologies, and any other matter relating to privacy or data protection;

(13) assist in the development or implementation of policies designed to provide for the protection of personal information maintained by private sector recordkeepers;

(14) assist United States companies doing business abroad to respond to foreign privacy or data protection laws and agencies;

(15) assist in the coordination of the United States privacy and data protection policies with the privacy and data protection policies of foreign countries; and

(16) cooperate and consult with privacy or data protection commissions, boards, or agencies of foreign governments.

SEC. ___07. CONFIDENTIALITY OF INFORMATION.

(a) IN GENERAL.—Each department, agency, and instrumentality of the executive branch of the Government, including each independent agency, shall furnish to the Commission upon request made by the Chairperson, such data, reports, and other information as the Commission determines necessary to carry out its functions under this title.

(b) CONFIDENTIALITY.—In carrying out its functions and exercising its powers under this title, the Commission may accept from any Federal agency or other person, any identifiable personal data if such data is necessary to carry out such powers and functions. In any case in which the Commission accepts any such information, it shall provide all appropriate safeguards to ensure that the confidentiality of such information is maintained and that under completion of the specific purpose for which such information is required, the information is destroyed or returned to the agency or person from which it was obtained.

SEC. ___08. POWERS OF THE COMMISSION.

(a) IN GENERAL.—The Commission may, in carrying out its functions under this title—

(1) conduct inspections;

(2) sit and act at such times and places as it determines necessary;

(3) hold hearings;

(4) take testimony;

(5) require by subpoena the attendance of witnesses and the production of books, records, papers, correspondence, documents, film, and electronic information;

(6) administer oaths; and

(7) make appropriate and necessary expenditures.

(b) SUBPOENAS.—(1) Subpoenas shall be issued only upon an affirmative vote of a majority of all members of the Commission. Subpoenas shall be issued under the signature of the Chairperson or any member of the Commission designated by the Chairperson. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission.

(2) In the case of a disobedience to a subpoena issued under this title, the Commission may invoke the aid of any district court of the United States in requiring compliance with such subpoena. Any district court of the United States within the jurisdiction where such person is found or transacts business may, in the case of contumacy or refusal to obey a subpoena issued by the Commission, issue an order requiring such person to appear and testify, to produce such books, records, papers, correspondence, documents, films, and electronic information. Any failure to obey the order of the court shall be punished by the court as a contempt of such court.

(c) APPEARANCES.—Appearances by the Commission in judicial and administrative proceedings shall be in its own name.

(d) DELEGATION.—The Commission may delegate any of its functions to such officers and employees of the Commission as the Commission may designate and may authorize such successive redelegations of such functions as it may determine desirable.

(e) ADMINISTRATIVE POWERS.—To carry out this title, the Commission may—

(1) enter into contracts or other arrangements with any State or local government, any agency or department of the United States, or with any individual, firm, association, or corporation; and

(2) establish advisory committees in accordance with the Federal Advisory Committee Act (5 U.S.C. App.).

SEC. ___09. REPORTS AND INFORMATION.

In an annual report to the President and Congress, the Commission shall report on its activities in carrying out the provisions of this title. The Commission shall undertake whatever efforts it may determine to be necessary or appropriate to inform and educate the public of data protection, privacy, and fair information rights and responsibilities.

SEC. ___10. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this title.

HATCH AMENDMENT NO. 1499

(Ordered to lie on the table.)

Mr. HATCH submitted an amendment intended to be proposed by him to the bill S. 4, supra; as follows:

On page 54, line 24, strike "and".

On page 55, line 6, strike the period and insert "; and".

On page 55, between lines 6 and 7, insert the following:

"(D) the degree to which Federal programs and policies are impeding technology innovation in the United States, how the policies compel industries to relocate overseas, and recommendations on what steps the Federal Government can take to maintain the global competitiveness of the United States.

GREGG AMENDMENT NO. 1500

(Ordered to lie on the table.)

Mr. GREGG submitted an amendment intended to be proposed by him to the bill S. 4, supra; as follows:

On page 59, line 10, after the period, insert the following: "There has been a critical failure to achieve commercial benefits from much of the basic research that is performed by universities, government laboratories, and other nonprofit organizations.".

On page 59, line 19, after the period, insert the following: "There is a critical need for a program to bridge the funding gap from basic research funded by the Federal Government or nonprofit organizations to the stage at which private companies and venture capitalists are willing to risk their own funds on the refinements necessary to bring technology to the market.".

On page 60, line 17, insert ", nonprofit research institutions," after "capital to eligible technology firms".

On page 60, line 17, before the "—", insert the following: "with each other and with nonprofit research institutions".

On page 64, line 18, before the semicolon, insert the following: ", including the development and early stage commercialization of basic research conducted with Federal financing or through other nonprofit sources".

On page 64, line 23, strike "and".

On page 65, line 5, strike the period and insert "; and".

On page 65, between lines 5 and 6, insert the following:

(5) have senior personnel who—

(A) have substantial experience in technology commercialization, line responsibility in technology-based businesses, and product development;

(B) are able to provide management support during the development process;

(C) have close access to recognized academic technology research, technology businesses, and entities with financial and investment capabilities;

(D) are able to provide grant support and oversight at State and local levels; and

(E) in cases involving technology transfer, have substantial experience in facilitating technology transfer from nonprofit institutions, Federal laboratories, and Federal agencies to high technology companies.

BROWN AMENDMENT NO. 1501

(Ordered to lie on the table.)

Mr. BROWN proposed an amendment to the bill S. 4, supra; as follows:

At the end of the committee substitute as modified, insert the following new section:

SEC. . SPENDING AUTHORIZATION.

Notwithstanding any provision of law, including any provision of this Act, the total amount of appropriations authorized by this Act shall not exceed $1,800,000,000.

BURNS AMENDMENT NO. 1502

(Ordered to lie on the table.)

Mr. BURNS submitted an amendment intended to be proposed by him to the bill S. 4, supra; as follows:

At the end of the committee substitute as modified, insert the following new section:

SEC. . SPENDING AUTHORIZATION.

Notwithstanding any provision of law, including any provision of this Act, the total amount of appropriations authorized by this Act shall not exceed $1,930,000,000.

HATCH AMENDMENT NO. 1503

(Ordered to lie on the table.)

Mr. HATCH submitted an amendment intended to be proposed by him to the bill S. 4, supra; as follows:

At the appropriate place, add the following new subsection:

(f) ANNUAL REPORT OF REGULATORY COSTS.—

(1) PREPARATION.—The Director of the Office of Management and Budget shall prepare an annual report on the cost of Federal regulations, as described in paragraph (2).

(2) CONTENTS.—The report on the cost of Federal regulations required by paragraph (1) shall include the following:

(A) a detailed estimate of the direct costs that are incurred by individuals, consumers, businesses and other private-sector entities, and State and local governments in complying with regulations that are imposed by each Department or agency of the Federal Government, broken out by major program.

(B) A detailed estimate of the effects of Federal regulations on the economy, including—

(i) business startups;

(ii) employment, including job creation, compensation, and employment of foreign nationals by United States firms;

(iii) international trade and competitiveness of United States goods;

(iv) research and development;

(v) State and local governments, including effects on State and local taxation, State and local spending priorities, and levels of Federal reimbursement for direct and indirect State and local regulatory compliance costs; and

(vi) direct Federal spending on enforcement of regulations.

(C) An analysis of the cumulative loss to the Gross Domestic Product caused by Federal regulations, beginning with the calendar year 1977, or earlier, if practicable, an of the projected loss to the Gross Domestic Product caused by Federal regulations for the ten years following the year in which each report is submitted;

(D) An estimate of the inflationary impact on consumers caused by Federal regulation, including a discussion of the additional cost paid by the average consumer for automobiles, food, utilities, housing, and major appliances; and

(E) A discussion of the economic benefits to consumers and the Gross Domestic Product of Federal regulations.

(3) REPORT TO BE PUBLISHED. The report on the cost of Federal regulations required by paragraph (1) shall be published and made available to the public at a reasonable cost, and shall be submitted to the Congress in conjunction with the annual submission of the proposed Budget for the Federal Government and to each Member of Congress and to each Federal Department and agency.

On page 10, line 10, delete "(f)" and insert in lieu thereof "(g)".

GRAMM AMENDMENTS NOS. 1504–1505

(Ordered to lie on the table.)

Mr. GRAMM submitted two amendments intended to be proposed by him to the bill S. 4, supra; as follows:

AMENDMENT NO. 1504

At the appropriate place, insert the following:

SEC. . REDUCTION OF FEDERAL FULL-TIME EQUIVALENT POSITIONS.

(a) DEFINITION.—For purposes of this section, the term "agency" means an Executive agency as defined under section 105 of title 5, United States Code, but does not include the General Accounting Office.

(b) LIMITATIONS ON FULL-TIME EQUIVALENT POSITIONS.—The President, through the Office of Management and Budget (in consultation with the Office of Personnel Management), shall ensure that the total number of full time equivalent positions in all agencies shall not exceed—

(1) 2,084,600 during fiscal year 1994;

(2) 2,043,300 during fiscal year 1995;

(3) 2,003,300 during fiscal year 1996;

(4) 1,963,300 during fiscal year 1997; and

(5) 1,922,300 during fiscal year 1998.

(c) MONITORING AND NOTIFICATION.—The Office of Management and Budget, after consultation with the Office of Personnel Management, shall—

(1) continuously monitor all agencies and make a determination on the first date of each quarter of each applicable fiscal year of whether the requirements under subsection (b) are met; and

(2) notify the President and the Congress on the first date of each quarter of each applicable fiscal year of any determination that any requirement of subsection (b) is not met.

(d) COMPLIANCE.—If at any time during a fiscal year, the Office of Management and Budget notifies the President and the Congress that any requirement under subsection (b) is not met, no agency may hire any employee for any position in such agency until the Office of Management and Budget notifies the President and the Congress that the total number of full-time equivalent positions for all agencies equals or is less than the applicable number required under subsection (b).

(e) WAIVER.—Any provision of this section may be waived upon—

(1) a determination by the President of the existence of war or a national security requirement; or

(2) the enactment of a joint resolution upon an affirmative vote of three-fifths of the Members of each House of the Congress duly chosen and sworn.

SEC. . CREATION OF VIOLENT CRIME REDUCTION TRUST FUND.

(a) ESTABLISHMENT OF THE ACCOUNT.—

§ . Violent crime reduction trust fund

"There is established a separate account in the Treasury, known as the 'Violent Crime Reduction Trust Fund', into which shall be deposited deficit reduction (as defined in subsection (b) of this section) achieved by the preceeding section.

"(b) On the first day of the following fiscal years (or as soon thereafter as possible for fiscal year 1994), the following amounts shall be transferred from the general fund to the Violent Crime Reduction Trust Fund—

"(1) for fiscal year 1994, $720,000,000;

"(2) for fiscal year 1995, $2,243,000,000;

"(3) for fiscal year 1996, $4,267,000,000;

"(4) for fiscal year 1997, $6,313,000,000; and

"(5) for fiscal year 1998, $8,545,000,000.

"(c) Notwithstanding any other provision of law—

"(1) the amounts in the Violent Crime Reduction Trust Fund may be appropriated exclusively for the purposes authorized in the Violent Crime Control and Law Enforcement Act of 1993;

"(2) the amounts in the Violent Crime Reduction Trust Fund and appropriations under paragraph (1) of this section shall be excluded from, and shall not be taken into account for purposes of, any budget enforcement procedures under the Congressional Budget Act of 1974 or the Balanced Budget and Emergency Deficit Control Act of 1985; and

"(3) for purposes of this subsection, 'appropriations under paragraph (1)' mean amounts of budget authority not to exceed the balances of the Violent Crime Reduction Trust Fund and amounts of outlays that flow from budget authority actually appropriated.".

(b) LISTING OF THE VIOLENT CRIME REDUCTION TRUST FUND AMONG GOVERNMENT TRUST FUNDS.—Section 1321(a) of title 31, United States Code, is amended by inserting at the end thereof the following new paragraph:

"(91) Violent Crime Reduction Trust Fund.".

(c) REQUIREMENT FOR THE PRESIDENT TO REPORT ANNUALLY ON THE STATUS OF THE ACCOUNT.—Section 1105(a) of title 31, United States Code, is amended by adding at the end thereof:

"(29) information about the Violent Crime Reduction Trust Fund, including a separate statement of amounts in that Trust Fund.

"(30) an analysis displaying by agency proposed reductions in full-time equivalent positions compared to the current year's level in order to comply with section 1352 of the Violent Crime Control and Law Enforcement Act of 1993.".

SEC. . CONFORMING REDUCTION IN DISCRETIONARY SPENDING LIMITS.

The Director of the Office of Management and Budget shall, upon enactment of this Act, reduce the discretionary spending limits set forth in section 601(a)(2) of the Congressional Budget Act of 1974 for fiscal years 1994 through 1998 as follows:

(1) for fiscal year 1994, for the discretionary category: $720,000,000 in new budget authority and $314,000,000 in outlays;

(2) for fiscal year 1995, for the discretionary category: $2,423,000,000 in new budget authority and $2,330,000,000 in outlays;

(3) for fiscal year 1996, for the discretionary category: $4,267,000,000 in new budget authority and $4,184,000,000 in outlays;

(4) for fiscal year 1997, for the discretionary category: $6,313,000,000 in new budget authority and $6,221,000,000 in outlays; and

(5) for fiscal year 1998, for the discretionary category: $8,545,000,000 in new budget authority and $8,443,000,000 in outlays.

AMENDMENT NO. 1505

At the appropriate place, insert the following:

SEC. . REDUCTION OF FEDERAL FULL-TIME EQUIVALENT POSITIONS.

(a) DEFINITION.—For purposes of this section, the term "agency" means an Executive agency as defined under section 105 of title 5, United States Code, but does not include the General Accounting Office.

(b) LIMITATIONS ON FULL-TIME EQUIVALENT POSITIONS.—The President, through the Office of Management and Budget (in consultation with the Office of Personnel Management), shall ensure that the total number of full-time equivalent positions in all agencies shall not exceed—

(1) 2,095,182 during fiscal year 1994;

(2) 2,044,100 during fiscal year 1995;

(3) 2,003,846 during fiscal year 1996;

(4) 1,963,593 during fiscal year 1997; and

(5) 1,923,339 during fiscal year 1998.

(c) MONITORING AND NOTIFICATION.—The Office of Management and Budget, after consultation with the Office of Personnel Management, shall—

(1) continuously monitor all agencies and make a determination on the first date of each quarter of each applicable fiscal year of whether the requirements under subsection (b) are met; and

(2) notify the President and the Congress on the first date of each quarter of each applicable fiscal year of any determination that any requirement of subsection (b) is not met.

(d) COMPLIANCE.—If at any time during a fiscal year, the Office of Management and Budget notifies the President and the Congress that any requirement under subsection (b) is not met, no agency may hire any employee for any position in such agency until the Office of Management and Budget notifies the President and the Congress that the total number of full-time equivalent positions for all agencies equals or is less than the applicable number required under subsection (b).

(e) WAIVER.—Any provision of this section may be waived upon—

(1) a determination by the President of the existence of war or a national security requirement; or

(2) the enactment of a joint resolution upon an affirmative vote of three-fifths of the Members of each House of the Congress duly chosen and sworn.

SEC. . CREATION OF VIOLENT CRIME REDUCTION TRUST FUND.

(a) ESTABLISHMENT OF THE ACCOUNT.—

§ . Violent crime reduction trust fund

"There is established a separate account in the Treasury, known as the 'Violent Crime Reduction Trust Fund', into which shall be deposited deficit reduction (as defined in subsection (b) of this section) achieved by the preceding section.

"(b) On the first day of the following fiscal years (or as soon thereafter as possible for fiscal year 1994), the following amounts shall be transferred from the general fund to the Violent Crime Reduction Trust Fund—

"(1) for fiscal year 1994, $720,000,000;

"(2) for fiscal year 1995, $2,423,000,000;

"(3) for fiscal year 1996, $4,267,000,000;

"(4) for fiscal year 1997, $6,313,000,000; and

"(5) for fiscal year 1998, $8,545,000,000.

"(c) Notwithstanding any other provision of law—

"(1) the amounts in the Violent Crime Reduction Trust Fund may be appropriated exclusively for the purposes authorized in the Violent Crime Control and Law Enforcement Act of 1993;

"(2) the amounts in the Violent Crime Reduction Trust Fund and appropriations under paragraph (1) of this section shall be excluded from, and shall not be taken into account for purposes of, any budget enforcement procedures under the Congressional Budget Act of 1974 or the Balanced Budget and Emergency Deficit Control Act of 1985; and

"(3) for purposes of this subsection, 'appropriations under paragraph (1)' mean amounts of budget authority not to exceed the balances of the Violent Crime Reduction Trust Fund and amounts of outlays that flow from budget authority actually appropriated.".

(b) LISTING OF THE VIOLENT CRIME REDUCTION TRUST FUND AMONG GOVERNMENT TRUST FUNDS.—Section 1321(a) of title 31, United States Code, is amended by inserting at the end thereof the following new paragraph:

"(91) Violent Crime Reduction Trust Fund.".

(c) REQUIREMENT FOR THE PRESIDENT TO REPORT ANNUALLY OF THE STATUS OF THE ACCOUNTS.—Section 1105(a) of title 31, United States Code, is amended by adding at the end thereof:

"(29) information about the Violent Crime Reduction Trust Fund, including a separate statement of amounts in that Trust Fund.

"(30) an analysis displaying by agency proposed reductions in full-time equivalent positions compared to the current year's level in order to comply with section 1352 of the Violent Crime Control and Law Enforcement Act of 1993.".

SEC. . CONFORMING REDUCTION IN DISCRETIONARY SPENDING LIMITS.

The Director of the Office of Management and Budget shall, upon enactment of this Act, reduce the discretionary spending limits set forth in section 601(a)(2) of the Congressional Budget Act of 1974 for fiscal years 1994 through 1998 as follows:

(1) for fiscal year 1994, for the discretionary category: $720,000,000 in new budget authority and $314,000,000 in outlays;

(2) for fiscal year 1995, for the discretionary category: $2,423,000,000 in new budget authority and $2,330,000,000 in outlays;

(3) for fiscal year 1996, for the discretionary category: $4,267,000,000 in new budget authority and $4,184,000,000 in outlays;

(4) for fiscal year 1997, for the discretionary category: $6,313,000,000 in new budget authority and $6,221,000,000 in outlays; and

(5) for fiscal year 1998, for the discretionary category: $8,545,000,000 in new budget authority and $8,443,000,000 in outlays.".

HELMS AMENDMENTS NOS. 1506–1510

(Ordered to lie on the table.)

Mr. HELMS submitted five amendments intended to be proposed by him to the bill S. 4, supra; as follows:

AMENDMENT NO. 1506

At the end of the committee substitute as modified, insert the following new section.

SEC. . SPENDING AUTHORIZATION.

Notwithstanding any provision of law, including any provision of this Act, the total amount of appropriations authorized by this Act shall not exceed $2,700,000,000.

AMENDMENT NO. 1507

At the end of the committee substitute as modified, insert the following new section.

SEC. . SPENDING AUTHORIZATION.

Notwithstanding any provision of law, including any provision of this Act, the total amount of appropriations authorized by this Act shall not exceed $2,300,000,000.

AMENDMENT NO. 1508

At the end of the committee substitute as modified, insert the following new section.

SEC. . SPENDING AUTHORIZATION.

Notwithstanding any provision of law, including any provision of this Act, the total amount of appropriations authorized by this Act shall not exceed $2,000,000,000.

AMENDMENT NO. 1509

At the end, insert the following new section:

SEC. . APPORTIONMENT OF GRANTS.

Notwithstanding any other provision of law, the aggregate amount of grants awarded to any State during a fiscal year, including public and private entities within the State, shall not exceed 12 percent of the total amount of grants made available under this Act during that fiscal year.

AMENDMENT NO. 1510

At the end of the committee substitute as modified, insert the following new section.

SEC. . SPENDING AUTHORIZATION.

Notwithstanding any provision of law, including any provision of this Act, the total amount of appropriations authorized by this Act shall not exceed $1,800,000,000.

WOFFORD (AND OTHERS) AMENDMENT NO. 1511

(Ordered to lie on the table.)

Mr. WOFFORD (for himself, Mr. KERRY, and Mr. KENNEDY) submitted an amendment intended to be proposed by them to the bill S. 4, supra; as follows:

At the appropriate place in the bill insert the following new title:

TITLE —WORKERS TECHNOLOGY SKILL DEVELOPMENT

SEC. ___01. SHORT TITLE.

This title may be cited as the "Workers Technology Skill Development Act".

SEC. ___02. FINDINGS.

Congress finds and declares the following:

(1) In an increasingly competitive world economy, the companies and nations that lead in the rapid development, commercialization, and application of new and advanced technologies, and in the high-quality, competitively priced production of goods and services, will lead in economic growth, employment, and high living standards.

(2) While the United States remains the world leader in science and invention, it has not done well in rapidly making the transition from achievement in its research laboratories to high-quality, competitively priced production of goods and services. This lag and the unprecedented competitive challenge that the United States has faced from abroad have contributed to a drop in real wages and living standards.

(3) Companies that are successfully competitive in the rapid development, commercialization, application, and implementation of advanced technologies, and in the successful delivery of goods and services, recognize that worker participation and labor-management cooperation in the deployment, application, and implementation of advanced workplace technologies make an important contribution to high-quality, competitively priced production of goods and services and in maintaining and improving real wages for workers.

(4) The Federal Government has an important role in encouraging and augmenting private sector efforts relating to the development, application, manufacture, and deployment of new and advanced technologies. The role should be to—

(A) work with private companies, States, worker organizations, nonprofit organizations, and institutions of higher education to ensure the development, application, production, and implementation of new and advanced technologies to promote the improvement of workers' skills, wages, job security, and working conditions, and a healthy environment;

(B) encourage worker and worker organization participation in the development, commercialization, evaluation, selection, appli-

cation, and implementation of new and advanced technologies in the workplace; and

(C) promote the use and integration of new and advanced technologies in the workplace that enhance workers' skills.

(5) In working with the private sector to promote the technological leadership and economic growth of the United States, the Federal Government has a responsibility to ensure that Federal technology programs help the United States to remain competitive and to maintain and improve living standards and to create and retain secure jobs in economically stable communities.

SEC. ___03. PURPOSES.

The purposes of this title are to—

(1) improve the ability of workers and worker organizations to recognize, develop, assess, and improve strategies for successfully integrating workers and worker organizations into the process of evaluating, selecting, and implementing advanced workplace technologies, and advanced workplace practices in a manner that creates and maintains stable well-paying jobs for workers; and

(2) assist workers and worker organizations in developing the expertise necessary for effective participation with employers in the development of strategies and programs for the successful evaluation, selection, and implementation of advanced workplace technologies and advanced workplace practices through the provision of a range of education, training, and related services.

SEC. ___04. DEFINITIONS.

As used in this title:

(1) ADVANCED WORKPLACE PRACTICES.—The term "advanced workplace practices" means innovations in work organization and performance, including high-performance workplace systems, flexible production techniques, quality programs, continuous improvement, concurrent engineering, close relationships between suppliers and customers, widely diffused decisionmaking and work teams, and effective integration of production technology, worker skills and training, and workplace organization, and such other characteristics as determined appropriate by the Secretary of Labor, in consultation with the Secretary of Commerce.

(2) ADVANCED WORKPLACE TECHNOLOGIES.—The term "advanced workplace technologies" includes—

(A) numerically controlled machine tools, robots, automated process control equipment, computerized flexible manufacturing systems, associated computer software, and other technology for improving the manufacturing and industrial production of goods and commercial services, which advance the state-of-the-art; or

(B) novel industrial and commercial techniques and processes not previously generally available that improve quality, productivity, and practices, including engineering design, quality assurance, concurrent engineering, continuous process production technology, inventory management, upgraded worker skills, communications with customers and suppliers, and promotion of sustainable economic growth.

(3) DEPARTMENT.—The term "Department" means the Department of Labor.

(4) NONPROFIT ORGANIZATION.—The term "nonprofit organization" means a tax-exempt organization, as described in paragraph (3), (4), or (5) of section 501(c) of the Internal Revenue Code of 1986.

(5) SECRETARY.—The term "Secretary" means the Secretary of Labor.

(6) WORKER ORGANIZATION.—The term "worker organization" means a labor organization within the meaning of section 501(c)(5) of the Internal Revenue Code of 1986.

SEC. ___05. GRANTS.

(a) IN GENERAL.—The Secretary of Labor, after consultation with the Secretary of Commerce, shall, to the extent appropriations are available, award grants to eligible entities to carry out the purposes described in section ___03.

(b) ELIGIBILITY.—To be eligible to receive a grant under this section, an entity shall—

(1) be a nonprofit organization, or a partnership consortium of such institutions or organizations;

(2) prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including a description of the activities that the entity will carry out using amounts received under the grant; and

(3) agree to make available (directly or through donations from public or private entities) non-Federal contributions toward the costs of the activities to be conducted with grant funds, in an amount equal to the amount required under subsection (d).

(c) USE OF AMOUNTS.—An entity shall use amounts received under a grant awarded under this section to carry out the purposes described in section ___03 through activities such as—

(1) the dissemination of information to workers, worker organizations, employers, State economic development agencies, State industrial extension programs, Advanced Technology Centers, and National Manufacturing Technology Centers regarding successful practices relating to the effective deployment of advanced workplace technologies, and advanced workplace practices;

(2) the provision of technical assistance to workers, worker organizations, employers, State economic development agencies, State industrial extension programs, Advanced Technology Centers, and National Manufacturing Technology Centers to identify advanced workplace practices and strategies that enhance the effective evaluation, selection, and implementation of advanced workplace technologies;

(3) the researching and identification of new and advanced workplace technologies, and advanced workplace practices that promote the improvement of workers' skills, wages, working conditions, and job security, that research the link between advanced workplace practices and long-term corporate performance, and that are consistent with the needs of local communities and the need for a healthy environment; and

(4) the development and dissemination of training programs and materials relating to the services provided pursuant to paragraphs (1) through (3).

(d) TERMS OF GRANTS AND NON-FEDERAL SHARES.—

(1) TERMS.—Grants awarded under this section shall be for a term not to exceed 6 years.

(2) NON-FEDERAL SHARE.—Amounts required to be contributed by an entity under subsection (b)(3) shall equal—

(A) an amount equal to 15 percent of the amount provided under the grant in the first year for which the grant is awarded;

(B) an amount equal to 20 percent of the amount provided under the grant in the second year for which the grant is awarded;

(C) an amount equal to 33 percent of the amount provided under the grant in the third year for which the grant is awarded;

(D) an amount equal to 40 percent of the amount provided under the grant in the fourth year for which the grant is awarded; and

(E) an amount equal to 50 percent of the amount provided under the grant in the fifth and sixth years for which the grant is awarded.

(e) EVALUATION.—The Department shall develop mechanisms for evaluating the effectiveness of the use of a grant awarded under this section in carrying out the purposes under section ___03 and, not later than 2 years after the date of enactment of this Act, and every 2 years thereafter, prepare and submit a report to Congress concerning such evaluation.

SEC. ___06. IDENTIFICATION AND DISSEMINATION OF BEST PRACTICES.

(a) IN GENERAL.—

(1) INFORMATION.—The Secretary, in cooperation and after consultation with the Secretary of Commerce, shall assist workers, worker organizations, and employers in successfully adopting advanced workplace technologies, and advanced workplace practices by identifying, collecting, and disseminating information on best workplace practices and workplace assessment tools, including—

(A) methods, techniques, and successful models of labor-management cooperation and of worker and worker organization participation in the development, evaluation, selection, and implementation of new and advanced workplace technologies, and advanced workplace practices;

(B) methods, techniques, and successful models for the design and implementation of new and advanced workplace practices;

(C) methods, techniques, and successful models for the design and implementation of advanced forms of work organization; and

(D) methods, techniques, and successful models for the assessment of worker skills and training needs relating to the effective development, evaluation, selection, and implementation of advanced workplace technologies, and advanced workplace practices.

(2) CONTENTS.—Such information on best workplace practices shall include—

(A) summaries and analyses of best practice cases;

(B) criteria for assessment of current workplace practices; and

(C) information on the best available education and training materials and services relating to the development, implementation, and operation of systems utilizing new and advanced workplace technologies, and advanced workplace practices.

(b) DISTRIBUTION.—The information and materials developed under this section shall be distributed through an appropriate entity designated by the Secretary of Commerce to the Regional Centers for the Transfer of Manufacturing Technology, to the Manufacturing Outreach Center, to other technology training entities, and directly to others as determined appropriate by the Secretary of Labor and the Secretary of Commerce.

SEC. ___07. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this title such sums as may be necessary for each of the fiscal years 1995 through 1997.

(b) AVAILABILITY.—Amounts appropriated under subsection (a) shall remain available until expended.

DANFORTH AMENDMENTS NOS. 1512–1514

(Ordered to lie on the table.)

Mr. DANFORTH submitted three amendments intended to be proposed by him to the bill S. 4, supra; as follows:

AMENDMENT NO. 1512

On page 90, line 8, of the Committee modified substitute, strike "$475,000,000" and insert "$200,000,000," and on page 90, line 9, strike "$575,000,000" and insert "$200,000,000."

AMENDMENT NO. 1513

On page 58, line 19, of the Committee modified substitute, through page 68, line 24, strike everything.

AMENDMENT NO. 1514

(1) On page 58, line 19, of the Committee modified substitute, through page 68, line 24, strike everything.

(2) On page 90, line 8, of the Committee modified substitute, strike "$475,000,000" and insert "$200,000,000,"

(3) On page 90, line 9, strike "$575,000,000" and insert "$200,000,000."

BURNS AMENDMENT NO. 1515

(Ordered to lie on the table.)

Mr. BURNS submitted an amendment intended to be proposed by him to the bill S. 4, supra; as follows:

On page 88, line 5, strike "$11,300,000" and insert "$8,000,000".

On page 88, line 9, strike "$14,000,000" and insert "$8,800,000".

On page 89, line 3, strike "$320,000,000" and insert "$230,000,000".

On page 89, line 4, strike "$350,000,000" and insert "$255,000,000".

On page 89, line 6, strike "$1,000,000" and insert "$500,000".

On page 89, line 9, strike "$8,113,000" and insert "$4,000,000".

On page 89, line 12, strike "$5,000,000" and insert "$2,500,000".

On page 89, line 18, strike "$110,392,000" and insert "$80,000,000".

On page 89, line 19, strike "$112,000,000" and insert "$88,800,000".

On page 90, line 5, strike "$70,000,000" and insert "$40,000,000".

On page 90, line 6, strike "$100,000,000" and insert "$44,400,000".

On page 90, line 8, strike "$475,000,000" and insert "$220,000,000".

On page 90, line 9, strike "$575,000,000" and insert "$308,000,000".

On page 90, line 11, strike "$10,000,000" and insert "$7,000,000".

On page 90, line 12, strike "$10,000,000" and insert "$7,700,000".

On page 91, line 23, strike "$3,000,000" and insert "$2,000,000".

On page 92, line 17, strike "$2,000,000" and insert "$1,000,000".

On page 92, line 18, strike "$3,000,000" and insert "$1,500,000".

On page 92, line 20, strike "$2,000,000" and insert "$1,000,000".

On page 92, line 21, strike "$4,000,000" and insert "$2,000,000".

On page 92, line 23, strike "$10,000,000" and insert "$5,000,000".

On page 92, line 24, strike "$12,000,000" and insert "$6,000,000".

On page 93, line 7, strike "$50,000,000" and insert "$40,000,000".

On page 93, line 15, strike "$75,000,000" and insert "$65,000,000".

DANFORTH AMENDMENTS NO. 1516–1519

(Ordered to lie on the table.)

Mr. DANFORTH submitted four amendments intended to be proposed by him to the bill S. 4, supra; as follows:

AMENDMENT NO. 1516

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

SEC. . TECHNOLOGY FINANCING PILOT PROGRAM.

Notwithstanding any other provision of this Act, section 306 of this Act is null and void and shall have no effect.

AMENDMENT NO. 1517

In lieu of the matter proposed to be inserted, insert the following:

SEC. . SPENDING AUTHORIZATION.

(a) Notwithstanding section 502(C)(1)(B), no more than $200,000,000 may be authorized to be appropriated for the Advanced Technology Program for each of fiscal years 1995 and 1996.

(b) Notwithstanding any other provision of this Act, section 306 is null and void and shall have no effect.

AMENDMENT NO. 1518

In lieu of the matter proposed to be inserted, insert the following:

SEC. . SPENDING AUTHORIZATION.

Notwithstanding section 502(C)(1)(B), no more than $200,000,000 may be authorized to be appropriated for the Advanced Technology Program for each of fiscal years 1995 and 1996.

AMENDMENT NO. 1519

In lieu of the matter proposed to be inserted, insert the following:

SEC. . SPENDING AUTHORIZATION.

Notwithstanding any other provision of this Act, section 306 is null and void and shall have no effect.

BROWN AMENDMENT NO. 1520

(Ordered to lie on the table.)

Mr. BROWN submitted an amendment intended to be proposed by him to the bill S. 4, supra; as follows:

In lieu of the language proposed to be inserted, insert the following:

Strike line 19 on page 49, through line 21 on page 51 and insert the following:

"(B) strike paragraph (1)(B)(ii) and replace with:

participation in such joint ventures, if the Secretary, acting through the Director, determines participation to be appropriate and if the joint venture as a whole agrees to pay at least half of the total costs of such joint ventures during the participation period, which shall not extend beyond 5 years,";

(C) in paragraph (2)—

(i) by striking "and cooperative agreements" and inserting in lieu thereof "cooperative agreements, and, subject to the last sentence of this subsection, other transactions"; and

(D) by adding after paragraph (4) the following: "The authority under paragraph (1)(B) and paragraph (2) to enter into other transactions shall apply only if the Secretary, acting through the Director, determines that standard contracts, grants, or cooperative agreements are not feasible or appropriate, and only when other transaction instruments incorporate terms and conditions that reflect the use of generally accepted commercial accounting and auditing practices.";

(3) in subsection (d)(3), by striking $2,000,000; and inserting in lieu thereof "$3,000,000."

(4) by adding at the end of the following new subsection: "(1) Notwithstanding subsections (b)(1)(B)(ii) and (d)(3), the Director may grant an extension beyond the deadlines established under those subsections for joint venture and single applicant awardees to expend Federal funds to complete their projects, if such extension may be granted with no additional cost to the Federal Government.".

(b) UNITED STATES JOINT VENTURES.—(1) Section 28(d)(11)(A) of the National Institute of Standards and Technology Act (15 U.S.C. 278n(d)(11)(A)) is amended by striking the period at the end of the first sentence and inserting in lieu thereof the following: "or any other person otherwise eligible to participate in an eligible joint venture, as agreed by the parties receiving funding under any particular award, notwithstanding the requirements of section 202 (a) and (b) of title 35, United States Code."

(2) The amendments made by sections 303 (a) and (b) shall be effective only with respect to assistance for which solicitations for proposals are made after the date of enactment of this Act or October 1, 1994, whichever occurs later.

BROWN AMENDMENT NO. 1521

Mr. BROWN proposed an amendment to the bill S. 4, supra; as follows:

In lieu of the language proposal to be inserted, insert the following:

Strike line 19 on page 49, through line 21 on page 51 and insert the following:

"(B) strike paragraph (1)(B)(ii) and replace with: Participation in such joint ventures, if the Secretary, acting through the Director, determines participation to be appropriate and if the joint venture as a whole agrees to pay at least half of the total costs of such joint ventures during the participation period, which shall not extend beyond 5 years,";

(C) in paragraph (2)—(i) by striking "and cooperative agreements" and inserting in lieu thereof "cooperative agreements, and, subject to the last sentence of this subsection, other transactions"; and

(D) by adding after paragraph (4) the following: "The authority under paragraph (1)(B) and paragraph (2) to enter into other transactions shall apply only if the Secretary, acting through the Director, determines that standard contracts, grants, or cooperative agreements are not feasible or appropriate, and only when other transaction instruments incorporate terms and conditions that reflect the use of generally accepted commercial accounting and auditing practices.";

(3) in subsection (d)(3), by striking $2,000,000; and inserting in lieu thereof "$3,000,000."

(4) by adding at the end of the following new subsection: "(1) Notwithstanding subsections (b)(1)(B)(ii) and (d)(3), the Director may grant an extension beyond the deadlines established under those subsections for joint venture and single applicant awardees to expend Federal funds to complete their projects, if such extension may be granted with no additional cost to the Federal Government.".

(b) UNITED STATES JOINT VENTURES.—(1) Section 28(d)(11)(A) of the National Institute of Standards and Technology Act (15 U.S.C. 278n(d)(11)(A)) is amended by striking the period at the end of the first sentence and inserting in lieu thereof the following: "or any other person otherwise eligible to participate in an eligible joint venture, as agreed by the parties receiving funding under any particular award, notwithstanding the requirements of section 202 (a) and (b) of title 35, United States Code."

(2) The amendments made by section 303 (a) and (b) shall be effective only with respect to assistance for which solicitations for proposals are made after the date of enactment of this Act or October 1, 1994, whichever occurs later.

DANFORTH (AND OTHERS) AMENDMENT NO. 1522

Mr. DANFORTH (for himself and Mr. BURNS) proposed an amendment to the bill S. 4, supra; as follows:

(1) On page 58, line 19, of the Committee modified substitute, through page 68, line 24, strike everything.

(2) Amend the last section of the Committee modified substitute by striking "$1,900,000,000" and inserting in lieu thereof "$1,800,000,000".

NOTICE OF CANCELLATION OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES' SUBCOMMITTEE ON WATER AND POWER

Mr. BRADLEY. Mr. President, I regretfully announce for the public the postponement of a hearing scheduled before the Subcommittee on Water and Power of the Senate Committee on Energy and Natural Resources to receive testimony on water quality and quantity problems and opportunities facing the lower Colorado River area.

The hearing had been scheduled to take place Tuesday, April 26, 1994, beginning at 2:30 p.m. in room 366 of the Dirksen Senate Office Building, Washington, DC.

The hearing will be rescheduled for June 1994.

For further information, please contact Dana Sebren Cooper, counsel for the subcommittee at (202) 224-4531, or Leslie Palmer at (202) 224-6836.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Tuesday, March 15, 1994, at 2:30 p.m., in open session to receive testimony on the defense authorization request for fiscal year 1995 and the future years defense program.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Tuesday, March 15, beginning at 10 a.m. to conduct a hearing on S. 1664, the Anti-Money Laundering Act of 1994.

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

COMMITTEE ON FINANCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Finance be permitted to meet today at 10 a.m. to hear testimony on the subject of the health care subsidies and premiums.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, March 15, at 2 p.m. to conduct a closed briefing on the administration's peacekeeping policy review.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent on behalf of the Government Affairs Committee for Authority to meet on Tuesday, March 15, at 2 p.m. for a hearing on the subject: harmful nonindigenous species in the United States in SD-342 Dirksen.

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

COMMITTEE ON THE JUDICIARY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, March 15, 1994, at 10:15 a.m. to hold a hearing; S. 687, the Product Liability Fairness Act.

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

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources' Subcommittee on Children, Family, Drugs and Alcoholism be authorized to meet for a hearing on LIHEAP and community services block grant reauthorization, during the session of the Senate on March 15, 1994, at 2:30 p.m.

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

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet for a hearing on S. 1781, Black Lung Benefits Restoration Act, during the session of the Senate on March 15, 1994, at 10 a.m.

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

SUBCOMMITTEE ON MILITARY READINESS AND DEFENSE INFRASTRUCTURE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Military Readiness and Defense Infrastructure of the Committee on Armed Services be authorized to meet at 9:30 a.m. on Tuesday, March 15, 1994, in open session, to receive testimony on military readiness in review of the defense authorization request for fiscal year 1995 and the future years defense program.

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

ADDITIONAL STATEMENTS

THE NATIONAL ELECTIONS IN EL SALVADOR

• Mr. LEAHY. Mr. President, this Sunday, March 20, the people of El Salvador will go to the polls to cast their votes in a historic election. This is the first election since the end of over a decade of civil war, and it is the first real test of whether democracy is taking root in that country.

There have been past elections in El Salvador which former United States administrations certified as free and fair. But anyone who was there or who was honest about the situation in that country knew that tens of thousands of people, and possibly hundreds of thousands, did not vote because they were either too afraid or did not believe their vote would matter. I have photographs, taken by a Vermonter at the last election, of Salvadoran soldiers armed with machineguns standing next to ballot boxes. These were the same government security forces who committed the majority of human rights atrocities during the 1980's. Over 70,000 people died, so many of them civilians.

These elections are unique because for the first time the FMLN, who fought the government to a stalemate, will be fielding a slate of candidates. This by itself is remarkable, and both President Cristiani and the FMLN deserve enormous credit for this achievement.

During the months leading up to the election, there have been many problems. Most disturbing has been the resurgence in violence. While some of these murders appear to have been the result of common crime, others look suspiciously like political assassinations. A U.N. commission to investigate these crimes will not issue its report until later this summer.

Last summer it was apparent that the Salvadoran Government was not

doing its part to support the registration process. Very few people were being registered, and many were being turned away for lack of a birth certificate or other identification. The Congress responded by withholding aid, and the U.S. Agency for International Development and the United Nations have worked hard since then to deal with the problems that were preventing people from registering. I am told that if everyone who has registered goes to the polls, over 90 percent of the eligible voters will vote in this election—by far the largest turnout in history. This would be a tremendous accomplishment. As I told President Cristiani when I was in El Salvador last December, I believe it is imperative that anyone who has registered to vote and can prove his or her identity should be permitted to vote whether or not they have received a voter card. I understand this is also the position of the United States Embassy and the United Nations, as well as the Presidential candidates.

Despite these hopeful signs, there remains in El Salvador enormous distrust. Violence, intimidation, and fraud have been a fact of life for decades. Some people still believe the government will rig the election, or that the army will intimidate voters in areas sympathetic to the FMLN. Let us hope that these fears are a holdover from the past rather than a reflection of the present, and that the election will be free and fair.

It will take years for the people of El Salvador to put the war behind them. Much of the poverty and injustice that was the basis for that conflict remains. But a free and fair election is absolutely vital for peace to develop there. It will also bear enormously in our future relationship with that country. Like thousands of Vermonters and people throughout this hemisphere, I will be watching the elections in El Salvador closely. It is imperative that the administration make unequivocally clear that fraud will not be tolerated. I urge the administration and the United Nations to make every effort to ensure that adequate monitors are in place to guarantee the integrity of the vote counting process.●

FUNDRAISING GALA FOR THE ANWAR SADAT CHAIR FOR POPULATION, DEVELOPMENT, AND PEACE

● Ms. MIKULSKI. Mr. President, I want to bring to the attention of the Senate the upcoming fundraising gala for the Anwar Sadat Chair for Population, Development, and Peace. The dinner will be held on April 28, 1994, at the Grove Worldwide Lodge in Pennsylvania.

In honor of President Sadat, a chair is to be established at the University of Maryland at College Park. The world-renowned scholars selected to fill the chair will continue Sadat's mission by developing research and educational programs, and by providing recommendations for peaceful solutions in the Middle East and other troubled regions.

The leaders of this gala—Dr. J. Ramsey Farah, president of Pediatric and Adolescent Medicine, P.A.; Dr. Wilbur Renfrew McElroy, CEO of Action Products, Inc.; and Gerry Evans of Rifkin, Evans, Silver & Rozner—should be commended for their efforts to honor President Sadat. Former Secretary of State, Dr. Henry Kissinger, and Dr. Jehan Sadat, senior fellow at the University of Maryland are expected to be among those honored at the dinner.

I hope the Senate will join me in wishing the very best of success to the organizers of this event. May the scholars selected to fill the new chair at the University of Maryland continue to promote President Sadat's vision throughout the world with their knowledge and expertise.●

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DOLE. Madam President, was leaders' time reserved?

The PRESIDING OFFICER. Yes, leaders' time was reserved and any Senator can speak for up to 10 minutes.

Mr. DOLE. I thank the Chair.

(The remarks of Mr. DOLE pertaining to the introduction of S.J. Res. 172 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

MFN FOR CHINA

Mr. DOLE. Madam President, Secretary of State Christopher has just returned from Asia. The first thing he needs to do is get a handle on what the United States is agreeing to in the United Nations—once again it appears that lowest-common-denominator U.N. politics are leading the United States down the wrong foreign policy road. The Secretary ought to tell U.N. Ambassador Albright that she has the leverage to negotiate a resolution on the Middle East that does not call Jerusalem part of the occupied territories. That has been U.S. policy, and that has been endorsed by the Senate in 1990. If she cannot do it, the United States should veto the resolution.

The Asia trip did not go well. The Secretary met with his Russian counterpart in Valdivostok, after the Russians inserted themselves into the Middle East peace process. It does not look like the latest Russian foreign policy muscle flexing will do anything to put the peace process back on track.

But if the Russia stop was a problem, the China stop was worse. Secretary Christopher was, in columnists Jim Hoagland's words, "Battered in Beijing." I am not sure why the Secretary went to China, or why he went at this time. Whatever the reason, the results are clear: U.S. foreign policy credibility has taken another body blow.

This administration made detailed progress on human rights a condition for the granting of MFN to China. At the same time, this administration claims expanding American exports is a pillar of their foreign policy. The Chinese completely rebuffed Secretary Christopher on every human rights issue he raised—and they detained many dissidents on the eve of his visit. Clearly, this visit makes the administration's decision on MFN more difficult.

No doubt about it, granting MFN to China is in the American interest. And the administration has created its own box by laying out detailed conditions which were never likely to be met through public blandishments. Now, however, we have the worst of all worlds. China will hardly be inclined to work with the United States on halting North Korea's nuclear program, or on slowing exports of military equipment and technology. The human rights situation got much worse because of the Secretary's visit. What sounded good in a political campaign becomes a little more complicated when American jobs are at stake.

The administration is faced with a dilemma: Grant MFN and confirm that bullying the administration works, or deny MFN out of embarrassment and lose billions of dollars of U.S. exports and tens of thousands of U.S. jobs.

There is another way: Remove China's MFN status from the annual political theater, and use other nontrade means, to express our displeasure over the pace and scope of democratization. America cannot afford a trade policy that opens Vietnam and shuts down China.

I ask unanimous consent that Jim Hoagland's article from today's Washington Post be printed in the RECORD.

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

[From the Washington Post, Mar. 15, 1994]

BATTERED IN BEIJING

(By Jim Hoagland)

Say this for Warren Christopher's bungled diplomatic foray into China: It makes his handling of Bosnia look brilliant by comparison.

The end of winter brings out the worst in the Clinton administration's penchant for

launching the low-key Christopher at a high-profile diplomatic problem as a substitute for adopting a clear, effective policy.

Almost a year ago Christopher went off to whip the Europeans into shape on Bosnia, only to come home in visible retreat. But at least the Europeans were equally responsible for that policy mess.

On China, the secretary of state, the president and their aides have produced a policy disaster all on their own.

By the time Christopher left Beijing yesterday, he had made a bad situation worse with a visit that should never have been made. The odds now are that the Clinton administration will come out with the worst of all worlds on China—trying to compensate for political errors through economic pressure.

Over the past six months Washington has given the crumbling Communist dictatorship new political legitimacy by seeking a "dialogue" on human rights. Now that Christopher has been kicked in the teeth, President Clinton may be forced to maintain his credibility by canceling the most favored nation trading status that is helping make China more of a capitalist nation.

He would have been better off the other way around: maintaining normal trading status with China while withholding the political approval Clinton conveyed by welcoming China's president for a bilateral meeting last November in Seattle and by the other high-level contacts the administration has pursued.

Astonishingly, in the wake of Beijing's deliberate humiliation of Christopher, Undersecretary of Defense Frank G. Wisner met with Chinese officials in Beijing yesterday to discuss a future meeting between the two nations' defense ministers and other subjects.

Could my outrage be misplaced? Is the Wisner mission a tip-off that the past week of arrests and harassment of dissidents and soft words by Christopher was a staged presentation of Chinese toughness, masking a secret deal to be unveiled in time to justify Clinton's granting MFN in late May?

Let us hope so.

Otherwise one must conclude that the Chinese believe that no matter what they do they already have in the bag renewal of the trading rights that will net them a projected $24 billion trade surplus with America this year.

Beijing could easily have drawn the conclusion that Clinton would not dare buck "the business lobby" from a speech given to the Hong Kong Chamber of Commerce on March 3 by Undersecretary of Commerce Jeffrey Garten, who emphasized the importance of China and Indonesia to Clinton's "national export strategy" and to American investors.

Asked by reporters how his speech fit with the president's emphasis on human rights and Christopher's upcoming visit to China. Garten replied that he did not deal with human rights. (To which Jonathan Mirsky of the Times of London responded: "Come on. Even Oscar Schindler did a little human rights.")

Christopher's performance may well have confirmed for the Chinese that bullying this administration works. Speaking before unhappy U.S. businessmen in Beijing, the secretary softened the administration's stand on what the Chinese must do to get MFN renewed. Before the Chinese beat up on him, Washington sought substantial progress in human rights. Now Christopher seeks only "limited progress."

That downgrading of the U.S. goal—under the twin pressure of the Leninists who run the Chinese government and U.S. businessmen reaping handsome profits in a low-wage economy—does the dissidents of China a disservice. And it obscures what "human rights" means in the context of China today.

A petition signed by Xu Liangying, a 74-year-old historian who translated Albert Einstein's collected works into Chinese, and six other prominent intellectuals stated the dissidents' one basic demand: to be able to say in public they want a democratic China in which the Communist Party has to compete for power at the ballot box rather than monopolize it through the barrel of a gun.

Prime Minister Li Peng's army murdered hundreds of students rather than let them say those dangerous words in June 1989. A score of people who would have said those words to a senior U.S. official were arrested just before or during Christopher's visit, with little visible outrage by the secretary.

China is a reality that has to be acknowledged. Trade in nonmilitary goods, on a normal basis, in a constructive way to do that. But Clinton has saddled himself with the choice of revoking MFN or cynically claiming that his policies have produced significant change in China when that is not the case.

Better to do what no government, including Bill Clinton's, has ever done. That is to admit it has botched its China policy and needs to start fresh. Grant MFN, suspend high-level political contacts and have Clinton again meet with pro-democracy Chinese students and publicly support Tibet.

That would at least gain Clinton something that Christopher's visit did not produce: Respect from the tough-minded rulers of China.

Mr. DOLE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. 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 PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. MITCHELL. Madam President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations:

Calendar No. 743, 745, 748, 751, 752, 753, 754, 755, 756, and 757.

I further ask unanimous consent that the nominees be confirmed, en bloc; that any statements appear in the RECORD as if read; that, upon confirmation, 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:

DEPARTMENT OF DEFENSE

Robert B. Pirie, Jr., of Maryland, to be an Assistant Secretary of the Navy.

Deborah P. Christie, of Virginia, to be an Assistant Secretary of the Navy.

Edwin Dorn, of Texas, to be Under Secretary of Defense for Personnel and Readiness. (New Positions)

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. Duane A. Wills, [redacted] USMC

IN THE NAVY

The following named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be admiral

Adm. Robert J. Kelly, U.S. Navy [redacted]

The following-named rear admirals (lower half) of the Reserve of the U.S. Navy for permanent promotion to the grade of rear admiral as indicated, pursuant to the provisions of title 10, United States Code, section 5912:

To be unrestricted line officer

To be rear admiral

Rear Adm. (lk) Ronald Rhys Morgan, [redacted] U.S. Naval Reserve

Rear Adm. (lh) Kenneth William Pettigrew [redacted] U.S. Naval Reserve

The following-named rear admirals (lower half) in the line of the Navy for promotion to the permanent grade of rear admiral, pursuant to title 10, United States Code, section 624, subject to qualifications therefor as provided by law:

UNRESTRICTED LINE OFFICER

To be rear admiral

Rear Adm. (lh) Joseph John Dantone, Jr., [redacted] U.S. Navy

Rear Adm. (lh) Robert Philip Hickey, [redacted] U.S. Navy

Rear Adm. (lh) Jay Lynn, Johnson [redacted] U.S. Navy

Rear Adm. (lh) John Allen Lockard, [redacted] U.S. Navy

Rear Adm. (lh) Joseph Scott Walker, [redacted] U.S. Navy

The following named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be vice admiral

Rear Adm. Edwin R. Kohn, Jr., U.S. Navy, [redacted]

The following named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be vice admiral

Vice Adm. Anthony A. Less, U.S. Navy, [redacted]

The following named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be vice admiral

Rear Adm. John H. Fetterman, Jr., U.S. Navy, [redacted]

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

MEASURE TO BE RETURNED TO CALENDAR—S. 4

Mr. MITCHELL. I ask unanimous consent that upon disposition of H.R. 820, S. 4 be returned to the calendar.

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

ORDERS FOR TOMORROW

Mr. MITCHELL. Madam President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m. on Wednesday, March 16; that following the prayer, the Journal of the proceedings be approved to date, and the time for the two leaders be reserved for their use later in the day; that the Senate then proceed to the consideration of S. 1458, as provided for under the provisions of a previous unanimous-consent agreement.

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

RECESS UNTIL WEDNESDAY, MARCH 16, 1994, AT 9 A.M.

Mr. MITCHELL. Madam President, if there is no further business to come before the Senate today, and if no other Senator is seeking recognition, I now ask unanimous consent that the Senate stand in recess as previously ordered.

There being no objection, the Senate, at 6:03 p.m., recessed until Wednesday, March 16, 1994, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate March 15, 1994:

IN THE NAVY

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTIONS 601 AND 5033:

To be chief of naval operations

to be admiral

ADM. JEREMY M. BOORDA, U.S. NAVY [redacted]

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be admiral

ADM. FRANK B. KELSO II, U.S. NAVY [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be admiral

VICE ADM. LEIGHTON W. SMITH, JR., U.S. NAVY, [redacted]

CONFIRMATIONS

Executive nominations confirmed by the Senate March 15, 1994:

DEPARTMENT OF DEFENSE

ROBERT B. PIRIE, JR., OF MARYLAND, TO BE AN ASSISTANT SECRETARY OF THE NAVY.

DEBORAH P. CHRISTIE, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF THE NAVY.

EDWIN DORN, OF TEXAS, TO BE UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS.

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.

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. DUANE A. WILLS [redacted] USMC

NAVY

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be admiral

ADM. ROBERT J. KELLY, U.S. NAVY [redacted]

THE FOLLOWING-NAMED REAR ADMIRALS (LOWER HALF) OF THE RESERVE OF THE U.S. NAVY FOR PERMANENT PROMOTION TO THE GRADE OF REAR ADMIRAL AS INDICATED, PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 5912:

UNRESTRICTED LINE OFFICER

To be rear admiral

REAR ADM. (LH) RONALD RHYS MORGAN, [redacted] U.S. NAVAL RESERVE

REAR ADM. (LH) KENNETH WILLIAM PETTIGREW, [redacted] U.S. NAVAL RESERVE

THE FOLLOWING-NAMED REAR ADMIRALS (LOWER HALF) IN THE LINE OF THE NAVY FOR PROMOTION TO THE PERMANENT GRADE OF REAR ADMIRAL, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 624, SUBJECT TO QUALIFICATIONS THEREFOR AS PROVIDED BY LAW:

UNRESTRICTED LINE OFFICER

To be rear admiral

REAR ADM. (LH) JOSEPH JOHN DANTONE, JR. [redacted] U.S. NAVY

REAR ADM. (LH) ROBERT PHILIP HICKEY [redacted] U.S. NAVY

REAR ADM. (LH) JAY LYNN JOHNSON [redacted] U.S. NAVY

REAR ADM. (LH) JOHN ALLEN LOCKARD [redacted] U.S. NAVY

REAR ADM. (LH) JOSEPH SCOTT WALKER [redacted] U.S. NAVY

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be vice admiral

REAR ADM. EDWIN R. KOHN, JR., U.S. NAVY [redacted]

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be vice admiral

VICE ADM. ANTHONY A. LESS, U.S. NAVY [redacted]

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be vice admiral

REAR ADM. JOHN H. FETTERMAN, JR., U.S. NAVY, [redacted]

EXTENSIONS OF REMARKS

URBAN RECREATION AND AT RISK YOUTH ACT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. MILLER of California. Mr. Speaker, the issue of crime, and especially juvenile crime, has understandably angered and outraged our Nation. Today, perhaps 60 percent of violent crimes are committed by young people between the ages of 10 and 20 years old. For millions of these young people, the only social network and family structure they know are the urban gangs that deal drugs, foster crime, and slaughter each other in our Nation's streets.

Elsewhere on Capitol Hill this week, committees are preparing massive anticrime legislation. They, for the most part, are addressing the aftermath of crime.

Today, however, I am introducing the Urban Recreation and At Risk Youth Act to provide young people with constructive, supportive alternatives to street life and gangs.

In 1978, under the leadership of the late Rep. Phil Burton, The Urban Park and Recreation Recovery Program was authorized. It offers matching grants to cities to rehabilitate and repair parks, rec centers, playing fields and other facilities. When UPARR has been funded it has been enormously successful—hundreds of parks, rec centers, pools and other facilities that otherwise would have been unable to meet the needs of their neighborhoods or simply closed their doors have been at work in their communities.

But UPARR is much more than bricks and mortar money. It also provides matching grants to cities, and through the mayors' offices to a wide range of nonprofit and government organizations for innovative programs targeted to youth at-risk. These programs are usually, but not always recreation oriented. They may be run by cities, schools or nonprofit entities like the Boys and Girls Clubs and the Police Athletic League. What they all have in common is that they bring at-risk youth in contact with caring adult mentors who will teach them the kind of personal skills and job skills they need to stay out of the gangs and in school.

At a hearing before the Committee on Natural Resources last week, I was deeply moved by the stories of our witnesses. People like Gil Walker, executive director of the National Association of Midnight Basketball Leagues, Carolyn McKenzie of Soccer in the Streets and Sgt. Frank Weirick of the Columbus, OH, Police Department told of the dramatic impact their work has had on life in urban neighborhoods when we in Congress provide them even modest means of support.

In its 15 years, more than 500 cities across America have benefited from UPARR. Neighborhoods in big cities like New York, Chicago and Los Angeles, but also small and medium sized cities like Huntsville, AL and Oxnard, CA and Shreveport, LA, New Britain, CT and Pontiac, MI have been grant recipients.

Since 1979, $192 million of the $725 million authorized for UPARR has been obligated. But despite a record of success and a huge backlog of applications, nothing at all was spent on UPARR from 1985 to 1990. And we haven't been doing much better since then, with only $5 million being appropriated this year. These meager amounts mean that program grants must remain small and on a one-time only basis, vastly limiting the effectiveness of the program.

This bill I am introducing today builds on the proven record of success of the Urban Parks and Recreation Recovery Act by expanding its focus to target urban neighborhoods with high crime rates, allowing innovative program grants to continue beyond the first year and making other needed refinements in UPARR.

As the chairman of the Select Committee on Children, Youth and Families, I held several hearings on the subject of youth crime and violence. And what we see over and over is that most of these young people have no opportunities for constructive activity in their neighborhoods and their cities.

Nowhere is the need for accessible and well-maintained parks, open space and recreation centers greater than in urban neighborhoods. No where are there fewer of those parks and facilities, and no where are the ones that do exist in worse shape, than in urban neighborhoods.

Public park and recreation facilities and services do more than just give young people something to do and a place to go. They are magnets that draw those young people into contact with adults who are mentors and programs that teach them important lessons in discipline, self-respect and respect for others, personal responsibility and teamwork, as well as job skills and other practical tools for living.

Accessible, well-maintained neighborhood parks are focal points of community pride and a place for youth to learn. Deteriorating parks are breeding grounds for crime and youth gangs and a visible symbol that nobody cares.

Expanding and rehabilitating urban recreational sites is not a new idea, and the idea of investing in parks and recreation centers to held lead young people away from crime and violence is still a very good one.

This Congress can make a significant contribution to the preventive and rehabilitative programs in our cities by revitalizing Phil Burton's idea. This is not about coddling criminals; it is about cost effectively giving our young people an alternative to gangs, to crime, and to jail. These programs work: the police say so, the experts say so, and the kids say so.

TRIBUTE TO DR. STEVEN GOLD

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. SCHUMER. Mr. Speaker, one of the pleasures of serving in this legislative body is the opportunity we occasionally get to publicly acknowledge the accomplishments of remarkable individuals.

I rise today to recognize one such individual, Dr. Steven Gold, on the occasion of this admittance to the New York State Bar. Dr. Gold graduated summa cum laude from Yeshiva University, and went on to become licensed to practice medicine and surgery after attending New York University Medical School. He is an extraordinarily talented individual who has distinguished himself through his outstanding educational accomplishments. He has also been an important part of the community for years, and it is with pride that I salute him on this special occasion.

THE 20TH ANNIVERSARY OF OOIDA

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. SKELTON. On December 15, 1993, my constituent, the Owner-Operator Independent Drivers Association, Inc., known as OOIDA, celebrated its 20th anniversary. OOIDA is the largest trade association representing the interests of the Nation's 350,000 independent owner-operator and small business truckers. From its headquarters in Grain Valley, MO, OOIDA serves its more than 29,000 members in a variety of areas—from representing their interests before the U.S. Department of Transportation, the Interstate Commerce Commission, the U.S. Congress, and other Federal agencies, to monitoring transportation activities at the State level, to combining the purchasing power of its members to provide low-cost insurance coverages to assisting in licensing and permitting. Over the 20 years of its history, OOIDA has grown from a fledging organization of frustrated, yet dedicated and hard-working, truck drivers, to a well-recognized national vote for owner-operators. I urge my colleagues to join me in recognizing the commemoration of OOIDA's 20 year anniversary.

TRIBUTE TO THE REDLANDS, CA, ARMY NATIONAL GUARD

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention the fine work and outstanding public service of the men of the California Army National Guard and specifically the work of the National Guard unit in Redlands for its tremendous efforts on behalf of emergency relief in Los Angeles County.

In the last 2 years, the soldiers from the Redlands unit have been activated six times to respond to State emergencies. Without fail, these men and their families display a consistently remarkable level of dedication and commitment to service. This should come as no surprise, however, as the city of Redlands and the Redlands National Guard unit have answered the call to service since the First World War, and including World War II, Korea, Vietnam, and Operations Desert Shield/Desert Storm, and other State emergencies.

To say the least, the Redlands Army National Guard unit provides the city of Redlands and the State of California with an invaluable service during critical times of need. In the words of Sgt. Alexander Valero, "The men of Delta Company are your friends and neighbors next door and are our finest sons and brothers."

Mr. Speaker, I ask that you join me and our colleagues in congratulating the men and families of Delta Company, 4th Battalion, 160th Infantry for their outstanding support of the people of California and the United States. Their dedication and commitment to public safety and responsiveness in times of great need is remarkable. In its many years of devoted service, the Redlands unit of the California Army National Guard has touched the lives of many people in our community and it is only fitting that the House recognize all of these fine individuals today.

NATIONAL ARTS CLUB RECEIVES WLIW AWARD

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mrs. MALONEY. Mr. Speaker, I rise today to bring to the attention of my colleagues the work of the National Arts Club and its recent receipt of WLIW's Award for Excellence in Education.

The club has been a haven for painters, sculptors, writers, and musicians since the late 1800's. Among its very first achievements was the decision to offer full membership for women at the onset, reflecting their accomplishment in the arts. The list of members and trustees reads like a Who's Who in the art world: Henry Frick, William Evans, Benjamin Altman, Jules Bache, Henry Walters, J. Pierpont Morgan, Frederic Remington, and Robert Henri.

The National Arts Club's most notable strides have been in the area of promulgating education. Each year the club hosts the Annual Student Art Exhibit which solicits work from 25 area colleges. It also sponsors Creative Writing: Children, Authors & Teachers, which places more than 30 authors each year into the New York City school system to teach creative writing. The NAC Music Committee recently instituted a scholarship program, the Tilden Prize, which is awarded for a different musical instrument each year.

In the field of theater and the dramatic arts, the club presents the Kesselring Prize, funded by author Joseph Kesselring upon his death. The $10,000 award goes to a playwright who has not yet received national recognition. There are other awards too numerous to mention in the fields of film, dance, photography, and design.

As well as its scholarship work and residences, the National Arts Club operates four galleries that are open to the general public.

I would ask my colleagues to join me in recognizing the outstanding contributions which the National Arts Club makes on a daily basis to enhance the quality of life for all Americans.

COMBATING RACISM AND INTOLERANCE

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. HOYER. Mr. Speaker, last Thursday, March 10, 13-year-old Zlata Filipovic of Sarajevo testified before the Commission on Security and Cooperation in Europe. Poised and sincere, she described for us in straightforward, simple terms the horrors of a war that has stolen her childhood and threatened her future. She told us of the peaceful community of multiethnic Sarajevo, and commented sadly that their faith in love for one another had proved naive in the face of aggression. She told us that before the war, no one thought in terms of Moslem, Croat, or Serb—they were Bosnians, Sarajevans, one and all. She said most of her friends still saw themselves that way. But for some, she explained, for those children who had lost their parents or their siblings, the labels mattered now.

For the sake of Zlata and her friends, for my children, for all children, I long for a world in which national or ethnic identity is a source of pride but not aggression, a source of belonging but not of exclusion. I long for a world that favors compassion and understanding over malice and ignorance. How many more children will be taught to hate before we, who control their destiny, cry out "enough."

Earlier this month, the United Nations Commission on Human Rights passed a resolution to combat racism, xenophobia, anti-Semitism, racial discrimination, and other forms of prejudice. As the international president of B'nai B'rith has pointed out, this resolution sends the international community a clear message that the United Nations condemns hate of any kind. I support this resolution, and agree that its message is vital—not just for multilateral institutions and diplomats, but for all of us. Let us each resolve to fight discrimination now, to fight it as though we were the current targets, so that our children will never be tomorrow's victims.

SALUTE TO HOSPITALIZED VETERANS

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. KANJORSKI. Mr. Speaker, today I pay tribute to the hospitalized veterans at the VA Medical Center in Wilkes-Barre, PA.

At a ceremony held last month, Lawrence F. Kelly, a Vietnam veteran from Hazelton, PA, read this poem that he wrote in honor of those who served their country.

I would like to take this opportunity to insert this poem in the CONGRESSIONAL RECORD so that my colleagues also have the opportunity to read these poignant words.

OUR VETS

There are none so very lonely,
As those who share so much.
They keep their memories only,
To forget what they can't touch.

They all hold on to something,
Be it sight or even sound.
Could be only one thing,
They're all so tightly bound.

Their comrades, no their brothers,
My God, their sisters too,
Share one thing that no others,
Can ever share with you.

Their minds are etched with pictures,
Of fallen friend and foe.
Those damned eternal fixtures,
Never letting go.

Though war has no conscience,
The people who fought them do.
They don't need the nonsense,
That man has put them through.

They fought for all our freedom,
And love of country too.
Let's show them that we need them,
They live with this for you.

A SPECIAL SALUTE TO RABBI BRUCE ABRAMS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. STOKES. Mr. Speaker, I am pleased to rise today to salute an outstanding resident of my congressional district, Rabbi Bruce Abrams. On Friday, March 18, 1994, the congregation of Temple Ner Tamid, which is located in Euclid, OH, will honor Rabbi Abrams for 13 years of service to the temple. I take special pride in joining friends, family, and community leaders in this special tribute to Rabbi Abrams. I want to share with my colleagues and the Nation some important information concerning this extraordinary individual.

Mr. Speaker, Rabbi Abrams was ordained at Hebrew Union College in Cincinnati. His first pulpit was in Skokie, Il. It is interesting to note

that he served there during the turbulent years of the Nazi march through Skokie. Rabbi Abrams came to Temple Ner Tamid during the late summer of 1981. As he celebrates his Bar Mitzvah year of service, Rabbi Abrams can reflect upon an impressive list of accomplishments.

When Rabbi Abrams began serving the Ner Tamid congregation, the membership was approximately 110 families. Today the congregation membership has risen to over 300 families. In addition, the religious school has quadrupled in size and is now operating at two sites, with the recent historic opening of a Cleveland Heights branch facility.

Throughout his career, Rabbi Abrams has demonstrated his commitment to Jewish survival, and to peace and social justice. He has also maintained a strong devotion to meeting the needs of the disadvantaged.

Due to Rabbi Abrams' efforts, Temple Ner Tamid has been the past recipient of the Mayor's Award for Volunteerism for its work with Project Hunger. For 12 years, the temple has worked closely with Saint Aloysius Catholic Church. The joint work of the two congregations has served the needs of over 100,000 hungry people. In addition, Temple Ner Tamid has a hot meals program with Morningstar Baptist Church, as well as a hunger program within the Euclid community. Temple Ner Tamid is also the first Temple in Cleveland to host an Alcoholic's Anonymous group. The temple also conducts an active adult education program.

Mr. Speaker, I read with interest an article which appeared early this week in the Plain Dealer newspaper. In the article entitled, "Euclid Rabbi Crosses the Boundaries of Faith," it is noted that, at the invitation of Imam Clyde Rahman, Rabbi Abrams joined Moslem worshipers at Masjid Bilal at the close of Ramadan to pray for peace and reconciliation. It is believed to be the first time that a rabbi has said prayers in an Islamic place of worship at the close of the holy month of fasting. It is indeed this type of leadership, commitment to peace, and compassion for humanity that has earned Rabbi Abrams the respect and admiration of the Cleveland community.

Along with his temple duties, Rabbi Abrams plays an integral role in a number of interfaith clergy and community organizations throughout the greater Cleveland area. He is a member of the East Side Interfaith Ministry, the Interfaith Clergy Association of Cleveland, the Cleveland Board of Rabbis, and the Union of American Hebrew Congregations Social Action Committee. His memberships also include the Greater Cleveland Growth Association, the Anti-Defamation League Black/Jewish Relations Committee, the City Club of Cleveland, AIDS Housing Council, and Project Learn.

Rabbi Abrams is married to Sarah Littlefield Abrams, who serves as president of Townsend Learning Centers of Chagrin Falls, OH. The Abrams reside in Cleveland Heights where they are the proud parents of two children, Jessica and David.

Mr. Speaker, I am proud to salute Rabbi Abrams. I join the Temple Ner Tamid Congregation and others in expressing our appreciation for his tireless efforts on behalf of our community and the Nation. I extend my best regards on the celebration of his anniversary, and wish him much continued success.

NATIONAL SEWING MONTH

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. PETRI. Mr. Speaker, I am introducing legislation to designate the month of September as "National Sewing Month."

National Sewing Month was previously designated by the Congress each year from 1984 to 1988 to increase interest in home sewing.

It is estimated that over 30 million Americans sew at home. Many of these individuals have used their acquired sewing skills to enter fashion design, retail merchandising, interior design, patternmaking, and textiles.

The great majority of these careers had their beginning in seventh or eighth grade home economics classes where the enjoyment and pride associated with sewing was first encountered. For generations, the fundamentals of home sewing have also been learned in the context of the family.

The sewing industry employs thousands of individuals in the manufacture, wholesale, retail, and service sectors. The industry generates over $3.5 billion in sales annually and each year invests millions of dollars in plants and machinery.

This September will mark a continuation of a industrywide effort to revitalize the sewing spirit in America, as the American Home Sewing Association conducts an extensive nationwide promotion of National Sewing Month.

A wide variety of civic organizations will be invited to participate, including home economics teachers, county extension agents, 4–H clubs, the Girl Scouts, American Sewing Guild chapters, Future Home Makers of America, and many others.

Mr. Speaker, I invite my colleagues to join me in this effort to cosponsor this joint resolution designating September as "National Sewing Month."

THE 75TH ANNIVERSARY OF THE AMERICAN LEGION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. GILMAN. Mr. Speaker, as many of our colleagues are well aware, our American Legion is celebrating its 75th anniversary this month.

In the wake of the horror of World War I, the need was recognized for an organization which could effectively represent the interests of the American veterans who had sacrificed so much through those years of terror. World War I raised the curtain on a new type of warfare, so horrible and inhumane in its nature that mankind had to deal with problems in a post-war world without precedent.

The need for adequate health care for the wounded, the need to assist the crippled, and the need to counsel those who were witness to the carnage required an organization that could articulate these challenges and translate them into positive action.

In addition, our Nation was burdened in those post-war years with a crisis of spirit. Many Americans questioned the need to fight to preserve democracy in the first place, while many questioned the future of our way of life.

The American Legion rapidly became one of the most respected organizations in our Nation because they rapidly answered these challenges: reminding our Government and our citizenry of the debt we owed to those who sacrificed on the battlefield while also keeping alive the ideals for which we fought.

Much had been accomplished by the predecessor of the American Legion, the Grand Army of the Republic [GAR]. That organization of Civil War veterans brought about the first veterans hospitals in our Nation's history, as well as the first pension plans for veterans and assistance programs for widows and orphans.

The GAR, however, after surviving the carnage of our Civil War, did not anticipate that we would ever go to war again. Accordingly, the organization had no provisions to admit veterans of subsequent conflicts.

Accordingly, the American Legion, founded in the wake of World War I, was able to build upon the foundation laid by the GAR.

In each of our subsequent conflicts—World War II, the Korean war, the Vietnam war, the Persian Gulf war—the American Legion was on hand, as an effective champion of our armed services while hostilities were in progress and as the premier spokesperson for veterans rights when the guns were stilled.

Today, as we celebrate 75 years of progress, we salute the American Legion for a job well done, and look forward to working with this, the largest veteran's organization in the world.

In many ways, the American Legion helped formulate the strong proveterans stance which I have taken since becoming a Member of Congress over 20 years ago. Our American Legion posts throughout our 20th Congressional District of New York and throughout the Nation have been of great support and assistance as we have worked hard to maintain pension benefits for our veterans, to expand our system of excellent Veterans Administration hospitals, to provide health care and education for those who gave so much on the battlefield, to care for the dependents of those who gave their lives in our Nation's services, to advocate a full study of the effects of agent orange and the substances which impacted the health of our veterans, the long-sought creation and elevation of the Department of Veterans Affairs to a Cabinet level post—the fifth anniversary of which we celebrated earlier this year—and the many other legislative initiatives in which so many of our colleagues joined in supporting. The American Legion was behind us on each and every one of them.

Mr. Speaker, many of our colleagues in the Congress throughout the past 75 years have been members of the American Legion. The first was one of the primary founders of the Legion, the late Hamilton Fish, Sr., of New York. Colonel Fish, a genuine hero of World War I, helped cofound the Legion in 1919. Later that same year, he was elected to Congress in a special election and served continually until 1945. Throughout his lengthy career in Congress, he was a consistent advocate of

the needs of our veterans and of the patriotism which made our Nation strong. It is fitting that the VA hospital in Castle Point, NY, was named in his memory, and it is fitting that we remember former Congressman Fish today.

Mr. Speaker, throughout the next few weeks and months, American Legion posts throughout our Nation will be commemorating this 75th anniversary with appropriate festivities. I urge our colleagues to join in wishing the American Legion a happy birthday, and thanking our Legionnaires for all they have done to make our Nation a better one for our veterans and for all of us.

CONGRATULATIONS MINNIE COHEN

HON. DANA ROHRABACHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. ROHRABACHER. Mr. Speaker, I am pleased to inform my colleagues that I have the honor to represent Mrs. Minnie Cohen who is today celebrating her 108th birthday.

Mrs. Cohen was born in New York City on this day in 1886. Her mother was an immigrant from Rumania and her father emigrated from Paris, France.

Mrs. Cohen is the oldest of nine children. She has 5 children, 14 grandchildren and 21 great grandchildren.

I have been informed by the Social Security Administration Santa Ana, CA branch manager, Mrs. Wanda Waldman, that Mrs. Cohen is the oldest person in the United States receiving Social Security benefits.

An event with many of Mrs. Cohen's friends and family members including her oldest daughter, Mrs. Dorothy Schneiderman, who is visiting from New York, will be held at Mrs. Cohen's convalescent home in Huntington Beach, CA today to celebrate her 108th birthday and to note the fact that she is the oldest Social Security recipient in the United States.

Many happy returns Mrs. Cohen.

BROOKLYN IRISH-AMERICAN PARADE

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. SCHUMER. Mr. Speaker, I rise today to recognize the Brooklyn Irish-American Parade Committee on the occasion of its 19th annual parade.

The Irish-American community in Brooklyn is one of the oldest and most active groups in the borough. The annual parade highlights the cultural, educational, and historical accomplishments of the Irish community and fosters an appreciation of Irish heritage. It is a festive event that is among the most important traditions in Brooklyn.

The parade takes place on the historic site of the Battle of Brooklyn, in which many Irish freedom fighters gave their lives during the American Revolution.

This year's parade honors the memory of John F. Carroll from County Galway, a founding member of the Brooklyn Irish-American Parade Committee, a son of Erin who made significant contributions to the educational, civic, cultural, and religious life of the citizens of Brooklyn and New York City. The theme of this year's parade is the "Ongoing Struggle for Irish Independence." It commemorates the 75th anniversary of Ireland's Declaration of Independence.

I would like to thank the parade committee for organizing this truly outstanding event.

TRIBUTE TO DAVID CURRY

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. SKELTON. Mr. Speaker, I take this opportunity to recognize an outstanding Missourian, David Curry, who was recently honored by the Children's Therapy Center in Sedalia, MO.

A member of the Children's Therapy Center board of directors since 1967, Curry received the center's Lifetime Achievement Award, its highest honor. Curry's family benefited from the center's services when their youngest son was born deaf.

Since becoming a member of the board, Curry has served as vice president and president. He was president for 4 years of the Casa Grande and Palms independent living board. In addition, Curry has been a member of the cooperative workshop board.

I urge my colleagues to join me in congratulating David Curry for his honor and wish him the best regards in the years to follow.

TRIBUTE TO PAUL WOODRUFF

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention the fine work and outstanding public service of my good friend Paul Woodruff. Paul is retiring from the California State Assembly this year after 6 years of distinguished leadership on behalf of the people of San Bernardino and Riverside Counties in southern California.

Paul Woodruff attended local schools and graduated from California State University at San Bernardino. Over the years, Paul has been an active member of a number of civic and community-based organizations giving freely his time and energy to many worthy causes. He has also served as an elected or appointed member of the Republican Central Committee of San Bernardino County since 1978 and has been a member of the California State Republican Central Committee since 1982. Paul also worked as the chairman of the incorporation effort in Yucaipa in 1987. Prior to winning the Republican primary for the State Assembly in 1988, Paul worked as an administrative aide and advisor to Assemblyman Bill Leonard.

Recognizing his many talents, Paul's colleagues promoted him to serve as the Republican Assembly caucus chairman, as well as the secretary and elections chairman. Presently, he serves on the prestigious Assembly Ways and Means Committee, the Governmental Organization Committee, the Assembly Committee on Health, and the Higher Education Committee.

Needless to say, the many residents of the 65th assembly district will miss Paul's fine work and effective representation. Beyond serving as a legislator, Paul has provided support and genuine friendship to the many people of Big Bear Lake, Big Bear City, Running Springs, Forest Falls, Twentynine Palms, Yucca Valley, Joshua Tree, Cabazon, Banning, Beaumont, Calimesa, Yucaipa, Hemet, San Jacinto, Moreno Valley, and the city of Riverside.

Mr. Speaker, I ask that you join me, our colleagues, and Paul's many friends in wishing him the very best in his retirement. In his many years of devoted service, Paul Woodruff has touched the lives of many people in our State and it is only fitting that the House recognize him today.

SAINT CECILIA CHOIR HONORED ON OCCASION OF 90TH ANNIVERSARY

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mrs. MALONEY. Mr. Speaker, I rise today to bring to the attention of my colleagues an important event which will take place on April 10 in Long Island City, NY.

That date marks the 90th anniversary of the Saint Cecilia Choir of St. Stanislaus Kostka Church. Since 1904, the Saint Cecilia Choir has been touching the hearts and souls of all who attend St. Stanislaus Kostka Church. Their beautiful rendition of the music liturgy for high mass every Sunday from September to June will never be forgotten by those fortunate enough to have heard it.

Fortunately, the Saint Cecilia Choir brings its gifts to hundreds of thousands of other listeners by performing at numerous religious and secular functions throughout the city of New York. Over the years, these special events have included participating in the services at St. Parick's Cathedral which precede the start of the annual Pulaski Day parade; performing for the 1979 visit of Pope John Paul II to Shea Stadium in Queens; numerous radio and television appearances; a command performance in 1991 for President and Mrs. Lech Walesa during their visit to the United States; three appearances at the Polish Consulate in New York City; the release of four record albums; and much, much more.

Through their efforts, the Saint Cecilia Choir has done a great deal to preserve and promote its Polish-American heritage through song. The choir is comprised of nearly 50 active members who give so much of their free time for this noble purpose.

Because of their tremendous success over the past 90 years, I hope that my colleagues will join me in congratulating the Saint Cecilia Choir on the occasion of their wonderful anni-

versary, and wishing them another 190 years of service to their community.

TRIBUTE TO BOYS AND GIRLS CLUB OF COACHELLA VALLEY, CA

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. BURTON of Indiana. Mr. Speaker, I rise today to pay tribute to the Boys and Girls Club of Coachella Valley, CA.

On a recent trip to the area, I was able to witness the activities of the Boys and Girls Club of Coachella Valley firsthand. The impact this and other boys and girls clubs have on the lives of our youth is impressive and encouraging.

The Boys and Girls Club of Coachella Valley provides a wide spectrum of interesting and fun activities designed to get kids off the streets and into a stable environment. The activities are organized in a manner which is interesting enough to keep the kids coming back. Aside from athletic and artistic activities, the club provides programs which help the kids with their school work, assist in obtaining collegiate financial assistance, provide computer training, and teach basic useful culinary skills.

The impact the Boys and Girls Club of Coachella Valley has had on the youth in its community has afforded it the opportunity to participate in a youth rehabilitation program. This program permits youths charged with misdemeanors to attend the constructive programs and activities at the club, instead of serving time in a prison where they learn more violent criminal behavior. This rehabilitation program has been funded entirely through private donations. When the entire community gets behind a project, there is no limit to what can be accomplished.

Mr. Speaker, in a time when most Americans are concerned and/or affected by violent crime, the Boys and Girls Club of Coachella Valley has taken the initiative to promote the family values often missing in today's youth. By doing this, the club has become a beacon, a shining example of what can be done if there is dedication and desire to do so.

TRIBUTE TO ALAN JOHN MACDONALD

HON. JACK REED

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. REED. Mr. Speaker, I rise today to salute a distinguished young man from Rhode Island who has attained the rank of Eagle Scout in the Boy Scouts of America. He is Alan John MacDonald of Troop 11 in Coventry, RI, and he is honored this week for his noteworthy achievement.

Not every young American who joins the Boy Scouts earns the prestigious Eagle Scout award. In fact, only 2.5 percent of all Boy Scouts do. To earn the award, a Boy Scout must fulfill requirements in the areas of leadership, service, and outdoor skills. He must earn 21 merit badges, 11 of which are required from areas such as citizenship in the community, citizenship in the Nation, citizenship in the world, safety, environmental science, and first aid.

As he progresses through the Boy Scout ranks, a Scout must demonstrate participation in increasingly more responsible service projects. He must also demonstrate leadership skills by holding one or more specific youth leadership positions in his patrol and/or troop. This young man has distinguished himself in accordance with these criteria.

For his Eagle Scout project, Alan built and installed flower boxes for the residents of the General Hospital, State of Rhode Island.

Mr. Speaker, I ask you and my colleagues to join me in saluting Eagle Scout Alan John MacDonald. In turn, we must duly recognize the Boy Scouts of America for establishing the Eagle Scout Award and the strenuous criteria its aspirants must meet. This program has through its 80 years honed and enhanced the leadership skills and commitment to public service of many outstanding Americans, two dozen of who now serve in the House.

It is my sincere belief that Alan John MacDonald will continue his public service and in so doing will further distinguish himself and consequently better his community. I join friends, colleagues, and family who this week salute him.

RECOGNIZING THE ACADEMIC ACHIEVEMENTS OF PRESTON HOPSON III

HON. VERNON J. EHLERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. EHLERS. Mr. Speaker, I would like to take this opportunity to recognize the efforts and achievements of an outstanding young man from my hometown of Grand Rapids. Preston Hopson III is a senior at City High School and has been selected as a regional recipient of the AAU/Mars Milky Way High School All-American Award. For his dedication and effort, Preston will receive a $10,000 scholarship to attend the college or university of his choice.

Receiving this honor was no easy task. Preston was chosen as just 1 of 8 regional recipients from a field of over 10,000 high school students nominated nationwide based on exceptional achievements in scholastics, athletics, and community service.

Those achievements are many and a prime example of what our young people can achieve if given the resources and encouragement. I would like to give you just a sampling of Preston's many honors. He is ranked first in his class, he is a National Merit Scholarship Commended Scholar, a U.S. Achievement Academy Scholar, a Presidential Scholar, and a semifinalist in the National Achievement Program for Outstanding Negro Students. He has been named Student of the Year in three subjects and is also learning how government works by serving as president of the student council and chairperson of the executive board.

On the field of competition, Preston is equally impressive. He is a member of the varsity swim team and has been named captain-elect for the upcoming tennis season. Outside of school, Preston is equally committed to getting the most out of life, despite a very challenging schedule. He has worked as an intern in Senator REIGLE's regional office and also gained experience through work with a local law firm. He has also committed time to help feed disadvantaged citizens in the community.

Preston's commitment to excellence and responsibility is a model all young people could follow. It is a pleasure to take this time and honor a young man who is a first-rate citizen and a fine representative of our area.

CORPUS CHRISTI HOUSING AUTHORITY HONORED

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. ORTIZ. Mr. Speaker, and colleagues, I rise to pay tribute to some very talented heroes in our society today, Mr. Ken Chastain and the Corpus Christi Housing Authority.

The Corpus Christi Housing Authority was honored by the Community Action Network with the 1993 Certificate of Merit for Documentary of the Year at the Waldorf-Astoria Hotel in New York City. To give perspective to the quality of the competition, the Corpus Christi Housing Authority's documentary beat out one produced by Oliver Stone. Walter Cronkite presented the award on behalf of the Community Action Network, declaring that the Corpus Christi Housing Authority was a wonderful example that could be emulated by communities throughout the United States.

Mr. Speaker, the Corpus Christi Housing Authority has labored mightily to combat crime and drugs in a section of town known as the Northside. That labor was the focus of Mr. Chastain's documentary. The documentary took the theory that negative images perpetuate negative stereotypes, and stood it on its head. The documentary, "Challenge and Change in the Northside," featured the hope of the people who live there. It focused on the law-abiding people in the neighborhoods and the realities they face each day.

One of the citizens featured in the film, Thea Hicks, described the allure of drugs, gangs, and associated illegal activities. She said that people with no resources who need money for the daily expenses of life are very easy prey for the money that drugs and associated activities can bring. Describing the temptation of the money for her neighbors, she said, "They eventually turn to drugs. CP&L [Central Power and Light] doesn't care how they get their money."

In order to assist people in joining the work force, the authority has instituted day care services for children whose parents are faced with the decision of leaving their children unattended and finding work to pay the bills. Day care services for the unemployed erase a ter-

rible anxiety that many people have with leaving their children to find work.

The authority has also initiated karate classes for the young people in the area. By making these athletic opportunities available to the area children, the housing authority is giving these young people an alternative to life on the streets, or in gangs. Athletics will surely not turn the tide of crime, violence, or poverty in any community, but I am pleased that the housing authority is using all the available weapons in their arsenal to combat the cycle of poverty and violence.

Lastly, and perhaps most importantly, the housing authority has established voter registration drives and community financing for area programs. The voter registration drive has gauged the political interest of the community and helped to teach them that they are indeed responsible for their own destiny. By instituting community financing, the authority is teaching current occupants about the responsibility of living and working in our society—all of which reinforces the notion that self-determination is the essence of liberty.

Arturo Gutierrez, the former chairman of the board of the housing authority, says that most of the resident programs are now sponsored by residents rather than sponsored by the authority. The ultimate goal, of course, is to promote home ownership and to make unemployed citizens contributing members of our society.

Mr. Speaker, I am proud of the efforts of the Corpus Christi Housing Authority as they attempt to bring fiscal and personal responsibility into the realm of local and Federal housing policy. I believe that housing authorities all over the country would be well served to pattern their own programs after the one in Corpus Christi.

TRIBUTE TO THE HONOREES OF THE 30TH ANNUAL SHOWCASE SUNNYVALE

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Ms. ESHOO. Mr. Speaker, I rise today to salute the exceptional businesses, organizations, and individuals who are being honored at the 30th Annual Showcase Sunnyvale for their invaluable contributions to the city of Sunnyvale, CA. Showcase Sunnyvale is a unique gala evening which celebrates the diverse and talented people who live in this outstanding community, and I salute the Sunnyvale Chamber of Commerce for its commitment in sponsoring this remarkable event.

The following awards are being presented to those who have made a positive difference in Sunnyvale this past year: The Chamber of Commerce Volunteer of the Year Award is being given to Julie Jaroshenko; the Chamber Small Business of the Year Award is going to Capsco Sales, Inc.; the Realtor of the Year Award is being presented to Jon Buurma of Top Realty; the Leadership Vision in Business Award is being given to Lockheed Missiles and Space Company/Sunnyvale Town Center; the Outstanding Efforts in Defense Conversion Award is going to Trimble Navigation Limited; the Outstanding Media Support Award is being presented to KICU–TV Action 36/Mix 106.5 KEZR; the HOPE Client of the Year Award is being given to Darlene Lynch; the Community Services Outstanding Volunteers of the Year Award is going to Ann Marie and Charles Nussbaum; and the Leadership Sunnyvale Alumnus of the Year Award is being presented to Donna Brown, class of 1992.

Additional awards are being given to: Leadership Sunnyvale for Exceptional Service to the Community; Advanced Micro Devices for Corporate Community Support; Ann McCarty for Sunnyvale School District Teacher of the Year; Alison Broaddus, Leanne Deschamps, and Dorothy Mansfield are being named Fremont Union High School District Outstanding Teachers; Advanced Micro Devices/Sunnyvale School District and Hewlett-Packard Co./Fremont Union High School District are being singled out as Exemplary Partners in Education; County Supervisor Dianne McKenna and Matt Bailey of NOVA/PIC Youth Employment Service are being honored for Distinguished Service to the Region; 2d Lt. Fred Taylor is being named Onizuka Air Force Base Officer of the Year while SSgt. Michael Massey is being honored as Onizuka Air Force Base Enlisted Member of the Year; and finally the City of Sunnyvale Public Works and Parks and Recreation Departments are being given the Exemplary Community Partners Award.

Mr. Speaker, I am exceedingly proud to represent a district where business and community leaders continue to make significant contributions together on behalf of the Sunnyvale community. By doing this, they indeed strengthen our Nation. I ask my colleagues to join me today in honoring these citizens for their untiring and notable efforts in making Sunnyvale an exceptional place in which to live and do business.

TRIBUTE TO WALTER WARD

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. SCHUMER. Mr. Speaker, I rise today to honor Walter Ward for his 25 years of service as a New York City councilman. The value of individuals who have given their undying energy and commitment to the community cannot be understated. Walter Ward is such an individual. There is no denying that Walter has truly been an asset to the Queens community. His tireless efforts as a community leader will continue to serve as an example to all who care about the future of the communities that comprise the Borough of Queens. It is my great pleasure to bring him to the attention of my colleagues today.

Walter Ward will be greatly missed on the city council. Since his election in 1968, Walter has distinguished himself in his representation of constituents from all walks of life. His efforts on behalf of the handicapped, senior citizens, students, tenants, landlords, and consumers were an inspiration to all. He fought for increased funding of schools and libraries and was a leader in the campaign against crime. In deep appreciation of his efforts to win freedom for Soviet Jews, the councilman was honored with an award by Yakov Ariev and the greater New York Conference on Soviet Jewry.

In his 25 years of service, Walter Ward represented his constituents with pride. He will be remembered as an influential member of the city council who produced and endured.