that could frustrate or impede the realization of its objectives:

First, the continued investment of new fund receipts, notwithstanding the debt limit, would cause outstanding Treasury debt to exceed the debt limit in an ever increasing amount. This would prohibit Treasury from issuing any other new Treasury debt. Even the rollover of maturing debt would be precluded so long as outstanding debt remained over the debt limit. As a consequence we would face imminent default on all other outstanding obligations.

Because no other new debt could be issued, the bill would also remove Treasury's ability to raise cash to pay benefits from other trust funds, even after a disinvestment of securities held by such funds.

Second, while the bill intends to protect the ability to make payments to fund beneficiaries at times when the debt limit would otherwise preclude such payments, as a practical matter it cannot be assured that the protected payments could actually be made, given the current methods of paying government obligations.

The Federal Reserve's current procedure, when government checks are presented for payment, is to give immediate credit to the presenting bank. Incoming checks are not actually sorted for several days after presentment. There is not presently in place any operational capability that would permit a distinction to be made between protected benefit checks and all other checks being presented for payment.

While the bill would require the Secretary to institute procedures to assure that the protected benefits are paid when due, we estimate that it would take a minimum of three months, and perhaps longer, to institute the changes in the payments system necessary to provide this assurance.

Finally, the protected payment procedures prescribed by this legislation would only be triggered when we were in, or on the brink of, default.

Since the country has never in its history experienced a default, it is impossible to determine whether or to what extent it would be possible for Treasury to sell new debt to the public to make the protected payments.

In such a situation, all other payment obligations of the United States would either be in default or would be ''queued up'' for payment as cash became available.

We would be pleased to work with the Committee to try to develop legislative language that would carry out the objectives that we share, while avoiding the adverse consequences we see flowing from the language in the current bill.

We continue to believe, however, that the most effective and certain means for assuring that the interests of beneficiaries of Social Security and Medicare—as well as all other trust funds—are fully protected, is promptly to enact a clean permanent increase in the debt limit.

Sincerely,

JOHN D. HAWKE, Jr.,
Under Secretary of the Treasury for Domestic Finance.

THE BAD DEBT BOX SCORE

Mr. HELMS. Mr. President, as of the close of business yesterday, December 14, the Federal debt stood at $4,989,708,383,241.14, a little more than $10 billion shy of the $5 trillion mark, which the Federal debt will exceed in a few weeks.

On a per capita basis, every man, woman, and child in America owes $18,941.02 as his or her share of that debt.

THE LAUTENBERG AMENDMENT

Mr. SIMPSON. Mr. President, earlier today, Senator LAUTENBERG responded to a statement I made yesterday regarding the so-called Lautenberg amendment.

In defending this abused program, which has made a farce of the Refugee Act, my friend and colleague claimed that the beneficiaries ''have to prove a credible fear'' of persecution before they qualify.

Yet, in fact, these people do not have to prove a credible fear of persecution; rather all they have to do is assert a fear of discrimination. Discrimination, Mr. President, is not persecution; and asserting a fear is not proving it. All other refugees in the world who are coming to this country are required to prove a ''well-founded fear of persecution.''

Senator LAUTENBERG responded to the reports of criminals using this program to enter the United States by saying it wasn't designed to ''allow criminals to enter.'' He said it is the responsibility of the INS and the State Department to prevent criminals from using the program.

I would remind my good friend that when the INS tried its level best to effectively screen these people, representatives of ''the groups'' went directly to Moscow to insist upon lower standards. Do not blame the Justice and the State Departments alone for this fiasco. ''The groups'' and their skilled lobbyists created this one from whole cloth.

Senator LAUTENBERG said he was surprised to hear me refer to Russia as our ''best friend.'' Perhaps best friend was a bit of an overstatement, but they are certainly among our friends, and certainly this administration and this President as well as the previous administration have gone out of their way to cultivate friendly relations with that country. Whether it is a best friend or a good friend, there is certainly no justification whatever—at this present day—for some blanket ''presumption'' of ''refugeeness'' for any of their citizens who happen to belong to one of several religious groups, some of whose members have been subject to discrimination or even persecution in the past.

However, the most astounding thing the Senator from New Jersey said was that the program ought to be extended for another year. Even if we cut this off today, there are 100,000 of these beneficiaries of the Lautenberg amendment already ''in the pipeline.'' That means that even without an extension we will have 35,000 entering every year for the next 3 years.

I can only reply to my friend that he should read again the article I placed into the CONGRESSIONAL RECORD yesterday, and I respectfully recommend that he should talk to the Immigration Service about the current traffic from Moscow regarding this program.

How can any of us support a program where only one-half of 1 percent of those applying now could qualify as a ''refugee'' under the American and the international law definition of ''refugee''? We make a mockery of the law if we do so.

Why should the American taxpayer provide our severely limited refugee aid for these persons, who are actually regular ''immigrants,'' not ''refugees.''

These ''asserters'' are not even required to prove a well-founded fear of persecution, so we have absolutely no assurance that they are, in fact, refugees. And more importantly please recall that when they do receive permission to enter the United States, they take months, even sometimes more than a year, to decide whether or not they really want to come here.

About 40,000 of them who are authorized to come here are lingering in the former Soviet Union, weighing their options. They are clearly in no hurry. That is what an immigrant ordinarily does—to calmly, and without urging, weigh all the pluses and minuses of staying or going to the United States. A true refugee does not have any possible luxury of such a lengthy, deliberative process. After all they are required to be ''fleeing'' or have a ''well founded fear'' of persecution.

Again, I urge the conferees on the State Department reauthorization bill to insist upon the Senate provisions and not continue this misused program any longer.

RETIREMENT OF LEE M. NACKMAN

Mr. SIMPSON. Mr. President, I appreciate the opportunity to take a few brief moments of the Senate's time to acknowledge the impending retirement of Mr. Lee M. Nackman from Federal service.

For nearly 10 years, Mr. Nackman has served as the Director of the Los Angeles VA Outpatient Clinic. During his tenure, he has taken his clinic from substandard basement quarters to a $40 million, state-of-the-art, ambulatory care center in the heart of downtown Los Angeles.

The constituency served by the clinic brings to it a myriad of medical and psychosocial problems. Many of the veterans care for are homeless, living on the streets literally within sight of Los Angeles' City Hall. In large measure because of his leadership, each of the veterans cared by the clinic is treated with the dignity and respect they have earned through service to their country. This is a difficult patient population, yet Lee Nackman has assured that it is one that is well served by the Department of Veterans Affairs health care system.

Mr. President, on January 3, 1996, Mr. Nackman is ending a distinguished 35-year career of service to America's veterans. He began as a pharmacy intern at the Manhattan VA Medical Center upon completion of his B.S. degree from Columbia University. While working as a pharmacy resident at what is now the West Los Angeles VA Medical