Health Benefits Program, (RIN3206-AG66) received on July 17, 1996, to the Committee on Governmental Affairs.

EC-3531. A communication from the Deputy Associate Administrator for Acquisition Policy, Office of Policy, Planning and Evaluation, General Services Administration, transmitting, pursuant to law, the report of fifteen rules entitled “Federal Acquisition Circular 90-40,” received on July 18, 1996, to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PRESSLER, from the Committee on Commerce, Science, and Transportation, with an amendment:

S. 1789. A bill to authorize appropriations for fiscal year 1997 to the National Aeronautics and Space Administration for human space flight; science, aeronautics, and technology; mission support; and Inspector General; and for other purposes (Rept. No. 104-327).

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 1734. A bill to establish a Joint United States-Canada Commission on Cattle and Beef to identify, and recommend means of resolving the boundary dispute between Canada and the United States, and for other purposes; to the Committee on Finance.

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. DORGAN (for himself and Mr. BYRD):

S. 1978. A bill to establish an Emergency Commission To End the Trade Deficit; to the Committee on Finance.

S. 1979. A bill to amend the Social Security Act to help disabled individuals become economically self-sufficient and eligible for health care coverage through work incentives and a medicare buy-in program, and for other purposes; to the Committee on Finance.

By Mr. DORGAN (for himself and Mr. BYRD):

S. 1980. A bill to prohibit false statements to Congress to clarify congressional authority to obtain truthful testimony, and for other purposes.

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. DORGAN (for himself and Mr. BYRD):

S. 1981. A bill to establish a Joint United States-Canada Commission on Cattle and Beef to identify, and recommend means of resolving, national, regional, and provincial trade-distorting differences between the countries with respect to the production, processing, and sale of cattle and beef, and for other purposes; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DORGAN (for himself and Mr. BYRD):

S. 1978. A bill to establish an Emergency Commission To End the Trade Deficit; to the Committee on Finance.

Mr. DORGAN. Mr. President, I am pleased today to come to the floor with my colleague and friend, Senator BYRD from West Virginia, to introduce a piece of legislation that we feel is important and timely. It is a piece of legislation that we have discussed for many months and are now prepared to introduce in the hope that we would be able to do the things necessary to allow us to begin to develop some policies to address this.

Simply put, this piece of legislation deals with a deficit. There has been a great deal of discussion in the Congress in recent years about deficits, almost all of it suggesting that you have to be prepared to deal with budget deficits. Those deficits are a problem and have been a problem, and we have tried in a number of ways, both on the Democratic side and on the Republican side, in different kinds of approaches, to bring down the budget deficit.

I am pleased to say a substantial amount has been accomplished. The budget deficit has been reduced almost in half in the last 3 to 4 years. The budget deficit is down and is coming down. In fact, a report just last week by the Congressional Budget Office was an extraordinarily optimistic report about further reductions in the budget deficit.

However, there is another deficit that almost no one speaks about. It is called the merchandise trade deficit, and it is growing and getting larger. We are going to introduce a piece of legislation today that establishes a commission. It asks that an emergency commission to end the trade deficit be impaneled to review economic and trade policies, tax and investment laws, and other restrictions that affect trade, with the hope that recommendations can be made that Congress will be able to embrace to not only reduce this trade deficit but also to end the trade deficit.

I will turn to two charts to show my colleagues what has happened with respect to the trade deficit. We have had 20 consecutive years of trade deficits, totaling $1.8 trillion. Last year, we had the largest negative trade balance in history. This chart shows, and the red demonstrates, the merchandise trade deficit. These are troublesome because trade deficits must be repaid someday. You can make a more direct case on the standard of living in the United States. It demonstrates our trade deficit by country. This chart shows what has happened in a very short period of time. This is an astounding change in our country's economic position.

Now, think of this as a neighborhood, and the neighborhood trade surplus is a driveway with very nice shutters, a manicured lawn, a pretty home, with five or six cars sitting outside in the driveway. You think to yourself, gee, that person is really doing well—except this person is very, very, very rich, because it is all borrowed money. That is what is happening with our merchandise trade deficit, and why we are going from the largest creditor Nation in the world to being the largest debtor Nation. That has happened in a very short period of time. This is an astounding change in our country's economic position.

Now, think of this as a neighborhood, and the neighborhood trade surplus is a driveway with very nice shutters, a manicured lawn, a pretty home, with five or six cars sitting outside in the driveway. You think to yourself, gee, that person is really doing well—except this person is very, very, very rich, because it is all borrowed money. That is what is happening with our merchandise trade deficit, and why we are going from the largest creditor Nation in the world to being the largest debtor Nation in the world.

The next chart I want to show describes our trade deficit by country. You will see the largest trade deficit, by far, is with Japan. We have had this for a long while. It is continuing and does not seem to change. It was nearly $60 billion last year. China was $34 billion. Canada and Mexico together were about $33 billion. A very substantial problem. Six countries alone took up 94 percent of our country's trade deficit.

Now, part of the problem is that these countries have not completely opened up their borders to our goods. Yet, they ship to us in wholesale quantities. When we want to move goods into their countries, we are told that we are doing better. But we are not doing good enough...
because our manufacturers, businesses, and workers cannot get our products into those countries on nearly the same basis as they move their products into our country.

One common myth with respect to this is that what we are importing into this country is really the product of cheap labor, and that low-skill, cheap labor products are being sent into this country. Not true. Not true at all. Seventy-five percent of what we import are high-value, high-added value-added manufactured goods: Automobiles, automobile parts, electronics, office machines, telecommunications. That is what is coming into our country. It is not trinkets produced with low-wage labor. Rather, it is high-tech, value-added manufactured goods.

I want to show one additional chart that describes that in the past 25 years the imports of manufactured goods into our country has risen and risen and risen. Today it is at the point where it is equal to 56 percent of our manufacturing capacity. That means imports today are equal to over one-half of our domestic manufacturing capacity.

Now, another is the purchasing power of hourly and weekly wages in this country for the vast majority of working Americans are back down to levels, in some cases, in constant dollars, to the 1950’s and 1960’s. That kind of downward pressure is not just on the jobs in this country, and the jobs that exist in the manufacturing sector pay less and have less security.

Now, if you take this trade deficit and calculate it with respect to the commentaries about jobs, they talk about 20,000 jobs per $1 billion in exports. If we export $1 billion worth of American goods, they say that means we created 20,000 additional jobs. If you would use the same formula, it should be equally true that, for $1 billion worth of imports, some country would have 20,000 jobs and we did not. That means that last year’s trade deficit represents a loss of somewhere around 3.5 million good jobs. Just the increase in that trade deficit from 1994 to 1995 would mean a loss of 166,000 jobs.

What we propose today—Senator Byrd and myself, and, hopefully, others who will join us—would be an emergency commission to end the trade deficit. We would propose that this commission review five broad areas of trade policy concerns: The manner in which the Government establishes and administers our fundamental trade policies and objectives; No. 1; No. 2, the causes and consequences of the persistency and the growth of the overall trade deficit, as well as the bilateral trade deficits; No. 3, the relationship of U.S. trade deficits to the competitive and comparative advantages within the global economy; No. 4, the relationship between trade issues that are decided both in and out of the United States and the trade deficit; finally, No. 5, the development of policies and alternative strategies to achieve a systematical reduction of the trade deficit and, hopefully, an end to the trade deficit.

This would be an 11-member commission. It would have 16 months to present its report to Congress and the President. We think it is time—probably past the time—to be thinking of what these trade deficits and what the projections of where the trade deficits are going to go will mean to this country.

As I conclude, Mr. President, I want to make a point. I am honored to have Senator Byrd join me in this endeavor, and I hope very much that, by the end of this year, this will be law and we will have a commission to evaluate this and make recommendations to the Congress.

The minute someone comes to the floor of the Senate and begins talking about trade and talking about trade deficits, two things happen: One, people start to yawn. They say, "Well, this is so boring. It is not going to work." They do not want to talk about it. Or, too, they immediately rise on their haunches, and say, "Well, what you are is some-one who wants to close America’s borders; you are some kind of a isolationist; a xenophobe, stop! These people don’t understand the complexities of international trade."

I do not want to close America’s borders. I want more trade—not less trade. I want expanded opportunities for American products and workers. But I want to finally make sure that we reduce and finally eliminate the trade deficit, and have some balance in trade by deciding that it is important that America shall not be taken advantage of in international trade.

For 50 years our trade policy was our foreign policy. And we would do this and that and the other thing to help various countries as a matter of foreign policy. Lest we look at the first 25 of those years, it’s important to come in this country for workers. After all, that is what really matters. At the end of the day we have increased the standard of living for the American worker and the American family. If you look at the first 25 of those 50 years their incomes went steadily upward with an increasing standard of living. What about the second 25 years. Look at the graph. What you will see is a steady diminution of income and security for American workers.

I often people sit around their supper table talking about their lot in life. They are working harder and working more hours. More people in the family are working. And, adjusted for inflation, they are making the same or less than they were 20 years ago.

The fact is we are trying to support and maintain a strong manufacturing base in this country. And the circumstances that relate to this chronic and growing trade deficit tend to undermine America’s manufacturing capability. No country—none—will ever remain a world economic power unless it retains its manufacturing base. That is what is eroding and being washed away by these chronic, troublesome trade deficits.

Senator Byrd and I do not propose solutions or strategies that would have us withdraw from the global economy, import prices, or retreat from the world’s trade system. But we do insist it is in this country’s best interest to achieve a balance of trade and to end these chronic trade deficits that injure our country’s well-being and lead to a decreased standard of living in America.

Mr. President, the future of our Nation is being undermined by a problem that simply is not getting adequate attention or concern. There are those who do not even acknowledge that it is a problem, despite the fact it has reached record proportions.

Our Nation’s trade deficit is one of the twin deficits that this country must address. Today the trade deficit is the larger twin, yet most of our attention is still focused on the Federal budget deficit. We need to solve our twin deficit problems, because together and individually they are threatening the economic security of Americans.

Today I am introducing legislation to address this crucial problem. The End the Trade Deficit Act will establish a commission to develop plans to end the trade deficit in the next 10 years, and establish a competitive trade policy for the 21st century which will not only increase production and manufacturing in our country, but also job opportunities, and wages.

Just as balancing the budget has come to represent the need to take a more disciplined approach to deciding our national priorities, our goal in ending the trade deficit is to develop a more disciplined approach in deciding and carrying out our Nation’s trade policies.

Our trade deficit is symptomatic of larger economic conditions and questions that must be addressed. My purpose in this legislation is not simply to get rid of the red figures at the bottom of our trade ledger. Instead, it is to help develop the national economic and trade strategies which will rebuild the American economy and the American dream.

GROWTH OF TRADE DEFICIT

Many economists predicted that our trade deficit would disappear as we reduced our Nation’s budget deficit. That is not what is happening. The fact is that in the past few years we are bringing down our budget deficit. Yet, we have recorded back to back record merchandise trade deficits during the past 2 years. Our budget deficit is going down while our trade deficit continues to grow.

Last year, the United States experienced its 20th consecutive annual merchandise trade deficit. During these
past two decades we have piled up a total merchandise trade deficit of $1.8 trillion.

The trend line in the growth of this deficit should be of great concern to the American people. Last year we had the largest merchandise trade deficit ever, $175 billion. This merchandise trade deficit was larger than the $164 billion federal budget deficit.

An economic forecasting firm, Data Resources, Inc. is projecting that our Nation's merchandise trade deficit will continue to grow reaching new records in the next few years. Based on long-term trends, Data Resources is forecasting that the merchandise trade deficit can be expected to almost double during the next 10 years to $331 billion. Wharton Econometrics is forecasting that the U.S. merchandise trade deficit will double by the year 2010.

As a result of our twin deficits, the United States has shifted from being the world's largest creditor nation to the world's largest debtor nation. Our country has gone from a net creditor position of over $250 billion in the early 1980's to a net debtor position of over three-quarters of a trillion dollars by the mid-1990's. The positive net international asset position that we had built up over the past 100 years was eliminated in a short 6-year period during the 1980's.

We need to earn $30 billion annually on our international assets. Now we are paying something in the neighborhood of $11 billion to service this inter-national debt.

**IMPORTANCE OF TRADE DEFICIT**

The persistence and growth of our trade deficit is not just a concern of academics and ivory tower economists. It is a question of fair trade and fair competition. It is an issue of American jobs and the purchasing power of American wage earners. It is a matter of what opportunities we will have for our future.

Today the bulk of the products that we import are not labor-intensive goods. Instead our merchandise trade deficit consists primarily of high-technology, manufactured items. Autos, office equipment, electronic goods, and telecommunications equipment make up three-fourths of the imports.

Imports of manufactured goods have increased from 11 percent of the total U.S. manufacturing gross product to over 50 percent. This means that rather than expanding our own manufacturing base in this country, we are importing more of our manufactured goods from abroad. It means that we are shipping jobs overseas.

The bottom line is that we are shifting from a manufacturing, production-based economy with high wages, to a service-based economy with low wages. No wonder the negative merchandise trade hourly and weekly wages of the vast majority of working Americans are back down to levels we haven't seen since the 1950's and 1960's.

Together with the record merchandise trade deficit this past year, the value of the U.S. dollar fell to its weakest level in history. Yet, despite the weakening dollar, our trade deficit has continued to mount.

Neither the American consumer nor the American economy is making any long-term gains by the continuing trade deficit and the devaluation of the dollar. Instead, they represent an erosion of both our sovereignty and our economy.

**CAUSES OF TRADE DEFICITS**

Our merchandise trade deficit is a result of a serious trade imbalances with a handful of countries. Six countries comprise 94 percent of the U.S. merchandise trade deficit. This includes Japan, China, Canada, Mexico, Germany, and Taiwan. Over one-half this trade deficit is with only two countries: Japan and China.

Our trade relationships are most accurately described as unilateral free trade. At a time when borders are wide open to almost anything and everything that can be produced anywhere. Unfortunately we pay little attention to the conditions under which these goods have been produced or if the competition is fair.

At the same time the United States has one of the most open borders and open economies in the world, this Nation faces significant barriers in shipping American goods abroad. As a result, these negative trade balances do not reflect the actual competitiveness or the productivity of the American economy. Yet, there is no question that we are one of the most competitive economies in the world.

Instead most of our bilateral trade deficits effectively illustrate the barriers that continue to exist despite hundreds of new trade agreements in recent years. As documented annually in the reports of the Office of the U.S. Trade Representative, market access remains an elusive goal.

**ENDING THE TRADE DEFICIT**

As a nation we need to bring the same attention and the same commitment to working on the trade deficit that we are giving to reducing our budget deficit.

It has been a quarter of a century since the last comprehensive review of national trade and investment policies was conducted by a Presidential Commission. In these past 25 years we have had only 3 ratios in which the United States has had trade surpluses.

We have witnessed massive worldwide economic and political changes in the past 25 years. These changes have profoundly affected world trading relationships.

The cold war has ended. It is no longer necessary or even prudent for U.S. trade policy to take a back seat to our foreign policy objectives.

The Uruguay Round of negotiations under the General Agreement on Tariffs and Trade has resulted in the creation of the World Trade Organization.

Globalization is part and parcel of the increased mobility of capital and technology that is reshaping comparative and competitive advantages among nations of the world.

While other nations and many multinational companies are enjoying the fruits of globalization, the United States is not realizing the full opportunities or benefits of its competitive capacity and productivity.

Unilateral free trade no longer serves the interests of the American people. If it ever did. We need fair rules and reciprocal market access if our competitive economy is to thrive within a global system. I am not calling for trade restrictions. Rather I am calling for expanded trade, but with rules that are fair.

**EMERGENCY COMMISSION**

The United States is once again at a critical juncture in trade policy development. The persistence and growth of the trade deficit must be reversed. We must identify the causes and consequences of our trade deficit.

Rather than allowing our trade deficit to double during the next 10 years, we need to develop a plan which would end the trade deficit in that time period. That is why I am introducing a bill with Senator Byrd today to establish an Emergency Commission To End the Trade Deficit.

The purpose of this Commission is to develop a comprehensive trade strategy to eliminate the merchandise trade deficit by the year 2006 and to develop a competitive trade policy for the 21st century.

The bill directs the Commission to develop the necessary strategies to achieve a trade balance that fully reflects the competitiveness and productivity of the U.S. economy while improving the standard of living for the people of this country.

It would require the Commission to examine our national economic policies, trade laws, tax laws, investment policies, and all those incentives and restrictions that are relevant to the trading position of this country.

The Commission would look at five broad areas:

First, the manner in which the Government of the United States establishes and administers the Nation's fundamental trade policies and objectives.

Second, the causes and consequences of the persistence and growth of the overall trade deficit, as well as our bilateral trade deficits.

Third, the relationship of U.S. trade deficits to the competitive and comparative advantages within the global economy.

Fourth, the relationship between investment flows, both into and out of the United States, and the trade deficit.

Fifth, the identification and evaluation of policies and alternative strategies by which the United States can
achieve the systematic reduction of the trade deficit and the improvement of the economic well being of its people.

This Commission would consist of a blue-ribbon panel of leaders from a broad spectrum of the economic life of our Nation. This Commission will be appointed by the President and the leadership of Congress. They would be given the responsibility to study the situation, gather necessary data, conduct at least seven public hearings, and evaluate strategies to end the trade deficit.

The Commission would be required to present its final report not later than 16 months following the enactment of this bill. The final report would outline its findings and conclusions, and provide a detailed plan for reducing our Nation’s trade deficits together with recommendations on administrative and legislative actions that may be required to achieve that goal.

The Commission’s report would be submitted to the President and the Congress for review, consideration, and implementation. To facilitate the Commission’s report through Congress, this bill would have the House Ways and Means Committee and the Senate Finance Committee conduct hearings on the report within 6 months after it is submitted to Congress.

TIME FOR CHANGE

Today it is apparent that we do not have a consensus about where we should go with our national trade policies. We are not even sure whether we have the necessary tools to effectively achieve our trade goals.

Most importantly, we do not have a good set of alternatives and strategies to place before the American people so that they can effectively participate in making the decisions that are shaping their future.

It is time to develop a new trade strategy for the twenty-first century. We can get started on this path by making it clear to the American people that we need to end the trade deficit. Once we have set that goal, then we need the strategies to get there. That is why I believe it is time for such a commission.

I am pleased that Senator ROBERT BYRD is considering this legislation. I hope others will join us in this effort and look forward to working with them in moving forward on this critically important agenda for our future.

Mr. BYRD. Mr. President, how much of the 30 minutes are remaining?

Mr. BYRD. Mr. President, I am pleased to join with the very distinguished Senator from North Dakota in introducing an ambitious new effort on the matter of our nation’s persistent and growing trade deficit. This legislation—as the distinguished Senator has already explained—establishes a Commission to take a broad, thorough look at all important aspects of trends involving, and solutions to, the growing U.S. trade deficit, with particular attention to the manufacturing sector. The Congressman colleagues know, is a recent phenomenon, with large annual deficits only occurring within the last 15 years, or so, as my colleague has explained. Between 1970 and 1995, the U.S. merchandise trade balance shifted from a surplus of $3.2 billion to a deficit of $159.6 billion. It did not reach sizeable levels until it jumped up to $52 billion in 1983. As my colleague has suggested, projections by econometric forecasting firms indicate this trend will bring this figure into the $300 billion or more within the next 10 years. No one is predicting a decline in the near future. And this is bad news. Thus, unless we act, our trade deficit will soon exceed our annual appropriations for the Department of Defense.

This legislation is committed to a goal of reversing that 10-year trend. The goal of the commission is to “develop a national economic plan to systematically reduce the U.S. trade deficit and to achieve a merchandise trade balance by the year 2006.”

While it is not clear what the particular reasons for this growing trade deficit may be, nor what the long term impacts of a persistently growing deficit may be, the time is overdue for a detailed examination of the factors causing the deficit. We need to understand the impacts of it on specific industries and manufacturing sectors. Furthermore, we need to identify the gaps that exist in our data bases and economic measurements to adequately understand the specific nature of the impacts of the deficit on such important things as our manufacturing capacity and the integrity of our industrial base, on productivity, jobs, and wages in specific sectors.

We debate the trade deficits frequently. Both Senator DORGAN and I have participated in these debates. I voted against the GATT, and for good reasons which are becoming clearer.

So we debate these deficits frequently. We moan about them. We groan about them. We complain about the nature, impacts and long term vulnerabilities that such manufacturing imbalances create in our economy and standard of living, we are in the dark. It appears to me that debate over the deficit has taken the form of lofty rhetorical hyperbole of so-called “protectionists” versus so-called “free traders.” But I would suggest that neither side knows enough about what is really transpiring in our economy, given the very recent nature of these annual persistent deficits.

Certainly we know that the deficit reflects on the ability of American business to compete abroad. We want to compete, to be competitive, to win. We know that specific deficits with specific trading partners, causing friction between the United States and those friends and allies. This is particularly the case with Japanese, as we are well aware, and is that not in our interest to deal with China. It is clear that the trade deficit has contributed to the depression of the dollar and the ability of Americans to afford foreign products and American products as well. Less clear, but of vital importance, is the relationship of the trade deficit to other important policy questions on the table between the United States and our foreign trading partners. Attempts by the United States to reduce tariff and non-tariff barriers in the Japanese market, which clearly restrict access of U.S. goods to those markets, have been crippled by the intervention of other, more important policy goals.

During the cold war, the U.S.-Japan security relationship was one of the most severe dampening effect on our efforts to reduce the myriad barriers in Japan to U.S. exports. The same effect appears to have resulted from our need for the Japanese to participate in our treasury bill auctions. This closed cycle—the need to finance the trade deficit with foreign capital, resulting in regular involvement of the Japanese government in our treasury bill auctions, seems to dampen our efforts to push the Japanese on market opening arrangements. Naturally, without reciprocal open markets, the trade imbalance remains exaggerated between the U.S. and Japan, prompting further need for Japanese financial support to fund our national debt. Thus, some argue that the need for Japanese involvement in financing our national debt hurts the ability of our trade negotiators to get stronger provisions in the dispute settled last year over the Japanese market for auto parts.

Similar considerations appear to prevail in negotiating market access with the Chinese in the area of Intellectual Property rights. While our Trade Negotiator managed a laudable, very specific agreement with the Chinese last year in this area, there are large deficits in implementing it, leading to another high-wire negotiation this year to avoid $2 billion of trade sanctions on the Chinese, and to get the Chinese to implement the accord as they had promised. Again, it is unclear whether the Chinese will now follow through in a consistent manner with the implementing mechanisms for the Intellectual Property agreement belatedly agreed to in the latest negotiation. Intellectual Property, is an area of great potential for U.S. sales to China. The Chinese have promised major action against piracy of CD’s, movies, and other products, and to permit co-production.
of audiovisual products and joint ventures regarding artists. This is a major test case of our ability to obtain appropriate access to the great Chinese market. We need to monitor it carefully. The highly trumpeted mantra about how the U.S.-China relationship will be one of the most important, if not the most important, U.S. bilateral relationship for the next half century, has a chilling effect on insisting on fair, reciprocal treatment, and good faith implementation of agreements signed with the Chinese government.

It will only be when we truly understand the specific impacts of this large deficit on our economy, particularly our industrial and manufacturing base, that the importance of insisting on fair play on the trade account will become clear.

Finally, the legislation being introduced by the distinguished Senator from North Dakota, Mr. DORGAN, requires the Commission to examine alternative strategies which we can pursue to achieve the systematic reduction of the deficit, particularly how to retain the migration of our manufacturing base abroad, and the changes that might be needed to our basic trade agreements and practices.

These are the purposes of the Commission that Senator DORGAN and I are proposing in this legislation. And I join with him in welcoming other Senators to cosponsor this legislation.

We can either continue to blunder along without a clear sense of the importance of the U.S. manufacturing base or of how to protect and enlarge upon that base or we can begin now to gather the data that will lead us in the right direction for the future of U.S. trade policy.

In other words, we can put up the right fences now or deal with a very sick economy and an ever-spiraling trade deficit which may take our economy right over a very dangerous cliff in the years ahead.

Mr. President, there is an old poem that was written by Joseph Malins many years ago which I think aptly describes the situation we are in.

FENCE OR AN AMBULANCE

"Was a dangerous cliff, as they freely confessed,
Though to walk near its crest was so pleasant.
But on its terrible edge there had slipped
A duke and full many a peasant.
So the people said something would have to be done,
But their projects did not at all tally.
Some said, "Put a fence around the edge of the cliff,
Some, "An ambulance down in the valley."
But the cry for the ambulance carried the day.
For it spread through the neighboring city;
A fence may be useful or not, it is true,
But each heart became brimful of pity.
For those who slipped over that dangerous cliff,
And the dwellers in highway and alley
Gave pounds or gave pence, not to put up a fence,
But an ambulance down in the valley.
"For the cliff is all right, if you’re careful," they said,
"And, if folks even slip and are dropping,
It isn’t the slipping that hurts them so much,
As the shock dawn below when they’re stopping."

So day after day, as those mishaps occurred, Quick forth would these rescuers sally
To pick up the victims who fell off the cliff,
With their ambulance down in the valley.
Then an old sage remarked: "It’s a marvel to me
That people give far more attention
To repairing results than to stopping the cause,
When they’d much better aim at prevention.
Let us stop at its source all this mischief,"
cried he.

"Come, neighbors and friends, let us rally;
If the cliff we will fence we might almost dispense
With the ambulance down in the valley."
"Oh, he’s a fanatic," the others rejoined.
"Dispense with the ambulance? Never!
He’d dispense with all charities, too, if he could.
No! No! We’ll support them forever."
Aren’t we picking up folks just as fast as they fail?
And shall this man dictate to us? Shall he?
Why should people of sense stop to put up a fence.
While the ambulance works in the valley"
But a sensible few, who are practical too,
Will not bear with such nonsense much longer;
They believe that prevention is better than cure,
And their party will soon be the stronger.
Encourage them then, with your purse, voice, and pen,
And while other philanthropists dally,
They will scorn all pretense and put up a stout fence
On the cliff that hangs over the valley.
Better guide well the young than reclaim them when old.
For the voice of true wisdom is calling.
"To rescue the fallen is good, but 'tis best To prevent other people from falling."
Better close up the source of temptation and crime
Than deliver from dungeon or galley;
Better put a strong fence round the top of the cliff
Than an ambulance down in the valley.

I commend the Senator from North Dakota for his studious approach to this question and for choosing the route of prevention over the ambulance down in the valley. I am pleased to join him in offering this proposal for the consideration of the Senate, and I hope that many of our colleagues will join us, and that we can secure passage of the proposal before the 104th Congress adjourns sine die this fall.

Mr. President, I thank my colleague for his courtesy in allowing me to join in cosponsoring this very important legislation. I thank him for his courtesy in securing the time on this day and for his yielding to me that I might add to the record. I yield the floor.

I yield back such time as I may have.

By Mr. J EFFORDS:
S. 197. A bill to amend the Social Security Act to help disabled individuals become economically self-sufficient and eligible for health care coverage through work incentives and a Medicare buy-in program, and for other purposes; to the Committee on Finance.

Mr. JEFFORDS. Mr. President, I introduce the Work Incentive and Self-Sufficiency Act of 1996. I believe that few people are returning to work after becoming eligible for Social Security disability income [SSDI] not because they no longer need government support, but because of a greater systemic problem we face as a nation. What I am referring to is this country’s current schizophrenic national disability policy.

The laudable policy we set forth in the Americans With Disabilities Act of 1990 [ADA] which requires that resources be provided to promote functioning and work for people with disabilities, as well as, income support for those who cannot work or whose ability to work is very limited, are not well integrated into our current SSDI and SSI programs. This is a very complex problem that we must deal with if we ever expect to get our Federal deficit under control.

I remember when we reported the ADA out of the Labor and Human Resources Committee, the committee had implicit that the law were to provide people with disabilities with: equality of opportunity, full participation, independent living, and economic self-sufficiency. Disability is not just a characteristic of individuals, but is a description of how well someone is able to fit into society. The ADA includes his or her capacity to work. To provide for a clear and consistent national disability policy we must make sure that the incentives, and goals of our public programs, SSDI, SSI, Medicare, and Medicaid work in conjunction with the private sector.

Many disabled individuals would like to return to work, but they are heavily penalized for these efforts to do so. For example, some courts have determined that if a person qualifies for SSDI, but then wants to go back to work and can find a job, their work would be cause of action under the ADA. I believe that the greatest disincentive for disabled individuals to return to work is the fear of losing their health care coverage. These individuals literally may not survive without health care coverage. Their condition often requires immediate utilization of health services and they cannot go, for, even for a short period of time, without the security of knowing they have guaranteed health coverage. It is understandable that they would prefer not to work if it will jeopardize this lifeline.

In the labor market, despite the ADA, there is a disincentive to hire or maintain the disabled employee. The disabled employee will likely have a chronic high cost illness and if the employer offered a health plan they would be covered under the plan. It is important to keep in mind that all employer group health plans, both insured and self-insured, are covered under ERISA.

THE WORK INCENTIVE AND SELF-SUFFICIENCY ACT OF 1996

S. 197. A bill to amend the Social Security Act to help disabled individuals become economically self-sufficient and eligible for health care coverage through work incentives and a Medicare buy-in program, and for other purposes; to the Committee on Finance.
Under ERISA, the employer currently has substantial flexibility in not only the benefits it chooses to cover, but also the types of plan design features it uses. Some employers have used plan design features which will carve out any high cost individual from coverage under the employee benefit health plan.

With no where else to turn, disabled individuals once again become dependent upon public sector health care plans, and with a shift from the employer health plans to the public health plans was the main argument I made during debate on the Health Insurance Reform Act when I brought my amendment on the lifetime caps to the floor. Employers, by limiting the maximum benefits they will pay for employees in a lifetime, actually set the point where their costs will end and Government expenditures begin. In the private market, health plans usually decide how much risk they will assume and then they reinsure the rest. In this case, the private market uses the Government-run health plans as the reinsurer of last resort.

According to previous testimony by the General Accounting Office [GAO] no more than 10 percent of SSDI and DI leave the rolls for work as a result of the Social Security Administration’s assistance. These programs need to place a greater focus on the rule the employer can play in getting people rehired to work. Once an individual becomes disabled the link with their current employer is disrupted and often terminated. If there were incentives, particularly early in the process, for the employer to remain involved the chances of returning to work would go up markedly.

The employer could focus on accommodating a valuable employee rather than on replacing him. Employers could assist their workers in getting assessed for the availability of a job immediately instead of waiting for the SSI or SSDI programs to first complete the application process and then making a referral for such services. If the employer were to keep in closer contact it would have better opportunity to prepare for any unique assistance the individual might ultimately need like a personal assistant or other assistance technology.

The Work Incentive and Self-Sufficiency Act of 1996, is designed to implement both of these solutions. First, it allows SSDI beneficiaries to keep part of their cash assistance after they return to work. Rather than losing the entire amount once they earn $500 a month, they would lose $1 of cash assistance for every $2 in wages they earn that is above $500 a month. This is similar to, but not the same as, the rule that allows individuals over 65 who are retired on Social Security to earn wages and continue to receive retirement income and Medicare coverage.

Third, it allows some individuals to apply only for Medicare coverage but not cash assistance. This would offer some workers who acquire a disability during their working years the option to purchase Medicare coverage and continue working. The Medicare coverage could be either their primary or supplemental coverage.

At this point some will ask. “Won’t that increase already rising costs of benefits?” Actually, no. Extending health coverage to those who return to work will not increase costs essentially because so few people are leaving the disability program for work. In fact, some would argue that a disability program that does not encourage or assist workers to keep part of their cash assistance to purchase any additional insurance or other supports. The cost of replacing these noncash benefits for individuals with significant disabilities is often double or even triple the value of the cash assistance that is lost.

The major assumptions are that individuals with disabilities can qualify for health coverage, much less afford to pay for it themselves, and private providers for long term supports can be located and afforded. The reality is that individuals with disabilities like their health care providers do not have health plans that meet their needs, or if they can find coverage, it comes with high deductibles and premiums, services exclusions, preexisting conditions limits, and/or yearly or lifetime caps on benefits.

The same is true for the long term supports required by some individuals with significant disabilities such as quadriplegia or cerebral palsy. Many individuals with disabilities can work and earn wages and continue to receive disability benefits after they return to work. The Medicare coverage they receive as work will not increase costs essentially to purchase Medicare coverage and continue working. The Medicare coverage would lead to some of them eventually being covered by private health insurance, thus reducing costs. It would also lead to a reduction in the amount of renter’s cash assistance paid as reentering workers replace benefits with wages, and pay taxes on those wages.

Employers would not be required to purchase any additional insurance or to report any additional information to the Government. Individuals with disabilities would assume the responsibility to exercise the option to purchase some who were in the work force longer at higher earnings receive more while many others receive less. At the current minimum wage of $4.25 per hour, a person working full time—176 hours per month, or 8 hours per day for a standard 22 days—will earn $748. This type of work is a slightly better than minimum wage or some overtime at 1.5 times regular wages, then take home pay from work replaces the cash assistance that is lost.

However, that cash assistance brings with it several noncash supports. The most well-known of these is health coverage, which comes through Medicare for SSDI beneficiaries and through Medicaid for SSI recipients. Other noncash supports include long-term supports under Medicaid, vocational rehab, or other programs, food stamps, rental assistance, home heating assistance, and a variety of discounts and reduced fares on public services, among others. In place of these, these noncash benefits for individuals with significant disabilities are often double or even triple the value of the cash assistance that is lost.

The major assumption is that individuals with significant disabilities can qualify for health coverage, much less afford to pay for it themselves, and private providers for long term supports can be located and afforded. The reality is that individuals with disabilities like their health care providers do not have health plans that meet their needs, or if they can find coverage, it comes with high deductibles and premiums, services exclusions, preexisting conditions limits, and/or yearly or lifetime caps on benefits.

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Medicare and pay the Medicare premiums. Considering the very important role employers have in assuring our Nation’s policy goal to self-sufficiency for individuals with disabilities I am especially pleased to have a letter from Michael R. Losey, president and CEO of the Society for Human Resource Management (SHRM). SHRM is and I quote, “fascinated by your proposal that would provide employment incentives to individuals with disabilities. SHRM looks forward to working with you and your staff to promote employment and reemployment incentives for those with disabilities.” I would also like to thank both Fred Grandy, president and CEO of Goodwill Industries International, Inc., and the Consortium for Citizens with Disabilities Task Force on Social Security, especially the cochairs, Tony Young, Marty Ford and Rhonda Schulzinger, for their letters of support for this bill. Mr. President, I asked unanimous consent that these three letters be inserted into the Record.

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

SOCIETY FOR HUMAN RESOURCE MANAGEMENT, Alexandria, VA, July 18, 1996.

Senator JAMES M. EFFORDS, Hart Building, Washington, D.C.

DEAR SENATOR EFFORDS: On behalf of the Society for Human Resource Management (SHRM), I am writing to commend you for your efforts to address the employment and reemployment needs of individuals with disabilities. SHRM is the leading voice of the human resource profession, representing the interests of more than 70,000 professionals and student members from around the world.

SHRM is committed to equal employment opportunity in all employment practices, including hiring, training, compensation, benefits, promotion transfer, termination, and reduction in force, for all individuals without regard to their disabilities. SHRM is committed to these policies because of our firm conviction that adherence to these principles is sound management practice and contributes significantly to the success of our membership and our members’ organizations.

As a result, SHRM is fascinated by your proposal that would provide employment incentives to individuals with disabilities. Faced with the loss of much-needed health care coverage or minimal financial support, many individuals who could continue making contributions as employees, are actually discouraged from going back to work. It is clear that the private and public sectors should work together to increase opportunities for Americans.

SHRM looks forward to working with you and your staff to promote employment and reemployment incentives for those with disabilities.

Sincerely,

MICHAEL R. LOSEY, SPHR, President & CEO.

CONSORTIUM FOR CITIZENS WITH DISABILITIES TASK FORCE ON SOCIAL SECURITY, July 18, 1996.

Hon. JAMES M. EFFORDS, U.S. Senate, Hart Senate Office Building, Washington, D.C.

DEAR SENATOR EFFORDS: The undersigned members of the Task Force on Social Security and the Work Incentive and Self-Sufficiency Act of 1996.

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in program currently exists it has not been a success.

This bill repeals the current trial work period and extended period of eligibility and replaces it with the 1996 reconciliation provisions. Second, we allow people to purchase Medicare if they meet the current medical listing test in SSDI. The buy-in is on a sliding scale.

Lastly, the bill also includes the Medicare-Medicaid Integration demonstration project was tried in 1996, the reconciliation bill and repeals the Medicare-Medicaid Data Bank.

SECTION 2 RETURN-TO-WORK PROGRAM FOR SOCIAL SECURITY DISABILITY INCOME BENEFICIARIES

(A) Benefit reductions based on income

Current law: An allowed SSDI/Medicare beneficiary who returns to work loses eligibility for DI cash assistance when achieving Substantial Gainful Activity (SGA). SGA is defined as earnings from wages or salaries that equal or surpass $500 monthly (for non blind disabled beneficiaries) that are earned continuously for nine months or longer. Beneficiaries can shelter some income from the SGA calculation by using work incentives such as the Impairment Related Work Expense offset.

Revision: An allowed SSDI/Medicare beneficiary who has their DI cash assistance reduced by $1 for every $2 earned beginning when achieving Substantial Gainful Activity (SGA). SGA is defined as earnings from wages or salaries that equal or surpass $500 monthly (for non blind disabled beneficiaries) that are earned continuously for nine months or longer. Beneficiaries can shelter some income from the SGA calculation by using work incentives such as the Impairment Related Work Expense offset. This creates an incentive similar to the cash continuing disability status, incentives for earned income in the case of SSDI/MMI.

(B) Benefit reductions for those who are dually eligible

Current law: An individual who is dually eligible for SSDI and SSI and who returns to work loses eligibility for both DI cash assistance and Medicare when achieving Substantial Gainful Activity (SSA). SSA is defined as earnings from wages or salaries that equal or surpass $500 monthly (for non blind disabled beneficiaries) continuously for nine months or longer. Beneficiaries can shelter some income from the SGA calculation by using work incentives such as the Impairment Related Work Expense offset. This individual would have their SSI cash assistance and Medicare coverage continued under the 1690a provision.

Revision: An individual who is dually eligible for SSDI and SSI and who returns to work would have their SSI cash assistance and Medicare coverage continued under the 1690a and (b) program. And, when achieving SSA the individual has their SSI cash assistance and Medicare coverage continued under the 1690a and (b) program. Reductions in cash assistance are taken first from SSI and secondly from SSDI.

(C) Required continued disability status

Current law: An individual who is an allowed SSDI/Medicare beneficiary receives a Continuing Disability Review (CDR) at intervals of either three, five, or seven years depending on their allowed class is Medical Improvement Expected (MIE = 3 years), Medical Improvement Possible (MIP = 5 years) or Medical Improvement Not Expected (MINE = 7 years). The individual must continue to meet criteria of: 1) earning less than $500 per month in wages or salaries; 2) having a medically determinable physical or mental condition that has lasted or is expected to last for more than 12 months. If the individual returns to work (or remains at work) and earns $500 or more per month (Substantial Gainful Activity, SGA), is in a continuing disability status (SDS) (or remains at work) and earns $500 or more per month (Substantial Gainful Activity), SGA is in a continuing disability status.

Revision: An individual who is an allowed SSDI/Medicare beneficiary receives a Continuing Disability Review (CDR) at intervals of either three, five, or seven years. The individual must continue to meet criteria of: 1) earning less than 50% of MPE in wages or salaries; 2) having a medically determinable physical or mental condition that has lasted or is expected to last 12 months; 3) having more than 50% of SGA and Part B premiums.

Revision: An individual who is an allowed SSDI/Medicare beneficiary receives a Continuing Disability Review (CDR) at intervals of either three, five, or seven years. The individual must continue to meet criteria of: 1) earning less than 50% of MPE in wages or salaries; 2) having a medically determinable physical or mental condition that has lasted or is expected to last 12 months; 3) having more than 50% of SGA. The individual must continue to meet criteria of: 1) earning less than 50% of MPE in wages or salaries; 2) having a medically determinable physical or mental condition that has lasted or is expected to last 12 months; 3) having more than 50% of MPE in wages or salaries. The individual must continue to meet criteria of: 1) being unable to perform any job in the national economy.

Revision: An individual who is as allowed SSDI/Medicare beneficiary receives a Continuing Disability Review (CDR) at intervals of either three, five, or seven years. The individual must continue to meet criteria of: 1) earning less than 50% of MPE in wages or salaries; 2) having a medically determinable physical or mental condition that has lasted or is expected to last 12 months; 3) being unable to perform any job in the national economy. This incentive is similar to 1619(a) provisions regarding Medicaid.

SECTION 3 CONTINUING ELIGIBILITY FOR MEDICARE BUY-IN BENEFITS FOR DISABLED INDIVIDUALS

(A) Continuation of Medicare and Medicare buy-in

Current law: An individual who is an allowed SSDI/SSI beneficiary receives SSDI cash assistance after a five month waiting period and receives Medicare coverage after a two year waiting period. If the individual returns to work and earns $500 or more per month (Substantial Gainful Activity, SGA), no cost Medicare continues through a nine month Trial Work Period and a Three month transition period. Beginning in month 13, Medicare continues if the beneficiary elects to pay the full cost of both the Part A and Part B premiums.

Revision: An individual who is an allowed SSDI/Medicare beneficiary who returns to work and earns $500 or more per month (SGA), is in a continuing disability status unless medical recovery is determined as described in paragraph 3 above and receives no cost Medicare until Adjusted Gross Income (AGI) reached $15,000. [The exact formula is to be determined pending additional research].

(B) Defining the Medicare buy-in conditions

Current law: An individual who is an allowed SSDI/SSI beneficiary receives SSDI cash assistance after a six month waiting period and receives Medicare coverage after a two year waiting period. If the individual returns to work and earns $500 or more per month (Substantial Gainful Activity) no cost Medicare continues through a nine month Trial Work Period and a Three month transition period. Beginning in month 13, Medicare continues if the beneficiary elects to pay the full cost of both the Part A and Part B premiums.

Revision: An individual who is an allowed Medicare Buy-In beneficiary receives no SSDI cash assistance month, but receives Medicare coverage without a two year waiting period. If the individual returns to work (or remains at work) and earns $500 or more per month (Substantial Gainful Activity), no cost Medicare continues through a nine month Trial Work Period and a Three month transition period. Beginning in month 13, Medicare continues if the beneficiary elects to pay the cost of both the Part A and Part B premiums on a sliding income scale. The beneficiary would receive free Medicare until Adjusted Gross Income (AGI) reached $15,000, after this point beneficiaries would pay a premium of 10% of AGI beyond $15,000. [The exact formula is to be determined pending additional research].

SECTION 4 MEDICARE BUY-IN PROVISION FOR DISABLED INDIVIDUALS WHO CAN WORK BUT REMAIN ON SSDI BECAUSE THEY CANNOT OBTAIN HEALTH CARE ADEQUATE COVERAGE IN THE PRIVATE MARKET

(A) Creating a new allowed beneficiary class to promote work

Current law: An individual qualifies for SSDI/Medicare if they meet a series of stringent medical criteria. This criteria includes: 1) earning less than $500 per month in wages or salaries; 2) having a medically determinable physical or mental condition that has lasted or is expected to last 12 months; 3) being unable to perform any job in the national economy. In order to meet the criteria of having a medically determinable condition, the individual must continue to meet the requirements of the Listings, including functional equivalents, who, for expect earned income meets the disability definition. This incentive is similar to 1619(a) provisions regarding Medicaid.
conditions which meets or exceeds the requirements of the Listings, or c) meet strict functional criteria for not being capable of performing any job in the national economy, given their condition, age, and education. If these criteria are met, an applicant is an allowed beneficiary and receives SSDI cash assistance after a five month waiting period. Medicaid begins after a two year waiting period.

Revision: An individual qualifies for Medicare Buy-in, but not for SSDI cash assistance, if a hand gun because of compelling circumstances warrants an exemption, such as a woman being stalked by someone who is threatening her. However, a temporary concealed act, but generalized risks would not be sufficient. It would have to be a specified, credible threat.

Mr. President, common sense tells you that there are more than enough dangerous weapons on America's streets. Yet, incredibly, some seem to think that there should be more. They want to turn our States and cities into the wild, wild west, where everyone carries a gun on his or her own hip, taking the law into their own hands. This is a foolhardy, and dangerous, trend.

The facts are clear, Mr. President. This country is already drowning in a sea of gun violence. Every 2 minutes, somewhere in the United States is shot. Every 14 minutes someone in this country dies from a gunshot wound. In 1994 alone, over 15 thousand people in our country were killed by handguns. Compare that to countries like Canada, where 90 people were killed by handguns that year, or Great Britain, which had 68 handgun fatalities.

Mr. President, the Federal Centers for Disease Control and Prevention estimates that by the year 2003, gunfire will have surpassed auto accidents as the leading cause of injury-related deaths in the United States. In fact, this is already the case in seven States. It is because we already suffer from an epidemic of gun violence that I have introduced this legislation. The fact is, Mr. President, concealed weapons make people less, not more, secure. You don't have to take it from me. Listen to the real experts: The police officers on the street. There is near-unanimous agreement in the law enforcement community that concealed weapons laws are bad policy.

Arming more people is not the way to make the streets safer. It is a way to get more people killed. Mr. President, the National Rifle Association and its allies may believe that the presence of concealed weapons will scare criminals from committing crimes. To me, just the opposite is true. More likely, criminals will just get more violent. Think about it, Mr. President. If a criminal thinks that you might be carrying a concealed weapon, common sense tells you that he is much more likely to simply shoot first, and ask questions later.

Perhaps the most importantly, concealed weapons will mean that many routine conflicts will escalate into deadly violence. Every day, people get into every

thing from traffic accidents to domestic disputes. Maybe these arguments lead to yelling, or even ficstuffs. But if more people are carrying guns, those conflicts are much more likely to end in a shooting, and death.

Mr. President, the bottom line is that more guns equals more death. This legislation will help in our struggle to reduce the number of guns on our streets, and help prevent our society from becoming even more violent and dangerous.

My colleagues will support the bill, and ask unanimous consent that a copy of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows;

S. 1980

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 "Concealed Weapons Prohibition Act of 1996".

SEC. 2. FINDINGS.

The Congress finds and declares that—

(1) crimes committed with handguns threaten the peace and domestic tranquility of the United States and reduce the security and general welfare of the Nation and its people;

(2) crimes committed with handguns impose a substantial burden on interstate commerce and lead to a reduction in productivity and profitability for businesses around the Nation whose workers, suppliers, and customers are adversely affected by gun violence;

(3) the public carrying of handguns increases the level of gun violence by enabling the rapid escalation of otherwise minor conflicts into deadly shootings;

(4) the public carrying of handguns increases the likelihood that incompetent or careless handgun users will accidentally injure or kill innocent bystanders;

(5) the public carrying of handguns poses a danger to citizens of the United States who travel across State lines for business or other purposes; and

(6) all Americans have a right to be protected from the dangers posed by the carrying of concealed handguns, regardless of their State of residence.

SEC. 3. UNLAWFUL ACT.

(a) It shall be unlawful for a person to carry a handgun on his or her person in public.

(b) Except as provided in paragraph (2), it shall be unlawful for a person to carry a handgun pursuant to State law who is—

(i) a law enforcement official;

(ii) a retired law enforcement official;

(iii) a duly authorized private security officer;

(iv) a person whose employment involves the transport of substantial amounts of cash or other valuable items; or

(v) any other person that the Attorney General determines should be allowed to carry a handgun because of compelling circumstances warranting an exception, pursuant to regulations that the Attorney General may promulgate.

(b) A person authorized to carry a handgun pursuant to a State law that grants a person an exemption to carry a handgun authorized security officers. Additionally, States could choose to exempt persons whose employment involves the transport of substantial amounts of cash or other valuables.

Also, Mr. President, States could provide exempions to medical cases, based on credible evidence, that a person should be allowed to carry a handgun because of compelling circumstances warranting an exemption, such as a woman being stalked by someone who is threatening her. However, a temporary conceal act, but generalized risks would not be sufficient. It would have to be a specified, credible threat.

Mr. President, common sense tells you that there are more than enough dangerous weapons on America's streets. Yet, incredibly, some seem to think that there should be more. They want to turn our States and cities into the wild, wild west, where everyone carries a gun on his or her own hip, taking the law into their own hands. This is a foolhardy, and dangerous, trend.

The facts are clear, Mr. President. This country is already drowning in a sea of gun violence. Every 2 minutes, somewhere in the United States is shot. Every 14 minutes someone in this country dies from a gunshot wound. In 1994 alone, over 15 thousand people in our country were killed by handguns. Compare that to countries like Canada, where 90 people were killed by handguns that year, or Great Britain, which had 68 handgun fatalities.

Mr. President, the Federal Centers for Disease Control and Prevention estimates that by the year 2003, gunfire will have surpassed auto accidents as the leading cause of injury-related deaths in the United States. In fact, this is already the case in seven States. It is because we already suffer from an epidemic of gun violence that I have introduced this legislation. The fact is, Mr. President, concealed weapons make people less, not more, secure. You don't have to take it from me. Listen to the real experts: The police officers on the street. There is near-unanimous agreement in the law enforcement community that concealed weapons laws are bad policy.

Arming more people is not the way to make the streets safer. It is a way to get more people killed. Mr. President, the National Rifle Association and its allies may believe that the presence of concealed weapons will scare criminals from committing crimes. To me, just the opposite is true. More likely, criminals will just get more violent. Think about it, Mr. President. If a criminal thinks that you might be carrying a concealed weapon, common sense tells you that he is much more likely to simply shoot first, and ask questions later.

Perhaps the most importantly, concealed weapons will mean that many routine conflicts will escalate into deadly violence. Every day, people get into every
latter. Time and again, I have seen intervention, if experience is any indi-
cation, to cause a near crisis.
and limited export opportunities, has size yield lower prices to producers.
creased productivity and growing herd ble consumption combined with in-
nature of the market dictates that sta-
try in recent years are complex. The returns have been low in recent years.
hard work, and dedication. While the hard work, and dedication. While the
have provided a decent living and good
in trade practices between the two coun-
tries. As a former rancher, I have a first-
hand understanding of the challenges
that face the cattle industry. The pro-
longed down cycle is especially trou-
bling because it affects the livelihoods of
ranching families in Idaho and across the
country.
These beef producers are the largest
sector of Idaho and American agri-
culture. Over 1 million families raise
over 100 million head of beef cattle
eyear. This contributes over $36 billion to local economies. Even with
the extended cycle of low prices, direct cash receipts from the Idaho cattle
industry were almost $620 million in 1995. These totals only represent direct
sales; they do not capture the multi-
plier effects when cattle ranchers buy
in their local economies from expendi-
tures on labor, feed, fuel, property
taxes, and other inputs.
Over the years, cattle operations have
delivered a decent living and good
way of life in exchange for long days,
hard work, and dedication. While the
investment continues to be high, the
returns have been low in recent years.
The problems facing the cattle indus-
try in recent years are complex. The
nature of the market dictates that sta-
ble consumption combined with in-
creased productivity and growing herd
size yield lower prices to producers.
This, combined with high feed prices
and limited export opportunities, has
caused a decrease in supply.
Many Idahoans have contacted me on
this issue. Some suggest the Federal
Government intervene in the market
to help producers. However, many oth-
er have expressed fear that Federal
intervention, if experience is any indi-
cation, will cause complications and
may also create a number of uninten-
tended results. I tend to agree with the
latter. Time and again, I have seen
lawmakers and bureaucrats in Wash-
ington, DC, albeit well-intentioned, take
take a difficult situation and make it
worse. This does not mean that I be-
lieve Government has no role to play. I
have supported and will continue to support values of proven value.
However, I will continue to follow this
situation closely with the hope that
free market forces will, in the long run,
aid in making cattle producers more
efficient, productive, and profitable.
The cattle industry is part of a com-
plex, long-term cycle; however, there
are producers who might not survive
the short-term consequences. The Beef
Industry Assistance Resolution ad-
resses a number of these short term
issues. These are issues that were
raised at a hearing of the Agriculture
Committee that I chaired a few weeks
ago.

The resolution has five sections—
and directs the Secretary to capture
private sector self-regulation, rec-
ognition of barriers to international
trade, and emergency loan guarantees.
Section 1 encourages the Secretary of
Agriculture and Department of Justice
in resource, increase in the pricing of
mergers and acquisitions in the beef
industry. Investigation of possible barriers in the
beef packing sector for new firms and
with other commodities is encouraged.
Section 2 directs the Secretary of Ag-
frastructure to expedite the reporting
of existing beef categories and add addi-
tional categories. These categories in-
clude contract, formula and live cash
cattle prices, and boxed beef prices.
Section 3 encourages two very impor-
 tant measures within the private sec-
tor. First, meat packing companies are
encouraged to fully utilize a grid pric-
ing structure which will provide pro-
ducers with a more complete picture
for the particular type of the cattle
they produce. Second, agricultural
lenders are encouraged to consider
the total asset portfolio, not just cash
flow, when evaluating this year’s beef
loans. Even the smallest operators
will have great difficulty cash-flowing a
cattle outfit because of the prolonged
period of low prices.

Section 4 recognizes a number of bar-
riers to international trade that ad-
versely affect American beef producers.
The section is meant to elevate the im-
portance of all trade issues and specifi-
cally references the elimination of the
European Union hormone ban and ani-
mal health barriers between the United
States and Canada.
Section 5 recommends that emer-
gency loan guarantees be made avail-
able to agricultural lenders with cattle
industry loans. I am disappointed that
the President zeroed out funding for
this program in his fiscal year 1997 pro-
posal. I have heard from a number of
lenders that a high number of loans are
questionable for this reason.

The Beef Industry Assistance Resolu-
tion is a measure designed to provide
immediate, short-term solutions to
some of the serious problems facing
the cattle industry. I know that a number of my colleagues have legislative spend-
ing in regards to the cattle market. I
would comment that I see this resolu-
tion as a starting point, not an ending
point for cattle industry issues.

Mr. President, I ask unanimous con-
sent that the 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. 1981

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

SECTION 1. JOINT UNITED STATES-CANADA
COMMISSION ON CATTLE AND BEEF.

(a) Establishment.—There is established a
Joint United States-Canada Commission on
Cattle and Beef to identify, and recommend
means of resolving, national, regional, and
provincial trade-distorting differences be-
tween the United States and Canada with
respect to the production, processing, and sale
of cattle and beef, with particular emphasis
on—

(1) animal health requirements;
(2) transportation differences;
(3) the availability of feed grains; and
(4) other market-distorting direct and indi-
rect subsidies.

(b) Composition.—

(1) IN GENERAL.—The Commission shall be
composed of—

(A) 3 members representing the United
States, including—

(i) 1 member appointed by the Majority
Leader of the Senate;
(ii) 1 member appointed by the Speaker of
the House of Representatives; and
(iii) 1 member appointed by the Secretary
of Agriculture;

(B) 3 members representing Canada,
appointed by the Government of Canada; and

(C) nonvoting members appointed by the
Commission to serve as advisers to the Com-
mission, including university faculty, State
veterinarians, trade experts, and other mem-
ers.

(2) APPOINTMENT.—Members of the Com-
mmission shall be appointed not later than 30
days after the date of enactment of this Act.

(c) REPORT.—Not later than 180 days after
the first meeting of the Commission, the
Commission shall submit a report to Con-
gress and the Government of Canada that
identifies, and recommends means of resolv-
ing, differences between the United States
and Canada with respect to the production,
processing, and sale of cattle and beef.

ADDITIONAL COSPONSORS

S. 673

At the request of Mrs. Kassebaum,
the name of the Senator from Penn-
sylvania [Mr. Specter] was added as a
cosponsor of S. 673, a bill to establish a
youth development and grant program,
and for other purposes.