

to the pension-related provisions of the 1994 Uruguay Round Agreements Act.

Mr. President, one of the greatest challenges facing Americans today is to save and invest for retirement. It is a challenge that is made difficult by all of the important matters that compete for a share of the American family's limited income day in and day out. Parents routinely ask themselves, for example, if they can afford to make a contribution to an individual retirement account when they still need to save for their child's college education.

Sometimes, the choices people face are even more stark: Whether to set aside money for retirement, repair the family car so a mother or father can get to work, or just put food on the table or clothes on the kids' backs.

Employers, too, must make similar choices. To attract and retain qualified employees, they want to be able to offer good pension benefits. But, they have to decide whether they can put more money into a pension plan for their employees when the business needs new equipment just to stay competitive.

It's easy to relegate retirement to second place behind any of these other pressing needs—especially when retirement is 5, 10, 20, or 30 years away. But, adequate planning for retirement is no less important or urgent. When the time comes, we will all need to draw upon the resources we have been able to set aside during our working years.

Because there are so many competing demands placed on people's incomes—because it is so difficult to save for retirement even under the best of circumstances—the Federal Government should be sure to do what it can to encourage people to save and invest for their retirement years.

One thing Congress could do in that regard is provide new incentives to save. The new chairman of the Finance Committee, Senator BILL ROTH, has a plan to enhance and overhaul the Individual Retirement Account [IRA]. I am pleased to have cosponsored that proposal, S. 12, with him.

Another thing we could do is simplify current law to make it easier for people and their employers to participate in retirement plans. Senator PRYOR has an excellent proposal, S. 1006, the Pension Simplification Act, that I hope the Finance Committee will also consider when it acts on reconciliation in the near future.

The bill that I am introducing today takes two additional steps in the direction of pension simplification, correcting two problems that were created by the Uruguay Round Agreements Act, last year's GATT bill.

The first change in my bill relates to the interest rate used to calculate lump sum distributions from defined benefit pension plans. The GATT bill required use of the interest rate on 30-year Treasury securities, a rate that is proving too volatile for many retirement plans, particularly small plans. As Bruce Tempkin, an actuary and

small business pension specialist at Louis Kravitz & Associates, put it recently, "it is similar to taking out a variable-rate mortgage with no cap." You could find yourself getting ready to retire and expecting a lump sum distribution of a given amount, but being told that you will actually get a third less because the interest rate just changed.

My bill would give plans a one-time option to choose a fixed interest rate between 5 and 8 percent instead of the floating 30-year Treasury rate. That will make it easier for employers to plan for the required contributions, and for employers and employees alike to understand what their lump sum benefits will ultimately be.

The second change included in my bill would correct an anomaly that was created under section 415(b)(2)(E) of the code. As a result of the change made in last year's GATT bill, lump-sum distributions are calculated differently from—and thereby bear no relationship to—the actuarial equivalent of a monthly life annuity for early retirees. It is a result that, from all indications was unintended. My bill includes a technical correction to ensure that the two options—the monthly life annuity and the lump sum distribution—are indeed actuarially equivalent for early retirees.

Mr. President, I invite my colleagues to join me as a cosponsor of this important initiative. I also 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. 1258

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

SECTION 1. INTEREST RATE FOR DETERMINATION OF PRESENT VALUE FOR PURPOSES OF PENSION CASH-OUT RESTRICTIONS.

(a) IN GENERAL.—Subclause (II) of section 417(e)(3)(A)(ii) of the Internal Revenue Code of 1986 (relating to determination of present value) is amended by inserting “, or, at the irrevocable election of the plan, an annual interest rate specified in the plan, which may not be less than 5 percent nor more than 8 percent” after “prescribe”.

(b) CONFORMING AMENDMENT.—Subclause (II) of section 205(g)(3)(A)(ii) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1055(g)(3)(A)(ii)) is amended by inserting “, or, at the irrevocable election of the plan, an annual interest rate specified in the plan, which may not be less than 5 percent nor more than 8 percent” after “prescribe”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the amendments made by section 767 of the Uruguay Round Agreements Act.

SEC. 2. MODIFICATION OF CERTAIN ASSUMPTIONS FOR ADJUSTING BENEFITS OF DEFINED BENEFIT PLANS FOR EARLY RETIREES.

(a) IN GENERAL.—Subparagraph (E) of section 415(b)(2) of the Internal Revenue Code of 1986 (relating to limitation on certain assumptions) is amended—

(1) by striking “Except as provided in clause (ii), for purposes of adjusting any ben-

efit or limitation under subparagraph (B) or (C),” in clause (i) and inserting “For purposes of adjusting any limitation under subparagraph (C) and, except as provided in clause (ii), for purposes of adjusting any benefit under subparagraph (B),” and

(2) by striking “For purposes of adjusting the benefit or limitation of any form of benefit subject to section 417(e)(3),” in clause (ii) and inserting “For purposes of adjusting any benefit under subparagraph (B) for any form of benefit subject to section 417(e)(3).”

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the amendments made by section 767 of the Uruguay Round Agreements Act.●

ADDITIONAL COSPONSORS

S. 44

At the request of Mr. REID, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 44, a bill to amend title 4 of the United States Code to limit State taxation of certain pension income.

S. 112

At the request of Mr. DASCHLE, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of S. 112, a bill to amend the Internal Revenue Code of 1986 with respect to the treatment of certain amounts received by a cooperative telephone company.

S. 309

At the request of Mr. BENNETT, the names of the Senator from Arkansas [Mr. PRYOR], the Senator from Rhode Island [Mr. PELL], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from North Dakota [Mr. DORGAN], and the Senator from South Dakota [Mr. DASCHLE] were added as cosponsors of S. 309, a bill to reform the concession policies of the National Park Service, and for other purposes.

S. 490

At the request of Mr. GRASSLEY, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 490, a bill to amend the Clean Air Act to exempt agriculture-related facilities from certain permitting requirements, and for other purposes.

S. 684

At the request of Mr. HATFIELD, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 684, a bill to amend the Public Health Service Act to provide for programs of research regarding Parkinson's disease, and for other purposes.

S. 881

At the request of Mr. PRYOR, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 881, a bill to amend the Internal Revenue Code of 1986 to clarify provisions relating to church pension benefit plans, to modify certain provisions relating to participants in such plans, to reduce the complexity of and to bring workable consistency to the applicable rules, to promote retirement savings and benefits, and for other purposes.

S. 1178

At the request of Mr. CHAFEE, the names of the Senator from Mississippi [Mr. LOTT] and the Senator from Utah [Mr. HATCH] were added as cosponsors of S. 1178, a bill to amend title XVIII of the Social Security Act to provide for coverage of colorectal screening under part B of the Medicare Program.

SENATE RESOLUTION 146

At the request of Mr. JOHNSTON, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of Senate Resolution 146, a resolution designating the week beginning November 19, 1995, and the week beginning on November 24, 1996, as "National Family Week," and for other purposes.

AMENDMENTS SUBMITTED

THE AGRICULTURE APPROPRIATIONS ACT FOR FISCAL YEAR 1996

REID (AND BROWN) AMENDMENT NO. 2685

Mr. REID (for himself and Mr. BROWN) proposed an amendment to the bill (H.R. 1976) making appropriations for Agriculture, rural development, Food and Drug Administration, and related agencies programs for the fiscal year ending September 30, 1996, and for other purposes; as follows:

At the appropriate place, insert the following:

SEC. . BOARD OF TEA EXPERTS

None of the funds appropriated under this Act may be used for the salaries or expenses of the Board of Tea experts established under section 2 of the Act, entitled "An Act to prevent the importation of impure and unwholesome tea", approved March 2, 1897 (21 U.S.C. 42).

KERREY (AND KOHL) AMENDMENT NO. 2686

Mr. DASCHLE (for Mr. KERREY, for himself and Mr. KOHL) proposed an amendment to the bill H.R. 1976, supra; as follows:

On page 83, strike line 4 through line 5;
On page 43, line 17; strike \$528,839,000 and insert in its place \$563,839,000;

On page 52, line 18; strike \$17,895,000 and insert in its place \$22,395,000;

On page 52, line 24; strike \$30,000,000 and insert in its place \$37,544,000;

On page 55, line 1; strike \$1,500,000 and insert in its place \$3,000,000.

BROWN (AND ABRAHAM) AMENDMENT NO. 2687

Mr. BROWN (for himself and Mr. ABRAHAM) proposed an amendment to the bill H.R. 1976, supra; as follows:

At the appropriate place in the amendment, insert the following:

(a) None of the funds appropriated or made available to the Federal Drug Administration by this Act shall be used to operate the Board of Tea Experts and related activities.

(b) The Tea Importation Act (21 U.S.C. 41 et seq.) is repealed.

BROWN AMENDMENTS NOS. 2688–2690

Mr. BROWN proposed three amendments to the bill H.R. 1976, supra; as follows:

AMENDMENT No. 2688

At the appropriate place, insert the following:

SEC. . PEANUT PROGRAM.

(a) IN GENERAL.—None of the funds made available under this Act may be used to carry out a price support or production adjustment program for peanuts.

(b) ASSESSMENT.—The Secretary of Agriculture may charge producers a marketing assessment to carry out the program under the same terms and conditions as are prescribed under section 108B(g) of the Agriculture Act of 1949 (7 U.S.C. 1445c-3(g)).

AMENDMENT No. 2689

At the appropriate place in the amendment, insert the following:

SEC. . PRICE SUPPORT AND GRADING AND INSPECTION OF TOBACCO.

(a) IN GENERAL.—None of the funds made available under this Act may be used to pay the salaries or expenses of the employees of the Department of Agriculture to grade or inspect tobacco or to administer price support functions for tobacco.

(b) ASSESSMENT.—The Secretary of Agriculture may charge producers a marketing assessment to grade or inspect tobacco and to administer the price support functions under the same terms and conditions as are prescribed in the Agricultural Act of 1949 (7 U.S.C. 1445-1 and 1445-2).

AMENDMENT No. 2690

Insert at page 84, between line 2 and line 3:

SEC. 730. None of the funds available in this Act shall be used for any action, including the development or assertion of any position or recommendation by or on behalf of the Forest Service, that directly or indirectly results in the loss of or restriction on the diversion and use of water from existing water supply facilities located on National Forest lands by the owners of such facilities, or result in a material increase in the cost of such yield to the owners of the water supply; *Provided*: nothing in this section shall preclude a mutual agreement between any agency of the Department of Agriculture and a state or local governmental entity or private entity or individual.

BRYAN (AND BUMPERS) AMENDMENT NO. 2691

Mr. BRYAN (for himself and Mr. BUMPERS) proposed an amendment to the bill H.R. 1976, supra; as follows:

On page 65, line 18, before the period at the end, insert the following: "": *Provided further*, That none of the funds made available under this Act may be used to carry out the market promotion program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623)".

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. COCHRAN. Mr. President, I ask unanimous consent that the committee on Armed Services be authorized to meet on Monday, September 18, 1995, at 3 p.m. in executive session, to consider and act on the committee's recommendation for the reconciliation bill.

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

ADDITIONAL STATEMENTS

THE 75TH ANNIVERSARY OF THE TOWN OF INDIAN HEAD, MD

• Mr. SARBANES. Mr. President, I would like to call to the attention of our colleagues celebrations that are underway to celebrate the 75th anniversary of the establishment of the town of Indian Head, MD. The mayor of Indian Head, Warren Bowie, along with the entire community, has planned several significant events to commemorate this propitious milestone.

One of two incorporated townships in Charles County, Indian Head's history goes back much further than its date of incorporation in 1920. The territory now known as Indian Head was given to Lord Baltimore, and then to Gen. Charles Cornwallis, as part of a land grant made by the English King in 1736. Records later reveal that Cornwallis titled the land to George Washington in 1761.

Older charts and maps dating from 1776 through 1866 indicate that Indian Head has had several names including Indian Point, Indian Headlands, and Indian Head Point. All of these names reflect the more popular tale of how the name Indian Head was bestowed upon the town. As the story is told, there was an Algonquin chief who had promised his daughter in marriage to the son of the chief of the neighboring Piscataway Tribe. Before the two children were united, the young woman met an Indian hunter who was traveling up the Potomac River from the Virginia Colony. The two immediately fell in love. The Algonquin chief, enraged at the disruption of the wedding plans, ordered the hunter to leave and never to return to the region again. The hunter vowed that he would come back for his love. His plans to return were discovered and foiled. The night he returned, he was ambushed by Algonquin warriors and beheaded. His head was placed on a spear and set in the sand as a warning to other trespassers. The very next day, the first white settlers came and discovered this monument. Hence the name Indian Head.

Indian Head was slow to populate itself, largely due to the fact that the area was mainly marshland. But in 1890 the U.S. Navy decided to move its proving ground to Indian Head, primarily because of its location between the naval shipyards in Norfolk and the Washington Navy Yard on the Anacostia. As the installation at Indian Head grew, so did the town. When it became inevitable that the United States would become deeply engaged in World War I, Indian Head was given a large appropriation to expand its facilities to produce smokeless powder. The naval powder factory, which is now the naval ordnance station, provided the stimulus for the expansion of Indian Head.