SENATE—*Wednesday, July 24, 1991*

(Legislative day of Monday, July 8, 1991)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the Honorable DANIEL K. AKAKA, a Senator from the State of Hawaii.

The PRESIDING OFFICER. Today's prayer will be offered by the Senate Chaplain, Reverend Richard C. Halverson.

PRAYER

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

Let us pray:

Blessed are the poor in spirit: for theirs is the kingdom of heaven.—Matthew 5:3.

Gracious Father in Heaven, this first principle of the Kingdom of God sounds so irrelevant in the context of political pragmatism, so foreign to our contemporary culture, "Blessed are the paupers in spirit?"

Mighty God, in a place of power like this, in a city like this, in a society like ours, we value self-esteem, power, personal strength. We treat them as virtues. To be "poor in spirit" is so utterly contrary to our ideas of upward mobility, achievement, success. Yet Jesus declares it to be fundamental to the Kingdom of God.

Eternal God who "ordains all the powers that be," help us see ourselves in the light of this penetrating truth. Unrealistic as it may sound, help us visualize it in terms of its opposites: pride, arrogance, self-sufficiency, egotism. Grant us grace to appreciate the eternal value, to be "poor in spirit," to be humble.

In His name "Who, being in the form of God * * * made himself of no reputation, and took upon himself the form of a servant * * *."—Philippians 2:6, 7.

Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 24, 1991.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DANIEL K. AKAKA, a Senator from the State of Hawaii, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

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

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. MITCHELL. Mr. President, and Members of the Senate, as the Presiding Officer has indicated, there will be a period for morning business between now and 10:15 a.m., following which there will be 30 minutes for debate on the cloture motion on the motion to proceed to the foreign assistance authorization bill. A vote on that motion will occur at 10:45 a.m.

If cloture is invoked—that is, if more than 60 Senators vote in the affirmative to proceed to consideration of that bill—the Senate will commence consideration of the bill immediately thereafter, and we will be on the bill throughout the day.

Rollcall votes may occur. If, once cloture is invoked, we are able to get permission to proceed immediately to the bill, as I certainly hope we will—we have a lot of business to do in the next week-and-a-half—I hope that we are able to proceed to it and make good progress on this important measure during the day today.

Mr. President, I thank my colleagues. I yield the floor.

RESERVATION OF LEADER TIME

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

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. There will now be a period for the transaction of morning business not to extend beyond the hour of 10:15 a.m., with Senators permitted to speak therein. The Senator from Washington [Mr. ADAMS] is permitted to speak up to 15 minutes. The Senator from Louisiana [Mr. JOHNSTON] is permitted to speak for up to 20 minutes. The Senator from Alaska [Mr. MURKOWSKI] is permitted to speak for up to 10 minutes.

The Senator from Washington [Mr. ADAMS] is recognized.

Mr. ADAMS. Thank you, Mr. President.

(The remarks of Mr. ADAMS pertaining to the introduction of S. 1536 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. JOHNSTON addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Louisiana [Mr. JOHNSTON] is recognized.

NATIONAL ENERGY SECURITY ACT OF 1991

Mr. JOHNSTON. Mr. President, almost 2 months ago, the Senate Committee on Energy and Natural Resources reported S. 1220, which is the National Energy Security Act of 1991. This is a comprehensive, balanced, effective energy proposal; in fact, it is the most comprehensive, the most balanced, the most effective energy proposal ever reported by either House of the Congress of the United States at any time in history.

Mr. President, we have spent the last few days talking about the various parts of this bill, about energy efficiency on one day, energy conservation, alternative fuels, renewable energy, and natural gas. And today, Mr. President, we want to talk about coal—both coal technology and coal research and development—as well as research and development initiatives in other energy disciplines.

Mr. President, I see my distinguished friend from North Dakota on the floor, who I believe wanted to speak about coal. I will be prepared to yield him time at this point, if he would like to speak.

Mr. CONRAD addressed the Chair.

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

ENERGY POLICY

RENEWABLE RESOURCES

Mr. CONRAD. Mr. President, I thank the chairman of the Energy Committee for this time. Yesterday, I intended to join him in his discussion of the provisions in the energy bill related to renewable resources. I would like to touch on the initiatives on renewable energy today, as well as that portion of the energy bill related to research and development, and specifically coal.

During the decade of the 1980's, we witnessed in this country a dramatic decline in resources devoted to development of alternative and renewable sources of energy. Funding for research, development, and demonstra-

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

tion of alternative energy technologies was slashed by 89 percent between 1981 and 1990. Funding for renewable energy research in the same period dropped by 90 percent.

If the oil shocks of the 1970's convinced us that it was a national imperative to develop renewable energy, the oil price collapse of the 1980's lulled us into a false sense of security. Development of renewable and alternative energy sources must be at the top of this Nation's energy agenda.

Our oil import dependence now stands at 50 percent. That ought to sober every serious-minded American. We are now dependent for half of our oil supplies on foreign sources—unstable foreign sources. If there is anything we should have learned in recent months, it is that America is vulnerable because of our dependence on foreign oil. That dependence will rise to 65 or 70 percent, unless we take action.

Mr. President, that is why it is imperative that this Congress move on the energy agenda that has been put before it by the Energy Committee. Our oil dependence was dramatized by the Persian Gulf war, and it is clearly time to renew our commitment to renewable and alternative sources of energy.

Mr. President, we have abundant domestic energy resources; we know that. Our energy policy should seek maximum reliance on made-in-America energy, not cheap Persian Gulf oil.

Renewable energy now supplies 8 to 10 percent of America's energy, mostly through hydroelectricity. The Department of Energy concluded that renewables could provide more than 28 percent of our energy by the year 2030, if they receive adequate funding and their price becomes competitive with oil.

Despite the decline in Federal research and development dollars in the 1980's, there have been many promising technological developments in that decade. Technologies like solar thermal, biomass, wind, and photovoltaics are excellent examples of proven renewable sources of energy.

The Energy Security Act before this Chamber contains a number of provisions which will promote the development of renewable energy resources in the domestic arena. Perhaps the most important initiative is the establishment of joint ventures in biofuels, geothermal, photovoltaic and wind energy, biomass gasification, fuel cells, and utility scale photovoltaics.

Marrying the public and private sector in the development of these joint ventures is critical. Federal sponsorship will enhance the commercialization of these technologies.

Another important provision of this legislation allows the Secretary to buy down interest rates on private bank loans in order to attract the long-term capital necessary for the development of solar, biomass, and wind industries. The industries are becoming more mature, but they need incentives to increase their use in the marketplace. These young industries have a very difficult time attracting the necessary capital because their up-front costs still remain rather high. Leveraging of Federal dollars is an excellent way to increase the penetration of these technologies in the marketplace.

RESEARCH AND DEVELOPMENT AND COAL PROVISIONS

Mr. President, research, development and commercialization of energy technologies were also neglected during the 1980's. If there was ever a decade of neglect, the 1980's were it. For some reason this Nation went to sleep. For some reason this Nation decided that the commitment outlined in the 1970's to move this Nation toward energy independence could be put on the back burner, perhaps because of the collapse of oil prices. Nonetheless, the challenge remains.

The energy legislation put before this body directs the Secretary to establish research and development priorities for the country which emphasizes reduced oil dependence, energy efficiency, environmentally sound sources of energy, and elimination of the obstacles to commercial viability of alternative energy technologies.

The research initiatives contained in this bill span all energy resources: Natural gas utilization technologies, high-efficiency heat engines, oil shale, high-temperature superconducting electric power systems, fusion, electric hybrid vehicles and battery technology, natural gas vehicles, enhanced oil recovery, and others.

The bill also includes joint ventures with private sector interests to demonstrate the commercial viability of these technologies. This sort of Federal support will be critical for spurring widespread acceptance of these technologies.

Now, Mr. President, let me turn briefly to the coal provisions because this bill also contains research for advanced coal-based technologies. Coal is one of this Nation's most abundant resources. The research program will emphasize control of sulfur and nitrogen oxides, air toxics, the development of coal-derived transportation fuels, and the utilization of coal refining technologies.

The Department of Energy estimates that recoverable coal reserves in this Nation are more than 250 billion tons, which is the energy equivalent of the entire world reserve of oil. In other words, Mr. President, we have in this Nation in coal reserves the energy equivalent of the entire world's supply of oil. Western low-rank coals represent approximately half of those U.S. coal reserves. My own State of North Dakota is now producing about 30 million tons of coal a year, supplying the vast majority of the electricity used in my State.

Mr. President, what could be more clear than we must continue to develop this important domestic resource in a sound and responsible manner to reduce our energy dependence? The energy legislation before us will direct coal research in the right direction and will for the first time put some emphasis on Western coal.

Mr. President, like any legislation, this bill is not perfect, but it is a very, very good start. An enormous amount of effort has gone into crafting this legislation.

I believe it is the responsible approach for this Chamber to take up this legislation soon, to act on it, and to send a signal to America that we are ready to have an energy policy in this country, that we are no longer willing to put this Nation at risk because of our dependence on foreign sources of oil. That way lies tragedy. If, instead, we are able to make the hard choices and turn this Nation in the direction of energy independence, we can strengthen America. That is the opportunity.

I again publicly commend the chairman of the Energy Committee for having the courage to put before this body a comprehensive energy bill, a bill that provides the framework for moving this country in the right direction.

Thank you, Mr. President.

The ACTING PRESIDENT pro tempore. The Senator from Louisiana is recognized.

Mr. JOHNSTON. Mr. President, I congratulate the distinguished Senator from North Dakota [Mr. CONRAD] for an excellent statement, for his tremendous contributions to this bill, and for the help he has been in trying to get a made-in-America energy policy.

Mr. President, ours is a real challenge, first, because of the misinformation put out about this bill and, second, because the problem of talking about a comprehensive energy policy is that it is so vast and involves so many different initiatives, literally hundreds of initiatives. This bill, S. 1220, is 493 pages in length. Contained here is every good idea that the Energy Committee has received over a period of at least the last 19 years since I have been on the Energy Committee. It used to be called the Interior Committee. Every single idea that has been proposed which we and the staff found to be sensible we have included in this 493-page, 16-title bill.

What we have been doing these last few days is going through those titles, particularly those that deal with such things as renewable energy, which we talked about yesterday, natural gas and all of its applications, from pipeline reform to the use of natural gas in vehicles, to new technological innovations involving natural gas, to energy efficiency, and the 30 different ways in which this bill deals with energy effi-

ciency, conservation, and we have yet to talk still about other parts of the bill that are equally important.

So, Mr. President, when those people say this bill does not do anything for conservation, they have not read the bill, or they have read it and chosen to misrepresent it because we do a lot for conservation, we do a lot for energy efficiency, we do a lot for alternative fuels, we do a lot for biomass and solar energy and all of those things that collectively are necessary to make up an energy policy.

We held 15 hearings and 13 markups on this bill, Mr. President, and we believe it is an excellent product. We address R&D in such areas as renewable energy, energy efficiency, natural gas, high efficiency heat engines, oil shale, advanced oil recovery, tar sands, superconductivity, fusion, and clean-coal technologies. We provide for demonstration projects and commercialization projects through cost-shared agreements with the private sector. It is all here.

Today, I want to talk about two titles of S. 1220 that have been largely overlooked thus far. These provisions are not contentious. They have not captured attention like ANWR and CAFE. But these are important provisions that will set in motion research and development activities across the entire energy spectrum.

Federal support for research and development is critical to our future energy supply in this country. It is only through continued support of promising technologies that we will ultimately be successful in decreasing our dependence on imported oil and increasing our reliance on resources that are made in America. We have vast resources in this country that have the potential to provide sources of energy for hundreds of years to come. But we have barely begun to develop some of these resources. Others have been developed and utilized for years—but there may be better, and cheaper, and cleaner ways to develop and utilize them.

According to the Energy Information Administration, the recoverable coal reserves in the United States are more than 250 billion tons, or enough coal to last for 240 years. By far, coal is our greatest domestic energy resource. These reserves are equivalent to 1,099 billion barrels of oil.

But the key to continued use of these vast coal resources will be to develop technologies that will make coal both clean and economical. S. 1220 includes provisions that will lead to the development and commercialization of those technologies.

Title XIV of S. 1220 is solely focused on initiatives that will ensure that these vast resources of coal will be available for use in a clean, economical fashion. The provisions of S. 1220 contain aggressive initiatives for technology development and initiatives that will deal with some of the institutional issues associated with the use of coal.

Indeed, coal is one of the areas where the difference between S. 1220 and the administration's energy bill is most evident. The word "coal" is not even mentioned in the 165-page administration bill. But, in our view, these domestic resources are too vast to simply ignore them.

The natural gas resources base in the United States is also vast, but the proved natural gas reserves represent only a small percentage of what may be recoverable with advanced technology. According to the EIA, proved natural gas reserves totaled 168 trillion cubic feet in 1988. But with the utilization of advanced exploration and production technology, the economically recoverable resource base in the lower 48 States increases significantly to 1,251 trillion cubic feet. That is equivalent to an increase from 30 to 225 billion barrels of oil. Again, S. 1220 includes provisions that will lead to the development and commercialization of those technologies.

Advanced technology also offers the potential to increase the economic recoverability of domestic oil resources. Advanced oil recovery technologies will be capable of significantly increasing the extent of proved oil reserves and significantly increasing daily production. Nearly two-thirds of our existing oil reserves are not now recoverable. Much of this oil could be recovered, however, with advanced technology. According to the Department of Energy, this could result in additional economically recoverable reserves of 20 to 65 billion barrels. The provisions of S. 1220 would set in motion a program for development and demonstration of these advanced technologies.

Other domestic resources also offer great potential. Among these are oil shales, tar sands, geothermal, and many renewable resources. While most of these resources are not as abundant or recoverable as coal, natural gas, or oil, they have an important role in ensuring diversity of supply in our overall domestic energy mix. Continued Federal research and development in these areas is critical. In the case of oil shale, aggressive Federal R&D could be the link to vast resources that may be more abundant than oil or gas. S. 1220 contains provisions for research and development in all of these areas. Where appropriate, S. 1220 contains provisions to support demonstration and commercialization of these technologies in cooperation with the private sector.

In short, title XIII of S. 1220 sets forth research, development, demonstration, and commercialization programs across a wide spectrum of energy disciplines. The Secretary of Energy is directed to establish research and development priorities and to develop a management plan for conduct of these programs at the Department of Energy.

The approach we have taken in S. 1220 is to concentrate Federal support at the stage where it is needed the most. If it is research and development that is required to take a technology to the next step, then that is where Federal support is focused. In title XIII, we have included R&D initiatives in oil shale, tar sands, renewable energy, energy efficiency, electric vehicles, battery technology, and fusion energy. In title XIV, we have included R&D initiatives for low-rank coal.

Where demonstration of a technology is the next logical step, we have focused Federal support at that stage. To encourage demonstration of such technologies, S. 1220 includes initiatives for cost-shared demonstration projects on natural gas utilization technologies, advanced technologies for natural gas recovery, high-efficiency heat engines, high-temperature superconductivity, natural gas and electric heating and cooling technologies, and advanced oil recovery technologies. With respect to coal, S. 1220 includes initiatives for cost-shared demonstration projects in clean coal technologies, coal refining technologies, underground coal gasification, magnetohydrodynamics, and nonfuel uses of coal.

Finally, where a technology simply needs a push toward commercialization, S. 1220 includes initiatives that will help push these technologies out into the marketplace. This is a theme that runs throughout S. 1220. If there is a necessary Federal role in developing these technologies, it is critical that we fulfill that role.

S. 1220 is designed to make the United States energy independent by developing our own resources and developing cost-competitive technologies that will better enable us to utilize those resources. The research, development, demonstration, and commercialization provisions are a central part of that scheme.

Mr. President, in the next few days we will discuss other aspects of this bill. I urge my colleagues and I urge people all across America to consider the implications of where we are in energy and where we are going with energy and what the energy life of this country will be like unless we adopt a comprehensive energy policy. We are 50 percent dependent on foreign imports of crude oil, on our way to two-thirds according to the testimony of former Energy Secretary Schlesinger and others before our committee, from one-half dependence on imports today to two-thirds dependence on imports by 1995.

I ask my colleagues to consider what will happen or what would happen if the price of oil doubled in real terms at

the same time that we are dependent for two-thirds on imports.

If you remember, Mr. President, back in the 1970's that is precisely what happened. Indeed, back in the 1970's the price of oil more than doubled in real terms. If that should happen today, for people who think we are in a recession now, for people who think we have difficulties in our economy now, can you imagine what it would be if the price of oil should double?

And where is the price of oil headed? It is headed up, inexorably up, Mr. President, as our consumption goes inexorably up, as our production goes inexorably down.

What S. 1220 is designed to do, all 493 pages of it, is to get us off that dependency so that this country's economy is not held hostage, so that this country's foreign policy is not held hostage, so that operations like Desert Storm will not be so necessary in the future, as they are today.

Mr. President, there is no alternative to a comprehensive energy policy, one based not only on initiatives such as conservation, energy efficiency, alternative fuels, CAFE standards, those kinds of things, but also on production initiatives such as the option to have nuclear energy, the option to be able to drill in the Arctic National Wildlife Refuge, the option to have the Public Utility Holding Company Act reform which will bring competition to the generation of electricity.

Mr. President, this bill does all of that and in future days we will continue to inform our colleagues and the Nation about how this balanced and comprehensive bill deals fully with the need for a national energy policy.

Mr. President, I ask unanimous consent that a summary of the research and development and coal provisions of S. 1220 be printed in the RECORD.

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

SUMMARY—TITLES XIII AND XIV OF S. 1220, R&D AND COAL TECHNOLOGY PROVISIONS

TITLE XIII—RESEARCH, DEVELOPMENT, DEMONSTRATION, AND COMMERCIALIZATION ACTIVITIES

Energy Research, Development, Demonstration, and Commercialization Priorities.—Directs the Secretary to set priorities and prepare a management plan for research, development, demonstration, and commercialization activities consistent with the purposes of the Act.

Natural Gas End-Use Technologies.—Authorizes the Secretary to carry out a program to promote the commercialization on a cost-shared basis, of natural gas utilization technologies including stationary source emissions control and efficiency improvements, natural gas storage, transportation fuels, and fuel cells.

Natural Gas Supply Enhancement.—Authorizes the Secretary to carry out a program, on a cost-shared basis, of research, development and demonstration to increase the recoverable natural gas resource base, including efforts in the following areas: increased recovery from discovered conventional resources, economic recovery of unconventional natural gas resources, surface gasification of coal, and recovery of methane from biofuels.

High Efficiency Heat Engines.—Directs the Secretary to carry out a program of research, development, demonstration, and commercialization on high efficiency heat engines including advanced gas turbine cycles.

Applied Research on Eastern Oil Shale.—Directs the Secretary to carry out a research and development program on oil shale that includes applied research on eastern oil shale and that is conducted in cooperation with universities and the private sector.

Western Oil Shale.—Directs the Secretary to carry out a research, development, and demonstration program on western oil shale and to consider establishment and utilization of at least one field test center. Requires private sector cost-sharing for any demonstration project.

High-Temperature Superconducting Electric Power System.—Directs the Secretary to carry out a program of research, development, and demonstration of a high-temperature superconducting electric power system. Requires private sector cost-sharing for any demonstration project.

Renewable Energy Research and Development.—Amends the Renewable Energy and Energy Efficiency Technology Competitiveness Act (Pub. L. No. 101-218) to remove the authorization limitation for renewable energy research and development programs.

Energy Efficiency Research and Development.—Amends the Renewable Energy and Energy Efficiency Technology Competitiveness Act (Pub. L. No. 101-218) to remove the authorization limitation for energy efficiency research and development programs.

Natural Gas and Electric Heating and Cooling Technologies.—Directs the Secretary to expand the program of research, development, and demonstration for natural gas and electric heating and cooling technologies for residential and commercial buildings. Requires private sector cost-sharing for any demonstration project.

Fusion Research, Development, and Demonstration.—Directs the Secretary to carry out a research, development, and demonstration program on fusion energy that is structured in a way that will lead to commercial demonstration of the technological feasibility of fusion energy for the production of electricity after the year 2010. Requires private sector cost-sharing for any demonstration project.

Electric Vehicle Research and Development.—Directs the Secretary to conduct a program of research and development on techniques related to improving electric vehicles, electric-hybrid vehicles and battery technology. Requires private sector cost-sharing for these programs.

Advanced Oil Recovery Research, Development, and Demonstration.—Directs the Secretary to carry out a program of research, development, and demonstration to increase the economic recoverability of domestic oil resources that includes both advanced secondary oil recovery and tertiary oil recovery. The Secretary is authorized to enter into cooperative agreements for activities under this section. Requires private sector cost-sharing for any demonstration project.

Tar Sands.—Requires the Secretary, in consultation with the Secretary of the Interior, to submit a study to Congress within one year. The study shall identify and evaluate the development potential of sources of tar sands in the United States (including eastern and western sources).

Study of Telecommuting.—Directs the Secretary, in consultation with the Secretary of Transportation, to conduct a study of the potential costs and benefits of telecommuting. Telecommuting would allow people to work from home on a computer or telephone rather than commuting to a central workplace.

Study of Minimization of Nuclear Waste.—Directs the Secretary to conduct a study of the potential for minimizing the volume and toxic lifetime of nuclear waste.

Nuclear Waste Management Plan.—Directs the Secretary to submit to Congress a report on whether the current programs and plans for management of nuclear waste as mandated by the Nuclear Waste Policy Act of 1982 are adequate for the management of any additional volumes or categories of nuclear waste that might be generated by any new nuclear power plants that might be constructed and licensed after the date of enactment of this Act.

Math and Science Education.—Directs the Secretary to enter into agreements with qualified entities to provide post-secondary programs for the promotion of mathematics and science education for low-income and first generation college students.

TITLE XIV—COAL, COAL TECHNOLOGY AND ELECTRICITY

Subtitle A—Coal and Coal Technology

Coal Research, Development and Demonstration Program.—Directs the Secretary to carry out a research, development and demonstration program for advanced coal-based technologies, that will achieve greater control of NO_x, SO2, and air toxics; will be capable of converting coal into cost-competitive transportation fuels; will be capable of converting coal into synthetic gaseous, liquid, and solid fuels; and will achieve greater energy efficiency; and will be commercially available by 2020.

Non-fuel Use of Coal.—Requires the Secretary to submit a research, development, and demonstration plan and implement a program for technologies for the non-fuel use of coal. Such technologies include the production of coke, carbon-based chemical intermediates, and coal treatment processes.

Coal Refining Program.—Directs the Secretary to carry out a research, development, demonstration, and commercialization program for coal refining technologies. Directs the Secretary to solicit proposals for cost-shared demonstration projects of coal refining processes and authorizes the Secretary to enter into agreements with non-Federal entities to undertake these projects.

Underground Coal Gasification.—Directs the Secretary to carry out a research, development and demonstration program for underground coal gasification technology. Directs the Secretary to solicit proposals and is authorized to provide financial assistance for at least one demonstration project of underground coal gasification technology.

Low Rank Coal Research.—Requires the Secretary to pursue a program of research and development with respect to the technologies needed to expand the use of low-rank coals. Authorizes the Secretary to enter into contracts, cooperative agreements, and jointly sponsored research programs with, and provide grants to, qualified persons in order to carry out this program.

Magnetohydrodynamics.—Requires the Secretary to carry out a proof-of-concept program in magnetohydrodynamics. In carrying out this program, the Secretary is directed to solicit proposals from the private sector and seek to enter into an agreement that provides for cost-sharing with non-Federal entities.

Coal-Fired Locomotives.—Directs the Secretary to conduct a research, development and demonstration program for utilizing "ultra-clean coal-water slurry" in diesel locomotive engines.

Coal Exports.—Requires the Secretary to submit to Congress a plan for expanding the export of coal from the United States.

Clean Coal Technology Export Coordinating Council.—Establishes a Clean Coal Technology Export Coordinating Council to facilitate and expand the export and use of clean coal technologies, with a priority on such transfer and use in lesser-developed countries. Requires the Council to develop a data base and information dissemination system relating to clean coal technologies.

Coal Fuel Mixtures.—Requires the Secretary to prepare a report on technologies for combining coal with other materials, such as oil or water fuel mixtures.

National Clearing House.—Directs the Secretary to establish a national clearing house for exchange and dissemination of technical information relating to coal and coal-derived fuels.

Utilization of Coal Combustion Byproducts.—Directs the Secretary to conduct a comprehensive study on the institutional, legal, and regulatory barriers to increased utilization of coal combustion byproducts, such as ash, slag, and flue gas desulfurization.

Data Base and Report on Coal Transportation.—Requires the Secretary to establish a data base and prepare a report regarding coal transportation rates and distribution.

SUBTITLE B—ELECTRICITY

Applicability of New Source Review to Existing Electric Utility Steam Generating Units.—Addresses the so-called *WEPCo* issue concerning EPA's interpretation of new source performance standards (NSPS) and new source review (NSR) in cases of physical changes at existing powerplants. Exempts pollution control projects from NSR and NSPS and prescribes standards for assessing whether other physical changes at existing powerplants trigger NSPS and NSR.

Excess Capacity Study.—Requires the Secretary to submit report on physical impediments to transfer of excess electrical energy from regions with surpluses to regions with shortages.

Calculation of Avoided Cost.—This section states that State regulatory authorities are not required to base calculations of avoided cost, under the Public Utility Regulatory Policies Act (PURPA), on the rates for or the costs of demonstration projects under the Department's clean coal technology program.

Regulatory Incentives for Clean Coal Technologies.—Sets out a process for establishing Federal regulatory incentives for clean coal technologies and encourages State regulatory authorities to consider similar incentives for these technologies. Requires the Secretary to report to Congress on progress made in encouraging States to provide these incentives.

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

The ACTING PRESIDENT pro tempore. The Senator from Alaska is recognized, Senator MURKOWSKI.

Mr. MURKOWSKI. Mr. President, may I ask if I have 10 minutes as requested in morning business?

The ACTING PRESIDENT pro tempore. The Senator from Alaska has 10 minutes.

Mr. MURKOWSKI. I thank the Chair.

First let me acknowledge my colleague, the chairman of the Energy Committee, for a broad and encompassing view of the energy bill that will soon be considered on the Senate floor. I think the series of presentations that have been made truly highlight the broad and well-rounded nature of the National Energy Security Act of 1991.

I would suggest that we have in this instance a case of the glass being more than half full, as opposed to being half empty with regard to those who are critics of this energy bill.

ARCTIC NATIONAL WILDLIFE REFUGE

Mr. MURKOWSKI. Mr. President, the Senator from Alaska is prepared this morning to go into one portion of that bill, the portion covering the authorization to initiate drilling in the Arctic National Wildlife Refuge [ANWR]. The realization that some of my colleagues are unfamiliar with ANWR, I think, deserves a little examination.

ANWR is a relatively small, 19-million acre section of Alaska tucked away north of the Arctic Circle next to the Canadian-United States border. ANWR is about the size of South Carolina, six times the size of Connecticut, however in relation to the State of Alaska, it is relatively small.

Within ANWR there are 19 million acres, as I have indicated, and it is important to recognize, Mr. President, that 8 million acres have already been set aside in wilderness in perpetuity. That is an area, the size of the State of Massachusetts. So for those who suggest there is not enough wilderness in Alaska, I remind them there are 56 million acres of wilderness in Alaska. The 8 million acre section of wilderness in ANWR is a very small portion.

It is further appropriate to recognize that out of the 19 million acres in ANWR, there are 9½ million acres set aside as a refuge that can only be opened by Congress. That leaves us with about 1½ million acres in the so-called 1002 area. This is the area that contains the most promising prospects for oil and gas discoveries. ANWR coastal plain estimates could run as high as finding the largest oilfield in North America or, as old-time oil people say, "When you look for oil, you usually don't find it." But we will never know unless we authorize exploration.

The mean estimates of reserves estimated in the ANWR area are 3.2 billion barrels and high estimates are over 10 billion barrels. ANWR could provide this Nation with 10 to 12 percent of the U.S. domestic production.

I remind my colleagues that Prudhoe Bay has been producing about 24 percent of the total crude oil produced in the United States since the mid 1970's, producing approximately 2 million barrels a day. That field is now on a decline of about 10 percent a year. If we do not find domestic replacements for the decline from Prudhoe Bay, we are going to import more oil, probably from the Persian Gulf, and certainly it will travel to the United States in foreign tankers.

We heard this morning from Senator JOHNSTON who outlined in some detail the Johnston-Wallop National Energy Security Act of 1991, which was reported out of the Energy Committee on May 23, and contains the ANWR leasing title. The vote on the Johnston-Wallop energy bill was 17 to 3 in favor of reporting the package out of committee. It is a balanced bill, Mr. President. It contains provisions for energy conservation, development of alternative energy sources and increased domestic oil and gas production.

Environmental activists want more conservation and less production, however, conservation is not the sole solution. We certainly need conservation, but we also need production. I think proof of that, Mr. President, would be to go back and examine in the mid-1970's when we adopted our first CAFE standard, we save roughly 1½ million barrels per day. But within 6 months of that first CAFE standard initiation in the mid-1970's, we also brought on Prudhoe Bay which added roughly 2 million barrels per day. History has shown, Mr. President, that we needed both conservation and production. As we look at the national energy security of this Nation, I think we are in agreement that the United States is dependent on other countries to meet our energy needs. Senator JOHNSTON has already indicated that over half of our oil consumption is imported from foreign countries. The United States currently consumes approximately 17 million barrels per day but only produces about 7½ million barrels per day. Clearly, over 50 percent comes from foreign sources.

Mr. President, the Persian Gulf war showed that the Mideast is certainly an unstable supply of foreign oil. If we go back and recognize that our President said that United States troops were needed to combat naked aggression, we also knew that we were there to keep the flow of oil coming from the Persian Gulf for the countries of the Western world.

Mr. President, the problem is getting worse. OPEC countries provide 25 percent of U.S. oil supply today. Fifty-three percent of our imports are from OPEC countries. Compare this with 1985 when U.S. imports were only 31 percent, and only 11 percent of U.S. oil supply from OPEC. Worldwide OPEC accounts for 33 percent of world oil production.

U.S. production continues to decline, Mr. President. U.S. oil production is at its lowest point in 26 years. Domestic production, currently at 7.4 million barrels per day, is dropping at a rate of about 4 percent a year. Alaska oil fields, which hold 25 percent of the

total U.S. oil production, continue to decline.

Mr. President, conservation alone is simply not enough. We must make some tough decisions in this country.

The U.S. consumption of oil is relatively flat. So where is the growth? The growth is in the Third World countries. Third World countries are increasing their use of energy at about 10 percent per decade. Third World oil use is expected to rise 155 percent from 1985 to the year 2010. Developing countries accounted for 17 percent of world commercial energy consumption in 1973. They now account for 23 percent of energy consumption. And it is expected to grow to 40 percent by the year 2020.

Think, for a moment: 600 new cars a day in Singapore, Thailand, and Korea. These countries are increasing their standard of living and as a consequence they want new automobiles.

Mr. President, ANWR is the cornerstone of the National Energy Security Act of 1991. In the Johnston-Wallop bill, ANWR revenues fund over 60 percent of conservation measures. Everything from energy-efficient homes, solar energy, and clean-coal technologies to tax breaks for electric cars. These conservation measures are funded by ANWR revenues.

Friends in the environmental community face an interesting dilemma. If they strip ANWR out of the package or succeed in putting it into a wilderness, then those folks bear the responsibility of killing our Nation's energy strategy.

We have seen criticism of the Johnston-Wallop plan but clearly those who criticize it have failed to come up with a better package.

I would like to dispel some of the ANWR myths. It is important to recognize that there are 19 million acres in ANWR, 8 million are designated wilderness, 9.4 million in refuge, that leaves 1½ million acres. It is estimated if oil were discovered, development would utilize an area of about 12,500 acres, an area about the size of the Dulles International Airport.

Another myth is that it is only a 200-day supply. If ANWR were only a 200-day supply it would be the third largest oil field ever found in the United States.

The environmental community also uses the caribou myth. Mr. President, there are more caribou in Alaska than there are people. The caribou herds have actually increased in the Prudhoe Bay area. Prior to the discovery of oil development in the Prudhoe Bay area, there were about 3,000 caribou in the central Arctic herd. Today there are about 18,000.

I think it is important to recognize that there are approximately 150 to 200 visitors that go into this lovely area each year. The cost of that visit is about $5,000. How does that compare with the millions of working Americans who would benefit from reducing excessive dependence on imported oil? ANWR could create as many as 735,000 jobs throughout the United States and boost the gross national product by $54 billion.

These are important issues that my colleagues need to understand in these debates as we address the merits of the National Energy Security Act of 1991.

I have stated at the beginning of my statement the glass is truly half full. The energy package is a good one. We have never gotten so far before in such a comprehensive package.

So, as I conclude, let me commend the chairman of the committee, Senator JOHNSTON.

I will be giving a series of speeches to my colleagues relative to additional aspects of the energy bill as it pertains to ANWR.

I yield the floor.

COAL PROVISIONS

Mr. FORD. Mr. President, today I would like to join my distinguished colleague, the chairman of the Committee on Energy and Natural Resources, in discussing the coal provisions of S. 1220. These provisions are quite obviously very important to my home State of Kentucky. I am pleased to have been able to work with the chairman and other members of the committee to develop these provisions.

Many people have confused S. 1220 with the administration's national energy strategy. In the area of coal, it is particularly apparent that S. 1220 is quite different from the administration's energy strategy.

The administration had some nice words of encouragement for coal in its national energy strategy. But it neglected to mention coal even once in its 165-page legislative proposal. To the administration, coal was nothing more than a poor, forgotten stepchild.

By contrast, S. 1220 contains many important provisions that will ensure that coal is available as a clean source of energy well into the future.

Coal now supplies 25 percent of the total energy requirements in the United States. Some 57 percent of the total U.S. electricity supply comes from coal. We have enough coal in reserve to meet our projected needs for more than 200 years. These facts show that coal will continue to be a major part of the energy supply mix for many years to come. It simply makes no sense to stop using this home-grown resource. The recent war in the Persian Gulf should be enough to remind us of the need for products made in the United States of America.

But the key to continued use of coal is development of technology to make it both clean and economical. These technologies are already under development. The provisions of S. 1220 adopted during the committee markup will ensure that these efforts continue.

I would like to talk briefly today about some of the key provisions of S. 1220 that I worked with the chairman and others to make part of this bill. I am pleased that the committee adopted my amendments to strengthen the crucial coal provisions of S. 1220. And I hope and believe that the resulting legislation will be worthy of the support of everyone interested in the long-range energy future of our Nation.

S. 1220 directs the Secretary of Energy to carry out a program to develop advanced coal-based technologies that will be commercially available by 2010. As part of that program, the Secretary is encouraged to consider additional rounds in the Clean-Coal Technology Program.

Another important provision of S. 1220 directs the Secretary to develop commercial-scale demonstrations of innovative coal-refining processes such as liquefaction. This is a significant program that will develop technologies to clean up the coal before it is burned rather than after. These technologies have the potential to produce clean fuel for energy and electricity production as well as coal byproducts that have value as nonfuels.

During the committee markup of S. 1220, a number of other provisions were adopted that will encourage the development and use of clean-coal technologies. These provisions encourage the adoption of regulatory incentives for investments in clean-coal technologies. Another provision would eliminate a disincentive to the acceptance of clean coal projects by ensuring that electricity rates are not artificially inflated due to calculations of avoided cost.

In short, the initiatives contained in S. 1220 will set in motion the programs necessary to achieve the goals of developing technologies that will burn coal cleanly and cost-effectively. These are important goals that I believe all of my colleagues should support.

I have every hope that there will be Senate action on S. 1220 in 1991 and that major energy legislation will be enacted by the Congress before adjournment at the end of 1992.

THE ROLE OF COAL IN A NATIONAL ENERGY STRATEGY

Mr. ROBB. Mr. President, I rise today to support of the coal title of the National Energy Security Act of 1991 (S. 1220). I think there are ways to improve the bill—specifically, I think that any energy policy needs to center around conservation and an increase in the gasoline tax. I hope the Senate will have a chance to consider such an amendment in the months ahead. But for now, I wish to focus my attention on title XIV of the bill as it relates to coal and coal technology.

Mr. President, the United States possesses enormous reserves of coal. Fully one-quarter of the world's known coal reserves are in the United States. In 1990, the United States produced a record level of over 1 billion short tons

of coal, an increase of 5 percent over the previous year. The Commonwealth of Virginia contributed significantly to this production, ranking seventh in coal production in the United States during 1990.

The problem, of course, is that increased reliance on coal raises some legitimate environmental concerns. Title XIV of this bill seeks to address some of those concerns. S. 1220 directs the Secretary of Energy to establish and conduct a research, development, and demonstration program to assure development of advanced coal-based technologies which control NO_x, SO_2, and air toxics and achieve greater energy efficiency. Under the bill, these technologies are to be commercially available by the year 2010.

In addition, S. 1220 requires the Secretary of Energy to submit to the Congress a plan to expand the export of U.S. coal. The bill also establishes a clean coal technology export coordinating council to facilitate and expand the use of clean-coal technologies abroad, with a priority for developing countries.

In closing, Mr. President, this Nation desperately needs to enact comprehensive and balanced energy legislation. If we are to reduce our reliance on oil—in order to reduce the power of foreign nations to dictate American foreign policy—we must look to a broad range of alternatives. While I may not personally support every item in S. 1220, I do support the Congress enacting comprehensive energy legislation that includes a place for coal in meeting our Nation's energy needs.

Mr. BYRD. Mr. President, I have long argued that the United States should and must develop a comprehensive national energy policy. As events in the Middle East have too frequently reminded us, our national security and our economic security are highly dependent upon our energy security. We can no longer afford to allow our Nation's energy policy to be determined solely by the vagaries of unfettered market forces. We can no longer afford to allow ourselves to be so vulnerable to the whims of foreign despots and to the political instabilities inherent in other regions of the world. The time has come to enact a comprehensive national energy policy that will make us energy independent.

As a nation, we already possess the energy resources and the technological potential to enhance our energy security and to achieve energy independence. All that is needed now are the will and the leadership to put into place long-term, comprehensive, and coordinated policies that will achieve these goals. And I believe that we have the opportunity to enact such policies in the 102d Congress. Last month, S. 1220, the National Energy Security Act of 1991, was reported by the Senate Committee on Energy and Natural Resources. It is my hope that the Senate will now act on S. 1220.

I believe that S. 1220 will, at least, put our Nation on the path toward developing an array of energy strategies and resources that will forever reduce our dependence on foreign oil. S. 1220 is a comprehensive bill; it appropriately incorporates a number of different approaches in its effort to move our Nation toward the goal of energy independence. I say appropriately so because I do not believe that we should base our national energy policy on a single fuel source or a single strategy. Achieving true and long lasting energy independence will require the enactment of a comprehensive, well-balanced policy that promotes the development of yet untapped domestic energy resources, as well as increased energy efficiency and conservation.

In this regard, I am pleased that one of the strategies S. 1220 promotes—one of the resources it develops—is coal, our Nation's most abundant and lowest cost energy resource. Coal constitutes up to 90 percent of our fossil fuel reserves of coal, oil, and natural gas. Our recoverable coal reserves total 168 billion tons, and are roughly equivalent, in terms of their energy value, to the entire world's known petroleum reserves.

Coal is a reserve of good fortune, as long as we have the good sense to use it; and if we have the foresight to develop more efficient and environmentally safe ways of using it.

S. 1220 encourages the continued deployment of this vast reserve of primary energy to deliver America's future supplies of the cleanest, most efficient form of energy—electric power. Coal is especially well suited for the generation of electric power, and today supplies the fuel for 55 percent of America's electric output. It is estimated that the United States will need as much as 100,000 megawatts of new generating capacity by the year 2000 and as much as 320,000 megawatts by 2010, at which time electricity will constitute 41 percent of our total energy use.

How will we satisfy this increased demand for electric power? Certainly, conservation and efficiency in use have roles to play in meeting new demand, as does natural gas. However, with respect to other energy sources, it will take years to clear away the thickets of regulation and investor apprehension that have overgrown nuclear power. The foremost developer of solar power is at the point of bankruptcy, and environmental concerns about hydroelectric power are increasing. Further dependence on foreign oil is a most undesirable goal.

The realities of our energy use are clear. If America is to possess the electric-generating capacity necessary for economic growth and prosperity, we must continue to develop our abundant coal resources. In addition, we must learn to use coal in ways that minimize any adverse environmental consequences.

S. 1220 will move us in the right direction. Without relying on costly subsidies or efficiency-distorting governmental mandates, it will provide strong incentives for the deployment of the newest, most efficient, and cleanest technologies for coal-fired electrical generation.

The clean coal technologies of atmospheric- and pressurized-fluidized-bed combustion and integrated-gasification-combined-cycle generation offer efficiency improvements over present conventional combustion technologies of 3 to 11 percent. This is good for the economy. These same technologies offer sulfur removal of 90 to 99 percent; and, for a given level of output, reductions in carbon dioxide emissions of 10 to 20 percent. This is good for the environment.

In addition, S. 1220 reaches for even greater efficiency and environmental improvements in the section on coal research, development, and demonstration. It would help promote research on advanced generating technologies such as fuel cells and magnetohydrodynamics, where the prospective efficiencies are of 50 and 55 percent, respectively; and where carbon dioxide emission reductions of 35 and 42 percent are possible.

S. 1220 would also help advance new uses of coal—uses that would serve to further reduce America's dependence on foreign oil. Most of America's imported oil demand is to produce transportation fuels and other value-added products. Coal, however, can be as versatile as petroleum in the uses to which it can be applied. S. 1220 directs research into the concept of "coal refineries" to produce transportation fuel and other value-added products. It also would promote the development of other coal-energy technologies designed to displace imported oil.

Finally, just as S. 1220 will help put the United States on the road to energy independence, as well as help us attain important economic and environmental goals, it will also allow us to share these same benefits with our allies in both the industrialized and developing worlds.

Current estimates are that energy demand will grow much more rapidly in the developing world than among the industrialized nations of the world, and that the developing nations will rely heavily on the use of coal to meet their increased energy needs. The largest growth in the emissions of worldwide environmental concern are projected to come from these developing nations, and the greatest population pressures will be there as well.

If the global environment is of concern to us in the United States, as it should be, we should work to make

available to the developing nations of the world the most advanced, efficient, and cleanest generating technologies as they are developed. If world stability is of concern, we should work to ensure that developing nations have the means to achieve their aspirations. If we are concerned about insulating the economies of other nations from the disruptive effects of instability in the Middle East, we should work to provide other nations with access to reliable, readily available, and low-cost energy alternatives to imported oil. S. 1200 works toward achieving these goals by fostering the export of American coal and American clean coal technology.

The National Security Act of 1991 recognizes the importance and the potential of coal, both in terms of establishing energy independence in the United States and in terms of meeting the energy needs of nations around the world. But S. 1220 is not a bill that focuses solely on coal. It recognizes the importance of other fuel sources, such as natural gas, nuclear, as well as renewables. It recognizes the importance of strategies that promote increased conservation and improved energy efficiency, in addition to those that promote the greater development of domestic energy resources.

Recognizing that not everyone is satisfied with the particular balance that has been struck in S. 1220 between different fuel sources and different energy strategies, I do, however, commend Chairman BENNETT JOHNSTON, as well as Senator MALCOLM WALLOP, the ranking member, and the other members of the Committee on Energy and Natural Resources, for the effort they have made to put together a balanced bill. In the past, we have attempted to enact energy policies without adequate concern for economic and technological feasibilities. We have enacted environmental policies without due regard for our energy needs and economic goals.

As we move forward on comprehensive energy legislation, I do not doubt that there will be much debate on what the appropriate balance is between our energy, economic, and environmental needs and goals. I believe the debate that will occur will, in the long run, prove beneficial, although it will likely be a debate that gives rise to strong disagreements and differences of opinion. Yet, we cannot allow the prospect of a vigorous, and perhaps tense, debate to deter us from getting on with the task at hand. The time has come—the time is long past due—for the United States to develop and put in place a national energy policy that will make our Nation energy independent.

JULY 4 MOUNT RUSHMORE CELEBRATION

Mr. PRESSLER. Mr. President, on July 3 President Bush did a great job in a long overdue dedication of our great Shrine of Democracy, Mount Rushmore. The majestic faces of four of our great American Presidents have stood proudly in the Black Hills of my State of South Dakota for over half a century.

Back in 1941, Gutzon Borglum and his crew of 360 devoted workers completed their work on this magnificent symbol of American pride and democracy. Unfortunately, due to the death of Mr. Borglum and the U.S. entry into World War II, Mount Rushmore never received an official dedication until this month. I am pleased that Mount Rushmore, our Shrine of Democracy, finally has received the dedication it deserved.

Although all of the events during the golden anniversary celebration were a great success, President Bush's formal dedication of Mount Rushmore proved to be the high point of the entire week. I want to thank President Bush for making this a monumental occasion for myself and all Americans. The raising of the largest U.S. flag ever flown added an inspiring finale to the words of President Bush.

The huge parade on July 4 was yet another expression of American pride. Over 50,000 people crowded the streets of Rapid City to cheer Operation Desert Storm troops and witness a dramatic air display by the U.S. Air Force. The excitement generated by this patriotic display was accompanied by a feeling of pride in all who attended.

Mr. President, I also want to commend the members of the Mount Rushmore Society for planning this extraordinary celebration. This event would not have been possible without the hard work displayed by the dedicated members of the Mount Rushmore Society. For over 50 years this group has helped to keep Mount Rushmore a timeless historical shrine, which now attracts more than 2 million visitors each year.

The fond memories of this celebration will remain in the hearts of all who attended. Patriotic events like this make all Americans proud to live in the United States of America.

Mr. President, I ask unanimous consent that President Bush's dedication speech and an article from the Rapid City Journal describing the official dedication of Mount Rushmore be placed in the RECORD following my remarks.

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

[From the Rapid City (ND) Journal, July 4, 1991]

GOLDEN FACES—SCULPTURE HAS DAY OF GLORY

(By Chet Brokaw)

MOUNT RUSHMORE NATIONAL MEMORIAL.—When Gutzon Borglum carved the four presidential faces on a Black Hills peak, he knew they would come, both presidents and common folk, to gaze at his granite creation.

President Bush, a star-studded supporting cast and a crowd of about 3,500 dedicated Mount Rushmore on Wednesday, 50 years after the mountain carving was finished.

At a price of $500,000, the 75-minute show was conducted on a scale in keeping with what is called the world's most colossal sculpture.

Military bands and nationally known singers belted out patriotic songs against a red, white and blue backdrop. Biplanes, jet fighters and a B-1 bomber soared past the mountain.

And at the end, the wind dropped enough that a helium balloon was able to hoist a 120-by-80-foot U.S. flag into the blue sky and fluffy white clouds above the monument.

Bush paid tribute to George Washington, Thomas Jefferson, Abraham Lincoln and Theodore Roosevelt. And he praised the people who carved the four presidential faces into the rock from 1927 to 1941.

"Look at the vast sculpture before us, and you see carved in stone a symbol that evokes the American character, soaring and unafraid," Bush said.

The President urged Americans to carry on the fight for independence, freedom, democracy and equality started by the four presidents.

"Today, we must build on their beginnings. We must continue to preserve our greatness while pushing back the limits of our imagination," Bush said. "We must teach our children the responsibility that comes with freedom. We must remind them of the endless possibilities of the American dream."

A formal dedication was never held when the carving was completed in 1941 because Borglum had died earlier in the year and the nation was poised to enter World War II.

Wednesday's ceremony not only dedicated the memorial but also formally kicked off the Mount Rushmore National Memorial Society's campaign to raise $40 million to preserve the sculpture and build new visitor's facilities.

Officials say there's no apparent danger the carving will collapse, but they are worried about hundreds of cracks on the sculpture and are studying the mountain's stability.

The society, a non-profit organization that has supported the memorial since carving began about six decades ago, already has raised about $10 million of the $40 million.

Before Wednesday's ceremony officials of the U.S. Mint presented the society with a $5 million check, the first installment on the society's share of proceeds from the sale of Mount Rushmore commemorative coins. South Dakota native Al Neuharth, chairman of the Gannett Foundation, also presented a check for $1 million to the project.

Bush became the fourth president to visit Mount Rushmore. Calvin Coolidge took part in a 1927 ceremony marking the start of work on the peak, Franklin D. Roosevelt helped dedicate the completion of Jefferson's head in 1938, and Dwight Eisenhower visited in 1953.

After the ceremony, Bush and his wife, Barbara, hiked, fished and attended a barbecue in the area. State Game, Fish and Parks workers stocked about 2,600 rainbow trout in Horse Thief Lake on Tuesday, but they said the lake was scheduled to receive its seasonal stocking anyway.

The dedication ceremony was co-hosted by native South Dakotans Mary Hart and NBC news anchor Tom Brokaw. Actors Jimmy Stewart, Billy Dee Williams, Barbara Eden and Barry Bostwick read tributes to the four presidents immortalized on the mountain.

Gov. George Mickelson gave a brief welcoming speech. The event was broadcast live by Cable News Network.

Of course, "Mount Rushmore's 50th anniversary is a national celebration," Mickelson said. "But here in the state of South Dakota, where the monument sits in our own backyard, we reflect a little more deeply and celebrate a little more proudly."

To provide security for the president and to avoid traffic jams, the highway past Mount Rushmore was closed early Wednesday. The memorial was to reopened to the public Wednesday evening.

A sunrise ceremony for the public was planned for 6 a.m. Thursday, the time originally set for the dedication, which was changed to Wednesday to accommodate Bush's schedule.

Because of the timing of the rescheduled event, most of the faces of the mountain were shadowed Wednesday. The carving is best seen in early morning light.

Before the people lucky enough to get tickets were allowed into Mount Rushmore, they were checked by metal detectors.

Wednesday's ceremony was limited to 1,500 invited guests and 2,000 people who won tickets in a drawing. More than half the crowd had to sit on rocks and dirt under pine trees because the amphitheater holds only about 1,300.

[From the Rapid City (ND) Journal, July 4, 1991]

PRESIDENT SALUTES MONUMENT AND THOSE WHO MADE IT POSSIBLE

MOUNT RUSHMORE NATIONAL MEMORIAL, SD.—Here is the full text of President Bush's speech Wednesday at the dedication and 50th anniversary celebration at Mount Rushmore National Memorial.

What a personal privilege and honor to be introduced by America's beloved Jimmy Stewart.

I salute our secretary of Interior, Manuel Lujan; our senators, Larry Pressler, Tom Daschle; Congressman Johnson with us today. South Dakota's governor, Gov. Mickelson; Lt. Gov. Mr. Miller; former Gov. Janklow and former Sens. Abdnor and McGovern are with us here today, also.

This is a fitting occasion, and I'm proud to be a part of it.

And may I also salute those who make it happen all the time, our director of the National Park Service, James Ridenour. My special greetings, of course, to this all-star-studded cast Tom Brokaw, Mary Hart, Barry Bostwick, Billy Dee Williams, Johanna Meier, Barbara Eden, our favorite, White Eagle, who sang at the inauguration, Rosemary Clooney, and everybody else who participated in making this a very special day in the life of our country.

You talk about a Hollywood hall of fame, this is unbelievable.

And to all of you, thank you for the privilege of helping dedicate a memorial that once moved a visitor to say, "A visit to Mount Rushmore is a moment of communion with the very soul of America."

Fifty years ago, brave Americans completed this monument to four great nation-builders. And it took 14 years, enormous sacrifice and a daring worthy of our nation.

You heard about one man here who remembers. Tom mentioned him. From 1935 to '41, Hap Anderson—worked as a driller on Mount Rushmore. Says Hap, to quote him, "Hard work? You can imagine putting a 35-pound jackhammer against your belly and letting her go, I guess it was hard work."

And here's the interesting part; a little anatomical. He said, "My belly was so hard in those days, my wife could dance on my stomach with high-heeled shoes." I can picture it. Seeing Mary Hart up here, I'd prefer cheek to cheek, but nevertheless, the Andersons can do it their way.

But seriously, when Hap and his co-workers, several others who we met here today, dusted themselves off after the last day's work, they had produced a living monument. And when the great producer-director Cecil B. De Mille described it, here's what he said: "Not only do you look at those four faces—they look at you as well."

And today we salute Hap, all the others here today and all the rest who built Mount Rushmore.

We salute, too, the four men whose faces appear on the monument. They know that America is always a beginning, never a consummation. Washington, Jefferson, Lincoln and Roosevelt all surmounted old barriers and opened up new frontiers. They broadened our nation and they strengthened its foundation. And they chiseled into our national soul a yearning for freedom, democracy, equality and justice—a conviction that all people have the right to life, liberty and the pursuit of happiness.

You heard from our four stars a little history of each. But let me, at the risk of being repetitive, say just a little more.

During our revolution, Ben Franklin, as an American minister to France, attended a diplomatic dinner in Paris. First a French official rose, toasting Louis XVI, comparing him to the moon. The British ambassador then toasted his monarch, George III, likening him to the sun.

And finally the aging Franklin stood to speak. "I cannot give you the sun or the moon, but I give you George Washington, who like Joshua of old, commanded both the sun and the moon to stand still, and both obeyed."

Washington sought not the security of power, but the power to secure America's independence, to build a nation devoted to freedom and human dignity.

I think more than any other president, he shaped the contours of the presidency. He established a model and set precedents that served us well, and no wonder he is remembered as the father of our country.

Washington's secretary of state and the author of our Declaration of Independence helped the young nation grow in different ways. Thomas Jefferson championed a majesty of individual determination and imagination.

While Jefferson had some troubles with Congress, he accomplished extraordinary things. Among these, as we heard, he negotiated the Louisiana Purchase. The purchase expanded our boundaries forever and opened to millions new horizons, opportunities and dreams.

His love of democracy was matched only by his faith in human nature. He believed that the God who gave us life gave us liberty at the same time, and that man would use that liberty to enoble life.

The man to the far right of Jefferson in the sculpture also extended the technological frontier by challenging the nation to complete the first transcontinental railroad. But Abraham Lincoln's greatest challenge was to preserve our republic; preserve it through its bloodiest war, and in so doing, he sharpened our passion for liberty, equality and dignity.

Once Abraham Lincoln said, "The dogmas of the quiet past are inadequate to the stormy present." And yet armed with changeless moral laws, he paved the path to the future. He abolished slavery and preserved the union. And he showed that the better angels of our nature can banish the darkness that threatens us all.

While the Lincoln of history often seems solitary or sad, the real Lincoln never lost his appetite for a good story, a tall tale or a poignant quip. Once a friend encountered him and two of his kids, his sons, on the street. The boys were sobbing uncontrollably. "Mr. Lincoln, what's the matter with the boys?" the friend asked. And Lincoln sighed, "Just what's the matter with the whole world: I've got three walnuts and each kid wants two."

Abraham Lincoln understood the American character. He could speak in tones as familiar as a heartbeat or in cadences capable of summoning forth laughter, tears and awe. Without Lincoln, I don't believe we would be a whole nation today. He kept us, you see, the United States.

The final man on this monument also left a wonderful bequest. He won renown as a warrior but, again as we heard, he also won the Nobel Prize for peace. He helped cut the Panama Canal out of the wilderness, but also fought to preserve our national beauty.

Theodore Roosevelt fell in love with the Mount Rushmore area, visiting the Dakota Badlands in '83, 1883. He grew infatuated with the cattle business, acquired two ranches, became a gentleman cowhand. T.R. brought to the outdoors the same exuberance that he brought to life, calling our lands and wildlife the property of unborn generations.

He managed to preserve our magnificant environment while transforming America from a continental force into a truly global power.

Each of these four presidents enriched this country, and each made full use of his presidential powers without forgetting that he owed his power and legitimacy to the people.

The heroes behind me were fighters, as Americans have always been, fighters for independence, for freedom, for democracy, for equality, for the values and the lands we revere. Today we must build on their beginnings. We must continue to preserve our greatness while pushing back the limits of our imagination. We must teach our children that responsibility comes with freedom. We must remind them of the endless possibilities of the American dream.

Our new Supreme Court nominee, Judge Clarence Thomas, said it best. "As a child, I could not dare to dream that I would ever see the Supreme Court, not to mention be nominated to it. Only in America could this be possible."

Our challenges are enormous. But remember, this is America, and here, great things are possible. Look at the vast sculpture before us and you see carved in stone a symbol that evokes the American character, soaring and unafraid.

And now, on this 50th anniversary of the monument, a group of dedicated volunteers, the Mount Rushmore Society, is mounting a nationwide campaign to preserve this treasure. This, too, fits into a distinguished tradition. In June of 1826, an ailing Thomas Jefferson politely declined an invitation to celebrate the Fourth of July in Washington. Instead, he encouraged his would-be hosts to hold dear the rights that Americans alone recognized and cherished. And he wrote this: "Let the annual return of this day forever refresh our recollections of these rights and an undiminished devotion to them."

Fittingly, this was Jefferson's last letter. Ten days later, on the 50th anniversary of our independence, he died.

On the eve of this Fourth of July, the 50th anniversary of this monument, let us express

our undiminished devotion to the ideals of Washington, Jefferson, Lincoln and Roosevelt—ideals as towering and solid as the monument that honors them.

Thank you for this occasion. God bless the United States of America.

And now, I'm proud to dedicate Mount Rushmore National Memorial.

BLACK HILLS VETERANS WAR MONUMENT

Mr. PRESSLER. Mr. President, this year patriotism seems more alive among the citizens of the United States of America than in recent years. The public truly has been caught up in a whirlwind of enthusiastic American national pride. This pride in our Nation seems to have its roots in the success of the Persian Gulf war. Although we are suffering from a huge budget deficit and other financial difficulties, Americans have a refreshed sense of optimism and a renewed belief in Government of the people, by the people, and for the people.

Those who lead our Nation should be commended for guiding us to victory. But the Persian Gulf war, like all wars, was not without casualties. American men and women surrendered their lives in this effort. Their sacrifice shall not go unrecognized. As a veteran who served 2 years in Vietnam, I understand the enormous value of the monuments which honor our Nation's veterans.

Thus, I am pleased to announce a newly dedicated veterans' memorial in my home State of South Dakota. During this year's Fourth of July festivities, which included the official dedication of Mount Rushmore, the Black Hills Veterans War Monument was dedicated in the Rapid City, SD, Memorial Park. The monument honors the Black Hills area veterans who served in the five major wars the United States has fought this century. The monument takes the shape of a six-pointed star and contains plaques dedicated to those who served in World War I, World War II, the Korean war, the Vietnam war, and the Persian Gulf war. The monument was sponsored by the Veterans of Foreign Wars Post 1273 and other veterans' groups. I commend the planners who made this monument a reality. It is another testament to the patriotism of South Dakotans. I appreciated being able to participate in the dedication ceremony for the Black Hills Veterans War Monument. It was truly inspiring.

MICHELLE SCARBOROUGH AND THE SOUTH DAKOTA SHOOTING SPORTS ASSOCIATION

Mr. PRESSLER. Mr. President, I would like to take this opportunity to recognize Michelle Scarborough of Hayes, SD. Michelle's achievements are a fine example of what the South Dakota Shooting Sports Association can do for the young people of my State.

Michelle is the daughter of the late Marlin Scarborough and Rosemary (Scarborough) Rounds, and is the stepdaughter of Donald Rounds, of Pierre, SD. Her father Marlin, a distinguished rifleman himself, was an active member of the South Dakota Shooting Sports Association and a member of the National Rifle Association board of directors. His influence and encouragement helped Michelle achieve great success in shooting sports.

Michelle has won both the national junior championship and the NCAA air rifle championship. She is a four-time all-American in shooting and also has been honored as an academic all-American. Michelle, currently a member of the national shooting team, will be one of five women representing the United States at the Pan Am Games in Havana, Cuba, in August 1991.

Like many young South Dakotans, Michelle was able to participate in shooting sports because of the work of the South Dakota Shooting Sports Association. This organization has been very active in conducting the junior Olympic shooting camps and working with the 4-H shooting program. It works to preserve the right to keep and bear arms and to instill in young people discipline, pride, and the ability to succeed. Michelle attended the first South Dakota junior Olympic shooting camp and has lived up to the expectations and ideals of the South Dakota Shooting Sports Association.

I congratulate Michelle on her achievements and wish her luck in her future endeavors. I am proud of the South Dakota Shooting Sports Association, and I hope that it will continue to be a source of encouragement for South Dakota's young people.

Mr. President, I request that a recent article from the Pierre Capital Journal on the achievements of Michelle Scarborough be printed in the RECORD following my remarks.

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

"ATHLETE OF THE WEEK": SCARBOROUGH NEARS HER OLYMPIC DREAM

(By Jeff Mammenga)

Michelle Scarborough of Pierre, a member of the United States Shooting Team, has had her sights set on the 1992 Summer Olympics in Barcelona, Spain, for some time now.

And with the Summer Olympics fast approaching, it appears that Scarborough's goal of making the team is well within reach.

Scarborough, 24, recently won two medals at the U.S. International Shooting Championships in Chino, Calif., and earned a berth on the 1991 Pan American Games Team. The Pan Am Games are Aug. 6–12 in Havana, Cuba.

Scarborough, who lives and trains at the U.S. Olympic Training Center in Colorado Springs, Colo., captured the silver medal in the woman's rifle prone event at Chino, and took the bronze medal in the woman's three-position rifle event.

Last week, Scarborough was one of 18 rifle shooters selected to compete at the 1991 U.S. Olympic Festival, July 13–14 in Los Angeles. She will be shooting for the North team.

Scarborough won a silver medal at the 1989 U.S. Olympic Festival.

For her recent shooting accomplishments, Scarborough is this week's Capital Journal "Athlete of the Week."

Scarborough is keeping her Olympic dream in perspective.

"I'm just trying to get as prepared as I can," she said in an interview when home for the Fourth of July. "I can't control what the other shooters are doing. I'm concentrating on my own performance and shooting the best I can. My goals are performance oriented, because that's what I can control."

Scarborough, naturally, is looking forward to the Pan Am Games.

"Making the Pan Am team was a real confidence booster," she said. "I'm really looking forward to that. I've never been involved with a major international competition with other sports also taking place."

Scarborough said she felt she shot her best in prone at the Pan Am Trials, but she said she can still see where she can make improvements.

U.S. Shooting Team rifle coach Robert Mitchell, who works with Scarborough and 10 other full-time shooters at Colorado Springs, agreed that Scarborough hasn't maximized her potential yet.

"Hopefully we can help her to achieve some of our mutually-desirable goals of winning medals in major international competitions," Mitchell said.

Mitchell said Scarborough has improved since she started training in Colorado Springs.

"She's been working very hard since she's been here," Mitchell said in a telephone interview. "Things are starting to fall into place for her, and all of her hard work is paying off."

Mitchell, who has been working with Scarborough off and on since 1986, said hard work is one of her strengths.

"She has a lot of ability and a great deal of potential," he said. "And she works hard. She's very dedicated to the sport."

Scarborough achieved All-American status at the University of South Florida in Tampa, but she said she's a different shooter now.

"I think I'm a lot more consistent now—definitely—I'd say that's the biggest change," she said.

That comes from "just a lot of practice," she said. "When you work at it full time, you're bound to be more consistent and more prepared than when you practice whenever you can at school."

Now the sport has become "like a job" for her, Scarborough said. Her training involves four or five hours of practice shooting a day, and with the physical and mental training, she puts in six or seven hours a day.

Scarborough said she runs, and lifted weights earlier, but not much lately. Mentally, the shooters work with a sports psychologist on concentration, relaxation and dealing with pressure, she said.

The training can make for some long days.

"Sometimes, I really wish I was working towards my career and making some money," Scarborough said. "But I feel lucky and really fortunate that I get to live and train out there and don't have to have a full-time job."

Scarborough said she's one of eight-to-10 women who are "all about the same" skill level who are trying for one of two spots on the Olympic team in the two events—smallbore three-position rifle and air rifle.

"It all depends on who is peaking at the right time," she said.

Scarborough has already competed in foreign countries that most people only dream about visiting.

She'd love to add Barcelona, Spain, to her list in 1992.

IMPACT AID

Mr. PRESSLER. Mr. President, I want to take this opportunity to bring to the attention of my colleagues the significance of impact aid. During these times of budget constraint, it is crucial that we identify those Federal programs which are of greatest importance. I believe that quality education must be one of our highest priorities. The students who depend on the Impact Aid Program for their education deserve full funding of this program.

I would like to extend my appreciation to the members of both the House and Senate Appropriations Subcommittees on Labor, Health and Human Services and Education who have done a remarkable job of providing the resources for impact aid. Without their efforts, many federally impacted school districts would be suffering severe financial difficulties. Some of them are getting very close to going broke or shutting down. I am very disappointed that impact aid funding for fiscal year 1992, as recommended by these committees, does not even cover inflation since the current fiscal year began.

There are 42 school districts in South Dakota that receive funding under the Impact Aid Program. In my State, 10,402 students rely heavily on the educational opportunities made possible by impact aid funds. Of these qualifying students, 6,709 are category 3(a) students and 3,693 are category 3(b) students.

The current status of funding for the 3(b) category students is of great concern to me. Originally, the impact aid payment for 3(b) students was intended to match the tax revenue lost as a result of Federal ownership of property. Without these payments, local educational agencies would be required either to subsidize the educational costs of 3(b) children from local revenues or reduce services.

Our local school districts simply cannot afford drastic cuts in teachers, teacher aides, educational materials, transportation, and the other essential components of our educational system. Local and State funding are needed, too, but when local tax sources are hindered by Federal land ownership, the Federal Government must compensate the affected school districts.

In South Dakota, some school districts are over 50 percent federally impacted and receive minimal assistance from their local governments. They are located in some of the poorest counties in the United States of America. How can they meet the education goals of this country? Let's face it, Mr. President, impacted schools are between a rock and a hard place. Most of these school districts already have exhausted all other funding alternatives.

The other area of great concern to me is funding for the school construction program authorized by Public Law 81-815. This program provides Federal funds for constructing and renovating schools in federally impacted districts. Even full funding at the level of $28 million is inadequate in view of the real needs of impacted schools. In fact, the 815 construction priority list contains many worthwhile projects, any one of which available would expend the entire amount of funding.

An appropriation of $885 million under Public Law 81-874 for impact aid and $28 million under Public Law 81-815 for school construction is imperative for the maintenance of quality educational programs in federally impacted school districts. These companion laws recognize the basic responsibility of the Federal Government to compensate for lost revenue resulting from Federal activity or ownership.

The bottom line is that students should not be penalized for their parents' Government service employment. This is a question of basic equity. Impact aid is not a luxury for federally connected children. It is a necessity, and it must be funded. Any cut or freeze in funding would seriously jeopardize the quality of education for hundreds of thousands of students.

Mr. President, I firmly support the appropriation of $885 million for impact aid and $28 million for the school construction program. Although times are tight and we are reducing Government spending, we must remember that education is an investment that cannot be neglected. I applaud the entire impact aid community for their efforts. I urge my colleagues to join me in full support of the impact aid programs.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

INTERNATIONAL SECURITY AND ECONOMIC COOPERATION ACT OF 1991

MOTION TO PROCEED

The ACTING PRESIDENT pro tempore. Under the previous order, the time between 10:15 and 10:45 a.m. shall be for debate only on the motion to proceed to S. 1435, the time to be equally divided and controlled by the Senator from Rhode Island [Mr. PELL] and the Senator from North Carolina [Mr. HELMS] or their designees.

The Senator from Rhode Island is recognized.

Mr. PELL. Mr. President, this act was reported favorably with an overwhelming 17-to-2 vote by the Senate Foreign Relations Committee on June 11, 1991.

The bill authorizes $12.883 billion for multilateral and bilateral foreign assistance for each of fiscal years 1992 and 1993. More specifically, title I of the bill authorizes a total of $1.346 billion for functional development assistance programs, supporting agriculture, population, health, child survival, AIDS control and prevention, education and human resources, and private sector, environment, and energy activities. This authorization level is an increase of $27 million over the amount available for these programs in this fiscal year.

Title II of the bill authorizes $35 million for each of fiscal years 1992 and 1993 for the American Schools and Hospitals Abroad Program; extends and expands the Housing Guaranty Program by increasing the ceiling on the total principal amount of housing guarantees to $3.4 billion; authorizes $311.3 million for voluntary contributions to international organizations and programs, an increase of $26.6 million over the amount available for these programs this year; and authorizes $40 million for international disaster assistance.

In addition, this title upgrades the existing Trade and Development Program to a separate Trade and Development Agency; and establishes within the Agency for International Development two separate centers—one to strengthen university cooperation in development, and one to strengthen private voluntary cooperation in development.

Title III of S. 1435 authorizes $3.203 billion for Economic Support Fund assistance, an increase of $58 million over the amount available for this year, and provides new authority for the President to use Economic Support Fund assistance to support developmentally sound trade and investment opportunities in the form of capital and infrastructure assistance.

Title IV authorizes $4.5 billion for an all-grant Foreign Military Financing Program, a decrease of $198 million below the comparable amount available this year.

In addition, S. 1435 contains regional and country specific provisions, including an authorization of $160 million annually for a multiyear Philippine multilateral assistance initiative, a $400 million annual authorization for expanded programs in Eastern Europe, continuation of economic and military support for the Andean countries, and an authorization of $800 million for each year for the Development Fund for Africa.

Title VII of the bill authorizes an Enterprise for the Americas initiative including the restructuring and reduc-

tion of outstanding development assistance and Eximbank loans, and a 5-year $500 million contribution to the Inter-American Development Bank for an Enterprise for the Americas Fund.

With regard to multilateral assistance programs, S. 1435 authorizes an increase in the U.S. quota of the International Monetary Fund, a contribution to the African Development Fund, and a capital stock subscription to the Asian Development Bank.

Finally, S. 1435 authorizes an appropriation in fiscal year 1992 of $207 million for the Peace Corps.

Mr. President, S. 1435 is a streamlined bill that seeks to grant some additional flexibility to the administration in its administering of our foreign assistance programs, through some program consolidation and increased flexibility in various special authorities. In my view, the bill strikes the proper balance between the desires of Congress to assure that certain activities are carried out through our foreign assistance programs, and the administration's need to respond to changing world conditions.

Mr. President, there are two provisions in S. 1435 which fall within the jurisdiction of the Senate Banking Committee, the first of which is an authorization for an increase in the U.S. quota in the IMF and authority for the U.S. Governor to accept the proposed amendments to the Fund's articles of agreement. The second provision falling within the jurisdiction of the Banking Committee is authority for the President to sell, reduce, or cancel loans made pursuant to the Export-Import Bank Act of 1945.

Rule XXV(j)(1) of the Standing Rules of the Senate states that at the request of the Committee on Banking, Housing, and Urban Affairs, any proposed legislation relating to the International Monetary Fund and other international organizations established primarily for international monetary purposes reported by the Committee on Foreign Relations shall be referred to the Committee on Banking.

Because of the wishes of the Senate Foreign Relations Committee to complete full Senate consideration in an expeditious manner, I requested that the Banking Committee not exercise its right of referral on these two provisions. I am very grateful to the distinguished chairman of the Banking Committee, Senator RIEGLE, for being willing not to request a referral on these two matters.

Mr. President, I ask unanimous consent that the exchange of letters between myself and Senator RIEGLE be printed in the CONGRESSIONAL RECORD.

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

COMMITTEE ON FOREIGN RELATIONS,
Washington, DC, July 17, 1991.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate.

DEAR MR. CHAIRMAN: The Committee on Foreign Relations has completed consideration of legislation authorizing foreign assistance for fiscal years 1992 and 1993 and reported the legislation to the Senate on June 24. The Committee hopes to have the bill considered by the full Senate during the July session.

It is my understanding that two provisions in the Foreign Relations Committee bill fall within the jurisdiction of the Banking Committee. The first is Chapter 1 of Title X of the bill, which authorizes an increase in the U.S. quota in the IMF and authorizes the U.S. Governor to accept the proposed amendments to the Fund's Articles of Agreement, as approved in Resolution 45-3 of the Board of Governors. Rule XXV(j)(1) of the Standing Rules of the Senate states that at the request of the Committee on Banking, Housing, and Urban Affairs, any proposed legislation relating to the International Monetary Fund and other international organizations established primarily for international monetary purposes reported by the Committee on Foreign Relations shall be referred to the Committee on Banking.

The second provision is Chapter 7 of Title VII of the bill, which authorizes the President to sell, reduce, or cancel loans made pursuant to the Export-Import Bank Act of 1945, as amended. The Export-Import Bank Act falls under the jurisdiction of the Banking Committee.

While acknowledging the jurisdiction of the Banking Committee over these provisions, I would request that you not exercise your right of referral in order to expedite consideration of these provisions on the Senate floor. If this bill is acted on by the Senate and a Conference Committee appointed, I would be pleased to appoint Banking Committee members as conferees on these provisions. I would also be pleased to include our correspondence on this matter in the CONGRESSIONAL RECORD during the floor debate on the foreign assistance bill.

With every good wish.

Ever sincerely,

CLAIBORNE PELL.

COMMITTEE ON BANKING,
HOUSING, AND URBAN AFFAIRS,
Washington, DC, July 23, 1991.

Hon. CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter of July 17 requesting the Committee on Banking, Housing, and Urban Affairs not to request a referral of the provisions of the Foreign Aid bill, reported out of the Foreign Relations Committee on June 24, which fall within the jurisdiction of the Banking Committee.

The first provision you cite in your letter is Chapter 1 of Title X of the bill which authorizes an increase in the U.S. quota in the IMF and authorizes the U.S. Governor to accept the proposed amendments to the Fund's Articles of Agreement, as approved in Resolution 45-3 of the Board of Governors. As you note in your letter, Rule XXV(j)(1) of the Standing Rules of the Senate provides that at the request of the Committee on Banking, Housing, and Urban Affairs, any proposed legislation relating to the International Monetary Fund and other international organizations established primarily for international monetary purposes reported by the Committee on Foreign Relations shall be referred to the Committee on Banking.

The second provision you cite is Chapter 7 of Title VII of the bill, which authorizes the President to sell, reduce, or cancel loans made pursuant to the Export-Import Bank Act of 1945, as amended. This authority was requested by the President as part of the Administration's Enterprise for the Americas Initiative. As you indicate in your letter, the Export-Import Bank Act falls under the jurisdiction of the Banking Committee.

As you know, the Banking Committee takes very seriously its jurisdiction over the International Monetary Fund. When the last quota increase was approved by the Congress in 1983, the Banking Committee exercised its right of referral of the legislation, reported out the legislation with major amendments, and then managed the legislation on the Senate floor. This year the Banking Committee's Subcommittee on International Finance and Monetary Policy held an oversight hearing on the Administration's IMF quota increase request on June 25 and thoroughly reviewed the issues relating to the request.

It had been the intention of the Banking Committee to request a referral of the bill pursuant to Rule XXV(j)(1) of the Standing Rules of the Senate. Pursuant to your request, however, and in the interest of expediting Senate consideration of the legislation, I am willing not to request a referral with the understanding that such action in no way establishes a precedent or prejudices the Banking Committee's jurisdiction over provisions of the type covered in the above cited rule. For the same reasons, I will not request a referral of the provisions affecting the Export-Import Bank Act of 1945, which fall within the exclusive jurisdiction of the Banking Committee.

I note your confirmation of this undertaking in your letter dated July 17, 1991 and your proposal to appoint members of the Banking Committee as conferees on these provisions if a Conference Committee on this legislation is created. I would accept that proposal and also request that this exchange of letters be inserted in the CONGRESSIONAL RECORD during Senate consideration of the legislation.

I look forward to continued cooperation between our two Committees on these important matters. With best regards.

Sincerely,

DONALD W. RIEGLE, Jr.,
Chairman.

Mr. PELL. Mr. President, I would now like to turn to the distinguished chairman of the Subcommittee on International Economic Policy, Trade, Oceans, and Environment, Senator SARBANES, who skillfully shepherded this legislation through his subcommittee and played a very significant role during deliberations of the full committee. The quality of the bill now before the Senate and the bipartisan support for the bill demonstrate to me the wisdom of employing the very substantial talents of other members of the Foreign Relations Committee as we pursue our lengthy legislative agenda.

Mr. SARBANES. Mr. President, what is the time situation?

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island has 8 minutes remaining. The Senator from North Carolina has 15 minutes remaining.

Mr. SARBANES. Mr. President, I yield to the ranking member of the committee if he wishes to speak now after the chairman, and then I will pick up after he finishes and Senator MCCONNELL and I can finish up the rest of the time.

The ACTING PRESIDENT pro tempore. The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, please notify me when I have 7½ minutes remaining because I, too, want to yield the remaining 7½ minutes to the distiguished Senator from Kentucky, the able ranking member on the subcommittee on international operations.

For openers, Mr. President, I must observe that spending time on this foreign aid bill is an exercise in futility, a waste of the Senate's time because the President of the United States has already indicated clearly that he intends to veto this foreign aid bill, unless it is modified.

The bill contains a provision that overturns the President's policy on international family planning assistance, better known as the Mexico City policy. Furthermore, it contains a highly controversial cargo preference provision. The administration is adamantly opposed to both of these provisions, and rightly so.

I have been trying to find something good to say about this bill.

It is sort of like the man who was asked about his neighbor next door, "Can't you say something good about her?"

He thought for a moment, then said "Yeah, I reckon so. For a fat lady, she doesn't sweat much."

That is about how I feel about this bill. Fortunately, it does not duplicate the unwise funding of United Nations Funds for Population Activities. I am sure Senators recall the long debates this body has endured—and that is the word, "endured"—concerning the criminal forced abortion policies in China bankrolled by UNFPA. It is my sincere hope that the Senate will avoid debating the so-called merits because there are no merits to China's population planning policy and, particularly, the UNFPA's involvement.

The simple fact remains, as it has since the Kemp-Kasten amendment of 1985, that the inclusion of a provison requiring funding for UNFPA will give the President still another reason to veto the bill. What is the big deal? Why did we not do it right the first time and leave out funding for UNFPA? Do we want to run around chasing vetoes?

Mr. President, even without these controversial provisions, foreign aid remains, without a doubt, one of the most unpopular programs with the American people. It is unpopular because it is a waste of money, plain and simple. The American taxpayers are fed up with Congress squandering dollars overseas. This Senator feels the same about it.

About 10 years ago, Mr. President, I had a letter from a constituent in North Carolina who said, "Jesse, how much has the foreign aid program cost us since 1946?"—1946 being the year of its inception. I did not know.

I called the State Department thinking that they would and could give me the figures forthwith. But they said they did not know. What the constituent suggested—and it is a reasonable suggestion—was, "I want you to factor in the fact that all of the money spent on foreign aid has been borrowed money." And he added, "To get a realistic figure, you have to factor in the interest of all the borrowed money that has been spent since 1946 on so-called foreign aid." That made the task even more interesting—and more difficult.

Mr. President, I assigned three or four staff members to work on it as time permitted. It took them several months. They went through file after file, book after book, year after year, and I have never seen such a pile of figures before or since.

We did not have a computer big enough to handle this mass of figures, so we sent it over to the Library of Congress—factoring in the interest rates, starting with the first appropriation, assuming that was borrowed money, and then the next year we rolled that over, factored in the interest, the interest that Federal Government was paying at that time, and the next year, the next year, next year. That was 10 years ago and it came to a figure of over $2 trillion. That was 10 years ago, bear in mind. I sent it back to the Library of Congress and said this cannot be so. So they ran it through again. That is the way it came out again—more than $2 trillion.

So this is what we are talking about. It is understandable to me that the people of America do not like this foreign aid program because they know that so much of it has been used for purposes to which the American people would never consent. That is the reason I have opposed all foreign aid programs, except those designed for emergency humanitarian relief. That, I think, we ought to do.

But this business of propping up socialist governments and making deals with governments has itself been an exercise in futility. It is harmful to both the United States and the country receiving the money.

You know the old adage about giving a man a fish and you feed him 1 day. But teach him how to fish, and you help him the rest of his life.

That is not the way the foreign aid program has worked. We have turned it over to despotic, socialist governments. But the American people are justified in their objection to the foreign aid program. It drains the U.S. Treasury, and more often than not, this aid is used to perpetuate inefficient, socialist governments and programs. That is the size of it.

I am going to vote against the motion to proceed, as I have done every time that this question has come up.

Mr. President, I want to have printed in the RECORD a statement of administration policy on this bill. I will continue in just a minute. But I now ask unanimous consent that a statement of the administration be printed in the RECORD.

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

OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, July 24, 1991.

STATEMENT OF ADMINISTRATION POLICY

(S. 1435—International Security and Economic Cooperation Act of 1991, Pell of Rhode Island)

S. 1435 contains several provisions that give flexibility to the President to carry out foreign policy, but does not provide for the major reform of foreign aid requested by the Administration. The bill contains a number of seriously objectionable provisions. In particular, there is a provision on abortion (Section 103(a)), which the President would veto and another provision on cargo preference (Section 305) on which the President's senior advisers would recommend veto.

Section 103(a) of the bill reverses the existing Mexico City policy, which denies U.S. foreign assistance to foreign nongovernmental organizations that promote abortion as a method of family planning.

Section 305 establishes additional U.S. cargo preference requirements for the Economic Support Fund. This provision would severely complicate the provision of economic assistance in direct contravention to the reforms sought by the Administration for the foreign assistance program. It also would impede the conduct of foreign policy and adversely affect U.S. exports that must be transported by sea.

The Administration is deeply disappointed that neither the House-passed bill nor the Senate Committee-reported bill represent the fundamental and much needed rewrite of foreign aid legislation necessary to meet the new challenges of the 1990s and beyond.

Other objectionable aspects of the bill include:

The Middle East arms policy language and arms suppliers provisions which are unnecessary in view of the President's recently announced arms control initiative;

All country-specific provisions that would establish new constraints on the provision of foreign assistance, including those regarding Cambodia and Syria;

Continuation of multiple development assistance accounts instead of the Administration's requested consolidation of Agency for International Development (AID) accounts into a single flexible source of funding that would more rationally provide assistance for various programs and countries;

An additional unworkable procedural requirement suspending obligation of funds for development projects until environmental impact options are considered and opened to public comment;

The limitations on both the level and type of assistance to Turkey and Greece, which ignore critical military and political considerations affecting the region;

The amendments in section 402 that make Foreign Military Financing an all grant program;

Designation and limitation by the Senate of countries that are considered non-NATO allies;

The failure to adopt several provisions requested by the Administration including authorization for a Democracy Contingency Fund, enhanced authorities to furnish excess defense articles, and revisions in the restrictions on furnishing assistance to countries;

Enterprise for the Americas (EAI) provisions that would make local currencies intended to be used solely for important environmental activities available for other purposes, lead to conflicting regimes for management of local currencies available from P.L. 480 debt forgiveness and from AID debt forgiveness, and undermine U.S. ability to negotiate the EAI investment fund by limiting potential beneficiaries;

Narcotics control assistance provisions that retain (and in some cases tighten) current restrictions and certifications and fail to provide the required flexibility in assisting Andean Initiative countries in particular;

Additional burdensome reporting requirements, especially those contained in sections 513 and 646;

A prohibition on sales of depleted uranium shells without the current national interest exception;

The additional requirement for Senate advice and confirmation for specific positions in AID which would restrict the President's flexibility and discretion in the management of AID;

Holding FY 1993 appropriations authorizations for each program at 1992 levels, which arbitrarily and unduly constrains the President's ability to meet changing circumstances and conditions; and

A number of provisions that raise serious constitutional concerns regarding the President's authority to conduct negotiations (sections 414, 657, 722, and 791(b)(4)(5)), his appointment powers (section 678), and his authority to protect national security information from disclosure (sections 608(d) and 646).

Nonetheless, there are a number of favorable provisions, many of which support the Administration's reform and foreign policy objectives. The authorization for an International Monetary Fund quota increase is essential to meeting U.S. responsibilities in the international economy. Section 110, the special waiver authority for certain AID programs, and other sections that enhance authorities to respond to emergencies, provide an important measure of flexibility to the Executive branch. Provisions on assistance to Eastern Europe and the streamlining of reprogramming notifications are other examples of positive contributions to current law.

Mr. HELMS. Mr. President, it is no secret that I have opposed all foreign aid programs, except those designed for emergency humanitarian relief. It is my firm belief that foreign aid—especially economic aid—is harmful to both the United States and the receiving country. Foreign aid drains the U.S. Treasury, and more often than not, this aid is used to perpetuate inefficient socialist programs.

Moreover, the State Department sometimes uses foreign aid to influence the decisions and policies of other countries. Each country needs to make its own security decisions, based on its own needs, without interference from State Department bureaucrats.

While there is disagreement in Congress over the merits of foreign assistance, there is broad agreement on one point: Existing foreign aid programs need a major overhaul.

Despite the growing volume of information detailing the serious flaws in foreign assistance, this bill rewards the administration with a 2-year authorization of $28.2 billion for fiscal years 1992 and 1993. Yet, this bill contains little in the way of reform. It eliminates no major programs, and continues authorization for existing foreign aid efforts that are inefficient and poorly managed.

In fact, a February 11, 1991, report by the General Accounting Office outlines this mismanagement. It states that GAO investigators uncovered inadequate management controls of overseas contracts in 45 percent of those cases in which officials of the Agency for International Development argued that satisfactory controls were in place. Frankly, if AID were a business it would be bankrupt.

Tragically, the Congress and the foreign aid establishment have abused the trust and goodwill of the American taxpayer. Nick Eberstadt of the Harvard Center for Population Studies told the Foreign Relations Committee that, based on opinion polls, "there is no program, year-in or year-out, which the American public indicates that it would wish to have cut more than development assistance and military assistance to foreign countries."

Even one of the most vocal advocates of foreign aid, John W. Sewell of the Overseas Development Council told the committee: "There is a fundamental need for reevaluation of existing programs, and it is needed urgently. Those that are outmoded should be ended."

The American taxpayers instinctively recognize that the economic and security problems confronting many countries do not stem from a lack of foreign assistance. They stem from flawed policies—communism, socialism, statism, and corruption. Mr. President, no amount of foreign assistance can overcome these mistaken policies. Even the United Nations, in a report issued last month, admits "the lack of political commitment, not financial resources, is often the real cause of human neglect."

A report issued by the Agency for International Development reveals that since 1946 the American taxpayer has provided more than $262.2 billion for foreign aid programs. The American taxpayer has financed more than $96 billion in economic aid and military loans since World War II. And since the United States had to borrow the money to give it away, this total does not include the interest paid by the taxpayers.

Despite the growing crisis over foreign aid mismanagement, despite the tremendous changes throughout the world, this bill adopts a business as usual approach. Two years ago former AID Administrator Alan Woods appeared before the Foreign Relations Committee and announced the need to redefine our foreign assistance programs. However, the committee did not entertain major reform in 1989—nor did the Senate pass a foreign aid authorization bill.

Since that time, we have witnessed remarkable transformations of the political, social, and economic environment in which the American foreign aid program operates. Across the globe, people in the 1980's revolted—and they are still revolting—against decades of political oppression and economic tyranny. They demanded their rights, in Jefferson's immortal words, to the pursuit of happiness.

In light of the changing world scene, the challenge is to rethink our foreign aid programs. The Armed Services Committees and the Department of Defense are engaged in an intensive dialog in a joint effort to update their strategies and programs. The administration tried to initiate a dialog with Congress on nonmilitary international strategies by submitting a foreign aid reform bill to the Congress. On April 12, 1991, the committee received a three-page letter from the President transmitting a draft bill that included major changes in the existing law. The President pledged to work with Congress in its consideration of the draft bill. Unfortunately, the committee did not hold a hearing on the President's reform bill. Furthermore, Senator KASSEBAUM requested a committee hearing on her foreign aid reform bill. Again, no hearing was held.

I do not want to suggest the administration's bill was a comprehensive reform package. During committee markup several of the administration's proposals were defeated justifiably. However, the administration's bill represented a starting point for discussion and oversight. In both regards, the committee fell far short.

Some argued that there was not time this year for a serious review of foreign aid reform proposals. Despite that assertion, during the period from April 23, 1991, until June 5, 1991, the committee did not hold even one single hearing on foreign aid reform.

Mr. President, I wonder if Senators really believe that the foreign aid program is an effective, relevant program for the coming decade? Can anyone seriously believe that the American taxpayer will receive $28.2 billion worth of value over the next 2 years as a result of this bill?

The fact is, reforming an entrenched bureaucracy will require hard work. Perhaps it is beyond reform. But unfortunately, this issue has been pushed aside. The recent temptation has been to find ways of engaging in foreign aid activities without engaging the foreign

aid bureaucracy. Both the administration and Congress have grown to distrust traditional foreign aid programs. Instead of reforming AID, Congress creates private sector, quasi-governmental organizations to implement foreign aid programs.

Furthermore, in recent years domestic U.S. Government agencies, international organizations, and multilateral development banks have been used to carry out foreign assistance programs. It is particularly disturbing that this bill authorizes a huge increase—a total of almost $13 billion—in the United States contribution to the International Monetary Fund, the African Development Fund and the Asian Development Bank. This is almost as much money as the bill authorizes for all of next year's foreign assistance programs.

More than $1 billion is slated for the second installment of a major replenishment of the International Development Association [IDA]. This soft-loan window of the World Bank provides assistance directly to governments on extraordinarily lenient terms such as 10-year grace periods, 35- and 40-year maturities, no interest, and a small service charge.

The World Bank annual report for 1990 illustrates IDA's disgraceful record of providing assistance directly to many of the most reprehensible regimes in the world. While the Department of Treasury justifies the U.S. contribution to IDA on grounds that it "plays a pivotal role" in "encouraging economic reform in the poorest nations," it fails to adequately explain why Ethiopia, China, Sudan, Somalia, Yemen, and Laos were among the beneficiaries of IDA assistance last year.

When Under Secretary of Treasury David Mulford appeared before the Foreign Relations Committee he was asked if a strong Treasury Department commitment to IDA is consistent with the statement of mission for AID that lists as its No. 1 principle: "support for free market, broad-based economic growth." His reply: "It probably is not clearly as effective as it should be." Yet, Under Secretary Mulford confirmed, most loans that the United States oppose are approved anyway. In short, the American taxpayer is losing $1 billion each year to a multilateral fund over which we have little control and that is being used to bolster governments with little to no commitment to free market reform.

These facts are important to illustrate that Congress, and specifically the committees in Congress responsible for authorizing the foreign aid request, have a responsibility for the chaos, ineffectiveness, and inconsistencies of the foreign aid program.

Perhaps only a crisis will force the Congress and administration to address the serious failures of the foreign aid program. Mr. President, the current willingness to acknowledge the failures and then to choose inaction is reminiscent of the knowing failure by both branches of government to take steps to address the crisis in the savings and loan industry. Unless this bill can be substantially improved on the floor, Senators should strongly consider whether or not it merits their support.

The ACTING PRESIDENT pro tempore. The Senator has 7½ minutes remaining.

Mr. HELMS. I thank the Chair. I thank the Chairman.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island [Mr. PELL] is recognized.

Mr. PELL. I yield myself 30 seconds. I ask unanimous consent that the following individuals be granted privileges of the floor: Brad Cohen, Ted Gehr, Judy Grayson, Dave Hafemeister. And I wish to appoint Mr. SARBANES, the Senator from Maryland, as my designee.

Mr. HELMS. Mr. President, if I may, the distinguished Senator from Kentucky will manage this bill on the Republican side, as Senator SARBANES will on the majority side. Senator SARBANES and Senator MCCONNELL have done an excellent job. They were not quite able to make a silk purse out of a sow's ear, but they gave it their best shot.

Mr. SARBANES. I say to the Senator from North Carolina, before he leaves the floor, we tried very hard.

Mr. HELMS. Yes, they did.

Mr. SARBANES. Some say that we succeeded. Some think we fell a little short. Hopefully we can go on and consider the bill today, Mr. President.

At 10:45, we will have a vote to invoke cloture on the motion to proceed. I urge Members of the Senate to vote for cloture and allow us at least to move forward to consider this bill.

There are some points I want to make on that very subject. I will touch on the substance of the bill in the course of making the argument as to why we ought to go forward to the bill. But I am not going to elaborate on all of the provisions that are in the legislation.

Mr. President, we have had difficulty bringing a foreign assistance authorization bill to the floor in the Senate. Now, that is understandable because foreign assistance in and of itself is a controversial subject.

Second, these bills often contain, as does this one, particular provisions which some Members, at least, find very difficult. We would hope, however, to bring the bill up so we can consider the provisions, and allow the legislative process to develop.

I point out to Members that this is not the end of the legislative process. If this vote carries, we still will have to consider the legislation on the floor of the Senate; changes may be made. Then we have to go to conference; further changes may be made. The administration will weigh in with its position. In fact, the administration has already done so with a letter from Secretary Eagleburger, who has indicated that there are a couple of objectionable provisions in the bill as reported by the Senate Foreign Relations Committee, which, incidentally, reported the bill to the Senate by a vote of 17 to 2. I would characterize the bill as a bipartisan product. I think it reflects a cooperative effort on both sides of the aisle within the committee.

Now, Mr. President, there will be foreign assistance provisions in law. The question is whether Senators will have a proper role in passing an authorization bill or whether it will simply be done in the appropriations bill, which is what has happened in past years. So it is not as though, by failing to go forward, the Senate in effect will avoid considering foreign assistance; it will simply be considered in a different context—a context, I submit, in which Members of the Senate have less of an opportunity to shape foreign assistance than they would have here and now if we can move forward to this legislation. Members then will have a free and open opportunity to amend the legislation. So I urge Members to vote for this cloture motion and allow us to go forward and take up the bill.

While the administration has expressed serious misgivings, as the Senator from North Carolina has indicated, about the provisions with respect to Mexico City and cargo preference, I would point out that the letter to us from Secretary Eagleburger says that the administration regards the committee's bill as a positive first step toward meeting the reform objectives of foreign assistance which the President has set out.

The President sent us legislation late in the day; it did not come until April 25. It constituted a total and major rewrite of the Foreign Assistance Act, some 340 pages. We tried to respond to some of the administration's major concerns, but we were not able within that time period, of course, to do a complete rewrite, although we have placed it on the agenda as something to be worked on in the future as we seek to cooperate to enhance our foreign assistance legislation.

Secretary Eagleburger in his letter also said in his concluding sentence, and I quote now:

> I also hope the Senate can build on the committee's work to ensure passage of a bill that will contribute materially to the efficiency of our foreign aid program and that provisions are not adopted that detract from the committee's commendable efforts.

So what we have is a piece of legislation which the administration regards with favor except for two provisions about which they are very much concerned and about which Members of this body are concerned.

We now have an opportunity to bring the bill up and try to shape it on the floor of the Senate. We will then go to conference and shape it even further by interacting with the House, which has already passed its foreign assistance bill, and of course the administration will be part and parcel of those efforts. So I urge Members to support this cloture motion and allow us to move forward to consider this legislation.

There are many very important, worthwhile, and desirable provisions in this legislation. Senator MCCONNELL and I believe we can move it through the Senate in a reasonably expeditious manner if Members are prepared to cooperate.

We recognize there is a veto hanging over several of its provisions, but that is what we are here for, to try to deal with some of these controversial items.

Finally, I once again emphasize to Members that foreign assistance legislation will be considered. The question is whether we consider it in a full and comprehensive manner, as one does in an authorization legislation, or whether it is simply left to be dealt with in an appropriation bill, in which the Members, I submit, have much less of a chance to place their imprint on the making and the shaping of broad policy issues in American foreign policy.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. KERRY). The Senator from Kentucky is recognized. The Senator has 6½ minutes.

Mr. MCCONNELL. Mr. President, first I commend the chairman of our committee and ranking member for their cooperation in moving this process forward, and I particularly commend my colleague, Senator SARBANES. We have worked for a long period of time this year to try to put together bipartisan support for a foreign assistance authorization bill.

As the Senator from Maryland has pointed out, there is going to be foreign assistance this year; it is going to happen, but it should happen in the context of a Foreign Aid Authorization Act that provides the opportunity for Senators to have their input in this most important process.

The ranking member has indicated that the administration has some serious objections to the bill. That is true. But I think it is important to emphasize that it also wants the process to go forward. There are two contentious items: the Mexico City policy and cargo preference. But we often bring up bills that have hanging over them the threat of vetos. That does not mean we do not go forward. We did that just last night on another matter with the threat of a veto. So that is no good reason for not moving forward with this foreign aid authorization bill.

In Secretary Eagleburger's letter, he points out "We strongly," referring to the administration, "endorse the committee's support for a variety of helpful provisions on reprogrammings, drawdowns, waiver and other authorities which will go a long way toward ensuring that foreign assistance may better serve the interests of the United States."

The fact is, Mr. President, the Bush administration wants a Foreign Aid Authorization Act this year. They want the process to go forward. Consequently, Senator SARBANES and I certainly hope that the motion to proceed will be approved, that cloture will be invoked, and the Senate will have an opportunity to consider the bill and work on the myriad of provisions that are included and provide Senators an opportunity to offer whatever amendments they choose.

We are open to and have already included many provisions recommended by colleagues, both on and off the committee, in this bill that will be soon before us. I hope that after a serious commitment of time and effort made by this committee's members, the Senate will be willing to review the bill, which on balance reflects the new priorities defined by the historic changes that we have witnessed around the world.

This is not the last word in revision of foreign aid. Senator SARBANES and I feel that very soon we will have to have a significant rewriting. We did not have time to do that this year. But this is legislation approved in the main by the administration to provide the significant departure, in my view, from business as usual in the foreign assistance area.

I hope very much that the motion to invoke cloture will be approved when we have the vote several minutes from now.

Mr. President, I think this is a bill that needs to pass, and we are ready to move forward with it.

I yield the remainder of my time.

Mr. SARBANES. Mr. President, first I want to underscore my appreciation to the able Senator from Kentucky for the very positive and constructive way in which we were able to work together on this legislation, and more broadly, to the members of the committee.

There are controversial provisions in this bill, but there are controversial provisions in many bills that are brought before the Senate, and I do not know how you deal with them, other than to bring them up and discuss them. The same issues will arise in connection with the appropriations bill when that comes.

In fact, that is exactly what occurred the last time the general foreign assistance issue was before the Senate. It arose in the context of the appropriations bill, where this controversial issue emerged, as well. This is an opportunity for Members of the Senate to have a comprehensive chance to shape the foreign assistance legislation.

We feel that the bill contains many worthwhile provisions. There has been a genuine good-faith effort made to respond to concerns which the administration has expressed about restrictions and limitations contained in current language. As the administration itself has indicated in its communications to us, much has been done to accommodate their concerns. In fact, they strongly endorse many of the committee's proposals that are contained in this legislation.

So I very much hope that Members will support the cloture motion and then allow us to move forward with this legislation. I point out that once we proceed to the legislation, Members have all rights reserved to them. No limitation or restriction has been placed on the consideration of the legislation.

This cloture motion is not on the legislation; it is on the motion to proceed to the legislation. Therefore, once we move on to the legislation, Members have the full range of rights available to them in terms of offering amendments, in terms of debate on the amendments, and on the bill itself.

We recognize that passage of the bill may, in turn, become a difficult proposition. But we would like to get to that point, and we would like to be able to take up this legislation in the due and proper course of business.

Let us not forget that the Senate Foreign Relations Committee is the authorizing committee, vested with an important role in shaping this legislation. The committee reported this bill to the full Senate by a vote of 17 to 2. There will be authorizing legislation for the State Department as well. Those are essentially the two pieces of authorizing legislation that come out of our committee.

We now seek from our colleagues the opportunity to move forward in the normal course of business to consider this legislation. I very much hope that Members will support the cloture motion on the motion to proceed to the legislation, and at least allow us to take that next step in considering this important subject.

CLOTURE MOTION

The PRESIDING OFFICER. All time has expired. Under the previous order, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion on S. 1435, the foreign aid authorization bill, which the clerk will state.

The bill clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to proceed to the consideration of S. 1435, a bill to amend the Foreign Assistance Act of 1961, and for other purposes:

Tom Harkin, Paul Wellstone, Richard Bryan, Wendell Ford, Bill Bradley, Joseph Lieberman, John Breaux, Wyche Fowler, Claiborne Pell, Terry Sanford, Charles S. Robb, Tom Daschle, Paul Simon, Paul Sarbanes, Max Baucus, Alan Cranston.

CALL OF THE ROLL

The PRESIDING OFFICER. By unanimous consent, the quorum call has been waived.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the motion to proceed to S. 1435, the Foreign Assistance Authorization Act, shall be brought to a close?

The yeas and nays are required. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Nebraska [Mr. KERREY] is necessarily absent.

I also announce that the Senator from Arkansas [Mr. PRYOR] is absent because of illness.

Mr. SIMPSON. I announce that the Senator from Alaska [Mr. MURKOWSKI] is necessarily absent.

The PRESIDING OFFICER (Mr. ROBB). Are there any other Senators in the Chamber who desire to vote?

The yeas and nays results—yeas 87, nays 10, as follows:

[Rollcall Vote No. 143 Leg.]

YEAS—87

Adams	Exon	Metzenbaum
Akaka	Ford	Mikulski
Baucus	Fowler	Mitchell
Bentsen	Garn	Moynihan
Biden	Glenn	Nickles
Bingaman	Gore	Nunn
Bond	Gorton	Packwood
Boren	Graham	Pell
Bradley	Grassley	Pressler
Breaux	Harkin	Reid
Brown	Hatch	Riegle
Bryan	Hatfield	Robb
Bumpers	Heflin	Rockefeller
Burdick	Hollings	Roth
Burns	Inouye	Rudman
Byrd	Jeffords	Sanford
Chafee	Johnston	Sarbanes
Coats	Kassebaum	Sasser
Cochran	Kasten	Seymour
Cohen	Kennedy	Shelby
Conrad	Kerry	Simon
Cranston	Kohl	Simpson
D'Amato	Lautenberg	Specter
Danforth	Leahy	Stevens
Daschle	Levin	Thurmond
DeConcini	Lieberman	Warner
Dodd	Lugar	Wellstone
Dole	McCain	Wirth
Domenici	McConnell	Wofford

NAYS—10

Craig	Helms	Symms
Dixon	Lott	Wallop
Durenberger	Mack	
Gramm	Smith	

NOT VOTING—3

Kerrey	Murkowski	Pryor

The PRESIDING OFFICER. On this cloture vote on the motion to proceed to S. 1435, the yeas are 87, the nays are 10. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

The question is agreeing to the motion to proceed.

The motion is debatable.

Is there debate? If not, the question occurs on agreeing to the motion to proceed.

The motion was agreed to.

INTERNATIONAL SECURITY AND ECONOMIC COOPERATION ACT OF 1991

The PRESIDING OFFICER. The clerk will report the bill.

The legislative clerk read as follows:

A bill (S. 1435) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act, and related statutory provisions, to authorize economic and security assistance programs for fiscal years 1992 and 1993, and for other purposes.

The Senate proceeded to consider the bill.

Mr. SARBANES. Mr. President, first of all I want to express my appreciation to my colleagues for supporting the cloture motion by such an overwhelming vote and allowing us to move forward to consider the International Security and Economic Cooperation Act of 1991, S. 1435.

I will just make a few brief remarks here at the outset. I know there are others who may want to speak generally on the bill and then we very much hope, in a fairly short period of time, we will be able to start considering amendments that Members may have to offer. I ask our colleagues if they could start coming forth with their amendments early on in this process. We would like to try to address them and, where possible, clear them, and where not possible, structure a debate in order to move forward with this legislation.

First, Mr. President, I want to thank the distinguished chairman of the Foreign Relations Committee, Senator PELL, and its ranking member, Senator HELMS, and my friend and colleague Senator MCCONNELL for their generous remarks about my own efforts on this legislation, and also for allowing us to reach the point where we are now.

This legislation was reported out of the committee on a strong bipartisan vote of 17 to 2. I just want to develop a few points about the substance of the legislation.

There has been a lot of discussion about reforming our foreign aid program. Of course, the label "reform" is always a popular label to attach to almost anything, and I think there is a general view that there are important reforms that need to be made. That has tended to be defined as a total, complete, comprehensive rewrite of a foreign assistance legislation. This has not been done in the bill that is before the Senate.

Frankly, there was insufficient time to undertake that task after the administration submitted its proposal. It is not clear that their approach is necessarily the best way to go. It may be easier to understand and digest what is being done through the process by which this bill essentially does it, which is to meet the most pressing concerns expressed by the administration: Its need for flexibility to respond to changing world circumstances.

In existing legislation, both the Foreign Assistance Act and the Arms Export Control Act, the Congress has already granted the President special flexibility in the conduct of foreign assistance. But we were persuaded, in response to the administration's request and in light of dramatic changes that are taking place around the globe, that some additional flexibility was warranted. That flexibility is contained in this legislation and is recognized in the letter sent to us by Deputy Secretary Eagleburger, who states, among other things:

> We strongly endorse the committee's support for a variety of helpful provisions on reprogramming notifications, drawdowns, commitments of prior military assistance funds, termination expenses, contracting waiver, and other authorities.

So I think a genuine, good-faith effort has been made to try to respond to some of the concerns raised by the administration.

We also addressed the desire to group the functional accounts of AID, the development assistance accounts. In fact, the administration's proposal was to simply group all of them into one big account. I think most Members of the Senate feel that would be an overly broad grouping.

Instead we tried to create some broader latitude by authorizing a single health assistance account which incorporates activities currently funded under three separate accounts: Health, child survival, and AIDS prevention and control. So we made a somewhat broader grouping, but there was a feeling in the committee that the major account headings that are currently being used need to be continued. If a complete revision of that is to be undertaken it requires further study, more than the committee or the Senate has been able to devote to this issue thus far.

Another element of the committee bill is an effort to begin to shift resources from the military toward economic and development assistance programs. I think there is a growing consensus that there cannot be a stable and just new world order unless social conditions and economic prospects improve markedly in the Third World, where most of the planet's people live.

There is also strong humanitarian concern on the part of the American people which has led us over the years to try to address some of the overwhelming problems of poverty and disease and illiteracy and hunger around

the world. But I think it is becoming increasingly clear that our own interests—in a more, I guess what some people would call hard-headed fashion—are also served by addressing those problems. By enabling people to improve their lives, we contribute, I believe, to a more peaceful and stable world environment. Peaceful, prosperous countries make strong, reliable trading partners. In fact, the developing countries are often the most eager customers for U.S. exports. In many respects, then, foreign assistance is an investment in the future for all of us.

The committee has thus tried to revise the priorities to some extent. We have not had the opportunity here to make the major revision which some would argue is warranted under the circumstances, but we have begun that trend and, hopefully, we can build on it in the years to come. If we can, in effect, alter the existing authorizing framework as proposed in the legislation that is before us, I think we will have a stronger, more responsive, more contemporary foreign assistance program. And this bill is a very important step in that direction.

I close by thanking the able Senator from Kentucky [Mr. MCCONNELL], who is the ranking Republican on our subcommittee, for his tireless efforts in helping to develop a truly bipartisan product, one that I believe is responsive to the foreign policy interests of the United States.

I very much hope after these opening statements have been concluded that our colleagues will come forward with their amendments and we can begin to move quickly through the process of considering this legislation.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kentucky [Mr. MCCONNELL].

Mr. MCCONNELL. Mr. President, I thank my colleagues for the overwhelming vote in support of the cloture motion on the motion to proceed, so we can go forward with this bill.

Mr. President, as we begin debate today on the International Security and Economic Cooperation Act, we do so at a time characterized by historic and remarkable change. At the beginning of this decade, I doubt one of us would have predicted the collapse of the Warsaw Pact as a significant military threat and democracy advancing from East Africa to Eastern Europe, from Managua to Moscow.

Events around the globe are complemented by smaller but nonetheless historic events here in the Senate. The Foreign Relations Committee has not had the opportunity to present an authorization bill for the Senate's consideration since 1986—I guess we should be grateful that the turn of international events has changed the landscape for us all.

The committee has given careful consideration both to the major global changes and the administration's request for funding and flexibility in responding to those events. When he presented the administration's foreign assistance request to the committee, Secretary Baker defined five objectives our programs should fulfill. Those goals, adopted by the committee in our legislation are as ambitious as they are worthwhile. Secretary Baker asked us to support: First, promoting and consolidating democratic values and institutions; second, promoting U.S. national security interests and guaranteeing peace; third, promoting economic growth and competitive market principles; and fourth, protecting against transnational threats such as terrorism and narcotics trafficking and finally, meeting urgent humanitarian needs.

As I said, the goals are ambitious but I think the committee has gone a long way in crafting legislation affording the President the flexibility and funds he needs to achieve them. I would like to take a minute to review some of the key changes in this bill which advance U.S. interests and meet emerging needs.

First, we have substantially reduced the number of earmarks within the security assistance account—while a handful remain these are basically consistent with the administration's goals and spending.

Second, the committee has reduced from 16 to 5 the number of cross-cutting goals which have historically been at cross purposes and confusing. In addition to more focus in setting the agenda, the committee reduced the overall number of functional accounts which have directed how funds were spent within the Development Assistance Program.

Third, the administration has been given permanent authority to break ESF earmarks in the event of an emergency with a 5-percent ceiling on drawing down any one account.

The committee also substantially expands specific authorities and contingency funds in order to afford the President the greatest possible flexibility. In this area, there are three changes of particular note: First, the bill increases the ceiling on the amount the President is authorized to use for unanticipated contingencies from $25 million to $40 million. Second, we increased the ceiling on the amount the President is authorized to draw down in defense stocks to meet any unforeseen emergency from $75 million to $100 million. And, third, in addition to expanding existing accounts, the committee created a new authority for a Presidential contingency fund of $10 million.

This bill, Mr. President, is a significant departure from business as usual in the administration of our foreign assistance.

It may not be a complete rewrite, but it is indeed a significant—I repeat, significant—departure from business as usual.

Like the world we live in, it is not perfect, but we have worked hard to reach a consensus among Members on the best approach to the rapid, important changes we are experiencing. As my friend from Maryland has pointed out, it was reported out from the committee 17 to 2.

I might point out before wrapping up that there are two provisions in this bill as I mentioned earlier, which are controversial and many Senators and the President oppose. The committee bill reverses the administration's position on the Mexico City policy which the President has repeatedly indicated is cause for veto. Second, the bill includes a provision which applies cargo perference laws to countries receiving cash transfers. Again, the administration has registered its very strong objections. Frankly, I agree with the administration's position on these two provisions, however, I believe these are issues which we can redress on the floor, in conference or later.

In spite of these problems, I believe the policy direction and authorization levels reflect the administration's compelling requirement for flexibility and congressional interests in a rapidly changing world. As the chairman of the subcommittee responsible for foreign aid, Senator SARBANES deserves an enormous amount of the credit for his careful review for this careful review of every detail and his commitment to reach the compromises that have brought us this far.

I also want to thank my colleague, Senator HELMS, the ranking member of the Foreign Relations Committee who has given me an opportunity to comanage along with Senator SENATOR SARBANES. If we succeed in final passage, it will be, in part, because of the many lessons I have learned from Senator HELMS about the legislative process.

With that said, I want to join my colleague from Maryland in urging Senators to come on down and offer amendments. We are open for business. I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina [Mr. HELMS].

AMENDMENT NO. 808

Mr. HELMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration. I ask it be read in full.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 808.

On page 98, after line 19, add the following new section:

"SEC. 514. REDUCTION IN THE AMOUNTS AUTHORIZED TO BE APPROPRIATED.

(a) REDUCTION.—Notwithstanding any other provision of this Act, whenever a provision of this Act, or an amendment made by this Act, authorizes to be appropriated for certain purposes a specific dollar amount, such provision shall be deemed to authorize to be appropriated for those same purposes, in lieu of such specified amount, an amount equal to the specified amount minus 10 percent of such amount.

(b) TRANSFER.—

(1) EDUCATION SERVICES.—Notwithstanding any other provision of law, the authorization of appropriations to carry out the elementary and secondary education block grant is increased in each fiscal year by an amount equal to 50 percent of the amount determined under subsection (a) for such fiscal year.

(2) LAW ENFORCEMENT SERVICES.—Notwithstanding any other provision of law, the authorization of appropriation to carry out the programs under parts D and E of title I of the Omnibus Crime Control and Safe Streets Act of 1968 is increased in each fiscal year by an amount equal to 50 percent of the amount determined under subsection (a) for such fiscal year.".

Mr. HELMS. Mr. President, I thank the distinguished clerk. He read it well. The text of the amendment just about explains itself. But let me put it a little bit more in layman's terms.

This amendment has two parts, as the clerk stated. The first half proposes a 10-percent cut across the board from each authorization for appropriation within this bill. Whatever it is, cut it 10 percent. In other words, whenever a dollar amount is mentioned, subtract 10 percent. We will save that much in the unlikely event this authorization bill ever becomes law.

This way Congress' strategic priorities remain precisely the same. Every country, every program receiving funds from the U.S. taxpayers would share a 10-percent decrease in those funds. Furthermore, since earmarks are also reduced, the administration will still retain the flexibility priority that it needs and said it wants.

The second half of the amendment deserves to be carefully considered by every Senator. It transfers this 10 percent, to which I have just alluded, or approximately $1.4 billion, back to the 50 States. Specifically, 5 percent will go to law enforcement services block grants and the other 5 percent will go to education services block grants.

My reasoning, Mr. President, is simple. Many States are in financial difficulty. As a matter of fact, I do not know one that is not. The Associated Press reported back on July 1, as I recall, that many States have budget gaps ranging from $467 million in Pennsylvania to $14.3 billion in California, where our former distinguished colleague, Pete Wilson, now serves as Governor.

The amount of money that this amendment proposes to cut is relatively small—relatively small—compared to the deficits many States are experiencing. So the money is sorely needed right here at home.

Most Senators will not need to be reminded of the fiscal woes that their home States are experiencing. Nevertheless, let me quote from the Washington Post, which is an unusual thing for me to do:

Mark Gearan of the Democratic Governors Association told the Washington Post on May 12 that the Federal Government cut assistance and scaled back programs to the States in many, many areas. He said, "Fiscal problems among the States already have led to $10.3 billion in State tax increases for the 1991 fiscal year, and Governors have proposed some $6.7 billion in tax increases * * *".

So, Mr. President, the Federal Government cut assistance and scaled back programs to the 50 States and now, here before the U.S. Senate, Congress is proposing to authorize an increase of almost $60 million more for this bill than the 1991 foreign assistance appropriations.

Then on June 30, the Washington Post reported that the National Conference of State Legislatures estimated that 29 States, Puerto Rico, and the District of Columbia face potential deficits totaling $15.3 billion.

It further states that the 1992 shortfall is estimated—hold on to your hats—at $35 billion. The same story in the Washington paper reported that New York has fired 6,300 employees; Brockton, MA, lost 31 police officers and 31 firefighters. Los Angeles alone is proposing to cut 58,000 workers.

Do you see why I am proposing that we reduce some of this money that this bill proposes to send overseas and instead use the 10 percent to help our home folks a little bit? I think that is reasonable. I think it is fair.

Some of these problems are certainly due to fiscal irresponsibility and overspending that is typical of so many liberal State legislatures. However, in good conscience, how can Congress justify the authorization of more than $28 billion for overseas spending? That is the reason I cannot support foreign aid legislation, either an authorization or an appropriation. We have economic troubles here at home. And so much of the foreign aid program, since the program's inception in 1946, has been money thrown down too many ratholes. I commend Senator SARBANES and Senator MCCONNELL and others for trying to restructure this program. As I said earlier, they did their best to make a silk purse out of a sow's ear, but they did not quite make it. It is not their fault; they did the best they could.

Even without Mexico City, as we call it around this place, the new cargo preference provision, massive debt forgiveness, and a host of other problems, Congress is now about to propose to authorize one of the most unpopular programs with the American people. The people do not like this program. They know of its infirmities. They know of the waste of millions and billions of dollars of their money sent overseas to prop up socialist governments down through the years, dating back to 1946. In a word, the American taxpayers are fed up with this squandering of their dollars, especially when the funds are so badly needed here at home.

Tragically, the Congress and the foreign aid establishment have abused the trust and good will of the American taxpayer. Nick Eberstadt, of the Harvard Center for Population Studies, told the Foreign Relations Committee in hearings this year that based on opinion polls—

> There is no program, year in and year out, which the American public indicates that it would wish to have cut more than development assistance and military assistance to foreign countries.

The American taxpayers instinctively recognize that the economic and security problems confronting many countries do not stem from a lack of foreign assistance. They stem from flawed policies—communism, socialism, statism, and corruption.

Those of us who have followed this program through the years are well aware of that, and so are the American people. So, Mr. President, no amount of foreign assistance can overcome these mistaken policies.

Even the United Nations, in a report issued this past month, admits—and let me quote the United Nations—

> The lack of political commitment, not financial resources, is often the real cause of human neglect.

Precisely. That is what I am saying, too.

A report issued by the Agency for International Development revealed that since 1946, the American taxpayer has provided more than $262.2 billion for foreign aid programs. I mentioned earlier the study that was made about 10 years ago. When you factor in the interest on the borrowed money that the Federal Government has spent overseas, the figure comes to an astounding $2 trillion.

The American taxpayer has financed more than $96 billion in economic aid and military loans since World War II. That is not counting the factored-in interest year after year. And since the United States had to borrow the money to give it away, this total, as I say, does not include the interest, which is enormous, obviously.

Mr. President, I wonder if Senators really believe that the foreign aid program is an effective and relevant program for the coming decade. Can anybody seriously believe that the American taxpayer will receive $28.2 billion worth of value over the next 2 years as a result of this bill? In all sincerity, Congress should acknowledge the suffering and the needs of our own coun-

try and our own people. Giving back one-tenth of what is proposed in this bill, giving back $1.4 billion to the American taxpayers for education and social service programs, seems to me would be sending a message to the American people that Congress is listening to them after all. It will directly benefit our constituents, the taxpayers, and of course I hope Senators will vote for it.

It is no secret to anyone that our States are facing severe economic problems. I have already touched on that. In some cases, these problems have been brought about by mismanagement. In others, they are due to a glut of unhealthy State programs. But whatever the reason, up and down the ladder, governmentalwise or whatever assessment you want to make of it, the taxpayers end up doing the suffering. I am not going to bring up the pay raise that occurred in the Senate; that is a fait accompli. But the taxpayers are suffering because these budget shortfalls mean for them an increase in their taxes. They also suffer because these shortfalls mean cutbacks in essential State services, such as law enforcement and education.

The American people are suffering, and at this moment the Senate is considering a bill that will send $28.2 billion more to often ungrateful countries over the next 2 years to fund what has been identified clearly as corruption and socialism and economic stagnation.

Several months ago, the magazine entitled "City and State" released its annual report detailing the financial condition of each State.

Mr. President, I ask unanimous consent that a list of the States of the United States which face budget shortfalls as of April 15 of this year, and the amount of the expected shortfall, be printed in the RECORD.

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

STATE BUDGET SHORTFALLS AS OF APRIL 15, 1991

Alabama, $103.5 million.
Alaska, $300.1 million.
Arizona, $34.3 million.
California, $1.28 billion.
Colorado, $36 million.
Connecticut, $550 million.
Delaware, $44.2 million.
Georgia, $57 million.
Hawaii, $222 million.
Idaho, $27.3 million.
Illinois, $295 million.
Indiana, $298 million.
Iowa, $134 million.
Kansas, $119 million.
Louisiana, $264 million.
Maine, $34.6 million.
Maryland, $55 million.
Minnesota, $384 million.
Missouri, $4.5 million.
Montana, $26 million.
Nebraska, $110 million.
Nevada, $58.4 million.
New Jersey, $145 million.
New Mexico, $66.9 million.
North Carolina, $222 million.
Ohio, $393 million.
Oregon, $7.9 million.
Pennsylvania, $451 million.
South Carolina, $24.5 million.
Texas, $340 million.
Utah, $38 million.
Vermont, $21 million.
Virginia, $166 million.
Washington, $424 million.
West Virginia, $78 million.
Wisconsin, $198 million.

Mr. HELMS. Mr. President, I thank the Chair. I shall say no more. I think the amendment speaks for itself.

I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I thank the Chair. I yield the floor.

The PRESIDING OFFICER. Is there further debate?

The Chair recognizes the Senator from Kentucky [Mr. MCCONNELL].

Mr. MCCONNELL. Mr. President, I certainly agree with my colleague from North Carolina that education and law enforcement are worthwhile programs, and they are worth supporting. We all have an opportunity to do that every year when we vote on those authorization bills. But this is a foreign aid authorization bill, and we are mandated to provide funding for these particular programs, not domestic programs.

My friend from North Carolina referred to the expenditures in the foreign aid bill as money down a rathole. I suppose that some people think it is money down a rathole.

But I want to describe what some of those ratholes are that would be affected by this 10-percent cut. Senator HELMS suggests that we cut by 10 percent the following programs. These are the ratholes that we are talking about here where we are pouring this money right down the rathole.

The first rathole would be Israel, which would suffer a 10-percent cut; Egypt, a 10-percent cut; Greece, a 10-percent cut; Turkey, a 10-percent cut.

Mr. President, let us look around for some of these other ratholes in this bill that money would be poured down. UNICEF, which immunizes children, feeds children, and provides emergency humanitarian programs for children. The U.N. environmental program, which is engaged in an effort to rescue our rain forests to protect rare species, plants, and animals.

Mr. President, we have for quite some time in this country had a foreign aid measure. In recent years it has simply been a foreign aid measure passed by the Appropriations Committee. There is widespread support within this body for this kind of measure. We have a number of allies of the United States which depend on this measure. The administration is in support of this measure.

Mr. President, I hope that we will not adopt the Helms amendment. I know it is well intentioned. I know Senator HELMS opposes foreign aid in general. But that is not the position of the majority of the Senate. The majority of the Senate, I believe the Senator in Kentucky is correct, is in favor of foreign aid. I do not know how many votes were cast against the last foreign aid authorization bill back in 1986, but my guess was it was probably under 20 or under 25. The vast majority of this body feels that foreign assistance is correct.

With regard to surveys about how the American people feel about various issues, I warrant that, if you ask the American people if they thought it was inappropriate for the United States, through its UNICEF funding, to be providing immunization for children or emergency humanitarian assistance for children, even assistance for some of our allies, I suspect it would not indicate that the American people were entirely against this. In fact, on many of these issues I think there would be overwhelming support. We are, after all, a generous country. Foreign assistance is a very, very small percent of our overall expenditures.

Mr. President, I hope that the Helms amendment will not be approved.

Mr. SARBANES. Mr. President, the amendment is on its face a very appealing one, because what it suggests doing is reducing all authorizations in this bill by 10 percent and transferring them to some very important domestic programs.

But Members should understand very clearly the framework in which we are operating. Part of the budget agreement that was reached with the administration last year was that a certain amount of money would be available for foreign aid. One of the things the administration insisted upon was that we would not be able to transfer money from one broad category to another. There are in fact three such categories—defense, foreign aid, and domestic programs.

In effect, what this amendment would do is transfer money from foreign aid into domestic programs. As I understand it, that would be counter to the budget agreement and to the budget resolution which implemented the budget agreement. If I am not mistaken, it would be subject to a point of order requiring a supermajority to overrule. In other words, it would require 60 votes in order to make such a transfer.

Perhaps we might move to table the amendment, if the Senator from Kentucky is amenable, and dispose of this amendment that way. If not, then it leaves open the question of a budget point of order. The question arises, as I have said, because there was an agreement reached between Congress and the administration about how much

would go for defense, how much for foreign aid, and how much for domestic programs. We have worked within the figure provided for foreign aid in this authorization bill. We have tried to comply with it and conform to it.

Members should be very clear about what the proposed amendment would do. It would reduce every account in the foreign aid bill by 10 percent. That includes health accounts, education accounts, hunger accounts, disease control accounts, and both the military and the economic accounts that affect particular countries around the world for which we have tried to reflect priorities in this legislation. In most instances, these are the very priorities submitted to us by the administration.

This amendment would mean, for those particular countries, a 10-percent cut in their foreign assistance. Members should be very clear about that, because much of our foreign policy hinges upon maintaining the relationships that are encompassed within our legislation.

So I very much hope that Members will not be supportive of this amendment, as appealing as it may be on its face, since none of us denies the pressing needs which exist here at home. There are also pressing needs abroad, and decisions about the allocation of resources amongst those needs were essentially made in the budget summit, which said that so much money would be available for foreign aid. We have tried to work within these limits in our authorizing bill. We have tried to accede to the spirit and the letter of the budget agreement. So I very much hope that this amendment will not be accepted.

If there is no further debate, we are prepared to move to table the amendment.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

The Senator from North Carolina.

Mr. HELMS. Mr. President, I want to point out for Senators, and for the RECORD, when we were drafting this amendment, special care was taken to ensure that it did not violate any provision of the Budget Act. It has been reviewed by the Budget Committee staff and by the Congressional Budget Office. After several minor modifications, it was deemed to be in compliance with the enforcement procedures of the relevant budget statutes.

Specifically, the pending amendment would reduce the foreign aid authorization for fiscal year 1992 and fiscal year 1993 by 10 percent—roughly $1.4 billion, as I have said earlier, per year. The resulting savings would be authorized to be appropriated for two very important programs for our States: The education block grant, and the law enforcement block grant.

The Budget Act does not prohibit shifts of authorizations of appropriations among discretionary accounts. According to the conference report on the Omnibus Budget Reconciliation Act of 1990, the transfer of discretionary authorization does not violate the budget agreement, and all of the accounts mentioned in my amendment now pending are discretionary, not mandatory accounts. Thus, this amendment does not violate the Budget Act and is not subject to a point of order. I wanted to make that statement for the RECORD. I am willing to go to a vote any time the managers want.

Mr. MCCONNELL. Mr. President, I move to table the Helms amendment and ask for the yeas and nays.

The PRESIDING OFFICER (Mr. GORE). Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion to table. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Arkansas [Mr. PRYOR] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 87, nays 12, as follows:

[Rollcall Vote No. 144 Leg.]

YEAS—87

Adams	Ford	Metzenbaum
Akaka	Fowler	Mikulski
Baucus	Glenn	Mitchell
Bentsen	Gore	Moynihan
Biden	Gorton	Murkowski
Bingaman	Graham	Nunn
Bond	Gramm	Packwood
Bradley	Grassley	Pell
Breaux	Harkin	Pressler
Brown	Hatch	Reid
Bryan	Hatfield	Riegle
Bumpers	Heflin	Robb
Burdick	Inouye	Rockefeller
Burns	Jeffords	Roth
Byrd	Johnston	Rudman
Chafee	Kassebaum	Sanford
Coats	Kasten	Sarbanes
Cochran	Kennedy	Sasser
Cohen	Kerrey	Seymour
Conrad	Kerry	Shelby
Cranston	Kohl	Simon
D'Amato	Lautenberg	Simpson
Danforth	Levin	Specter
Daschle	Lieberman	Stevens
Dixon	Lott	Thurmond
Dodd	Lugar	Warner
Domenici	Mack	Wellstone
Durenberger	McCain	Wirth
Exon	McConnell	Wofford

NAYS—12

Boren	Garn	Nickles
Craig	Helms	Smith
DeConcini	Hollings	Symms
Dole	Leahy	Wallop

NOT VOTING—1

Pryor

So the motion to table the amendment (No. 808) was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. MCCONNELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 809

Mr. PELL. Mr. President, I send a package of amendments to the desk on behalf of myself and Senator MCCONNELL and ask unanimous consent that they be considered en bloc.

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

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Rhode Island [Mr. PELL], for himself and Mr. MCCONNELL, proposes an amendment numbered 809.

Mr. PELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 14, line 11, strike "The" and insert "(a) The";

On page 14, after line 16, insert the following:

(b) Section 103 of the Foreign Assistance Act of 1961 is further amended by adding the following new subsection:

"(g) The Congress finds that marine fisheries, aquaculture production and living aquatic resources are of significant importance to economic development and to the diets of people around the world. The Congress further finds that the world's fish catch is at, or near, its sustainable maximum, thereby requiring immediate attention to improve the management of these essential fishery resources. In the allocation of funds under this section, special attention shall be given to strengthening and expanding marine fisheries and aquaculture programs and projects.".

On page 15, line 7, strike "Section" and insert "(1) Section";

On page 15, line 9, strike "(A)";

On page 16, line 2, strike "organizations." and insert "organizations.".".

On page 16, strike lines 3 through 5 and insert in lieu thereof the following:

"(2) In each of fiscal years 1992 and 1993, forty-five percent of the amount provided in each such fiscal year for the purposes of section 104(c)(4) of the Foreign Assistance Act of 1961 should be provided directly to the World";

On page 16, line 8, strike "Organization.".' and insert "Organization.".

On page 17, line 4, strike "$257,688,000" and insert in lieu thereof "$300,000,000".

On page 17, line 7, strike "$301,291,000" and insert in lieu thereof "$345,000,000".

On page 23, strike line 20 and all that follows through line 2 on page 24, and insert in lieu thereof the following:

"(d) Notwithstanding any other provision of law, none of the funds appropriated by this Act for programs administered by the agency primarily responsible for administering part I of this Act, may be made available for any project or activity except in accord-

ance with the requirements of section 117(c) of this Act and the regulations issued pursuant thereto (22 CFR 2/6).".

On page 27, line 12, strike "appropriated" and all that follows through "Act" on line 15, and insert in lieu thereof "made available under chapters 1 and 10 of part I and chapter 4 of part II of this Act for use for activities described in sections 104(c)(2), 104(c)(3), 104(c)(4), or for environmental and energy activities".

On page 31, strike line 23 and all that follows through the end of line 5 on page 32, and insert in lieu thereof the following:

"SEC. 130. ECONOMIC REFORM AND ENVIRONMENTAL PROTECTION.—Economic policy reforms assisted with funds authorized to be appropriated by this Act shall also include appropriate provision to protect long-term environmental interests from possible negative consequences of the reforms.".

On page 34, after line 8, insert the following new paragraphs:

"(5) in subsection (b)(2), by amending subparagraph (G) to read as follows:

"(G) are directed to making available to business enterprises, especially to small business enterprises and cooperatives, necessary support and services not otherwise generally available.";

"(6) in subsection (b)(3)—

(A) by amending subparagraph (A) by striking out "$3,000,000" and inserting in lieu thereof "$6,000,000"; and

(B) by amending subparagraph (B)—

(i) by inserting "in loans" after "provided", and

(ii) by inserting "with loans" after "assisted";".

On page 34, by redesignating paragraphs (5), (6), (7), and (8), as paragraphs (7), (8), (9), and (10), respectively.

On page 34, strike lines 18 through 20, and insert in lieu thereof the following:

"(9) in subsection (e) (as redesignated by this section)—

(A) in paragraph (1), by striking "loans made to projects" and inserting in lieu thereof "loans, investments, and guarantees";

(B) in paragraph (2), strike "Loans guaranteed" and insert in lieu thereof "Guarantees";

(C) in paragraph (2)(B)—

(i) by striking out "Loans guaranteed" through "amortizations within" and inserting in lieu thereof "Guarantees shall be issued for"; and

(ii) by striking out "guaranteed loan" and inserting in lieu thereof "guarantee";

(D) in paragraph (2)(C)—

(i) by striking out "loan guaranteed" to "guarantee"; and

(ii) by striking out "$3,000,000" and inserting in lieu thereof "$6,000,000";

(E) by striking out subparagraphs (E) and (H) and redesignating accordingly;

(F) in paragraph (4), by striking out "In the case of loans" and inserting in lieu thereof "In all cases hereunder"; and

(G) by striking out paragraphs (3) and (5) and redesignating accordingly; and".

On page 40, line 22, strike "and";

On page 40, after line 22 insert the following new subparagraph:

"(F) $12,000,000 for each of fiscal years 1992 and 1993 for the Organization of American States Development Assistance Programs; and;

On page 40, line 23, strike "(F)" and insert "(G)";

On page 41, line 2, strike "(E)" and insert "(F)".

On page 57, line 3, strike "the Agricultural" and all that follows through "1985," on line 6.

On page 113, line 8, insert ", including killings and kidnappings of civilians," after "acts of terror".

On page 119, line 13, strike "Secretary" and insert "President";

On page 120, lines 1 and 2, strike "Secretary" and insert "President".

On page 169, line 7, strike "or" and all that follows through "1954" on line 8;

On page 170, line 7, strike "and" and all that follows through "1954" on line 8.

On page 162, line 8, strike the comma and all that follows through "1954" on line 10.

On page 170, strike line 20 and all that follows through "Act." on line 25, and insert in lieu thereof:

"(a) Of the amounts authorized to be appropriated under chapter 1 of part I of chapter 4 of part II of the Foreign Assistance Act, $300,000,000 for each of fiscal years 1992 and 1993 may be made available for Andean countries.".

On page 172, strike lines 11 through 16 and insert in lieu thereof the following:

"(a) AUTHORIZATION OF APPROPRIATIONS.—Of the amounts authorized to be appropriated under chapter 2 of part II of the Foreign Assistance Act, $118,000,000 may be made available for each fiscal years 1992 and 1993 for Andean countries.".

On page 182, line 7, strike "by" and insert in lieu thereof "under the auspices of".

On page 187, line 20, strike "Coordinating" and insert in lieu thereof "Development Coordination".

On page 191, line 1, strike "assistance may be provided" and insert "assistance (including assistance from the Development Fund for Africa) may be transferred".

On page 214, insert "and" at the end of line 24;

On page 214, strike line 25 and all that follows through line 8 on page 215;

On page 215, line 9, strike "(3)" and insert "(2)";

On page 215, line 10, strike "or the" and all that follows through "asset" on line 11;

On page 215, line 11, strike "para-" and all that follows through "(2)" on line 12 and insert "paragraph (1)";

On page 215, line 13, strike "or asset";

On page 215, line 17, strike "or" and "asset" on line 18;

On page 215, line 24, strike "or" and all that follows through "Corporation" on line 25;

On page 215, line 25, strike "or asset";

On page 216, line 4, strike "neither";

On page 216, line 5, strike "nor" and all that follows through "shall" on line 6, and insert "shall not";

On page 216, line 8, strike "or asset";

On page 216, line 16, strike "or the Commodity Credit Corporation";

On page 216, line 21, strike "or the Commodity Credit Corporation";

On page 216, line 22, strike "or asset";

On page 217, lines 7, 10, 12, 15, and 18, strike "or asset";

On page 217, line 24, strike "or" and all that follows through "country," on line 1 of page 218;

On page 318, line 4, strike "or assets".

On page 222, line 5, strike "and" and insert after "714", "section 735, section 737, and title VI".

On page 223, strike lines 11 and 12.

On page 223, line 15, after "1971" insert "except for section 7".

On page 234, line 10, after "enable" insert "the volunteer experiences of";

On page 234, line 11, strike "share" and insert "be shared".

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to the amendment.

The amendment (No. 809) was agreed to.

Mr. PELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCONNELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 810

(Purpose: To express the sense of the Congress regarding the future of Taiwan)

Mr. PELL. Mr. President, I send an amendment to the desk which I believe has been cleared by both sides. Senator HELMS and Senator MURKOWSKI are cosponsors. It is an amendment concerning the future of Taiwan and has been generally cleared.

I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Rhode Island, [Mr. PELL], for himself, Mr. HELMS, and Mr. MURKOWSKI, proposes an amendment numbered 810.

Mr. PELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

On page 109, after line 25, add the following new section:

SEC. 611. POLICY TOWARD THE FUTURE OF TAIWAN.

(a) FINDING.—The Congress finds that—

(1) although peace has prevailed in the Taiwan Strait for the past decade, on June 4, 1989, the Government of the People's Republic of China showed its willingness to use force against the Chinese people who are demonstrating peacefully for democracy; and

(2) in the Taiwan Relations Act, the United States made clear that its decision to enter into diplomatic relations with the People's Republic of China rested upon the expectation that the future of Taiwan would be determined by peaceful means.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the future of Taiwan should be settled peacefully, free from coercion, and in a manner acceptable to the people of Taiwan; and

(2) good relations between the United States and the People's Republic of China depend upon the willingness of the Chinese authorities to refrain from the use or the threat of force in resolving Taiwan's future.

On page 4, after the item relating to section 610, add the following new item:

Sec. 611. Policy toward the future of Taiwan.

Mr. PELL. Mr. President, this amendment expresses the sense of the Congress regarding the future of Taiwan. It is similar to language already in the House version of the foreign aid authorization bill and is language proposed jointly by Senator HELMS and myself 2 years ago during debate on the State Department authorization bill and adopted by the Senate.

During the recent debate of granting nonrestrictive trade privileges to the People's Republic of China, special mention was frequently made concerning Taiwan and especially Taiwan's membership in GATT, which I support.

This measure underlines America's unique concern about Taiwan's future and our interest that it remain an independent nation despite its close proximity and historical ties to China.

I believe deeply that the future of Taiwan should be determined by the Taiwanese people free from interference from any outside power.

This amendment asks that the future of Taiwan be settled peacefully, free from coercion, and in a manner acceptable to the people on Taiwan.

As we consider the continued uncertainty in China, we need to reaffirm to all concerned parties that the United States opposes settling the Taiwan dispute by force or coercion, particularly given the delicate period of political transition that President Li Teng-hui is now attempting to engineer.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to the amendment.

The amendment (No. 810) was agreed to.

Mr. PELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCONNELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

AMENDMENT NO. 811

(Purpose: To express the sense of the Senate in support of Taiwan's membership in the General Agreement on Tariffs and Trade)

Mr. ROTH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH] proposes an amendment numbered 811.

Mr. ROTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . SUPPORT OF TAIWAN'S MEMBERSHIP IN GATT.

(a) FINDINGS.—The Senate finds that—

(1) on January 1, 1990, the Government of Taiwan formally requested the Secretariat of the General Agreement on Tariffs and Trade (GATT) to initiate the procedure necessary for its accession to the GATT;

(2) the Government of Taiwan has applied for membership in the GATT as a separate customs territory under GATT Article XXXIII under the name "The Customs Territory of Taiwan, Penghu, Kinmen and Matsu", to ensure that its application includes only those areas where the Government of Taiwan currently possesses full autonomy in the conduct of its external commercial relations;

(3) Taiwan is a significant participant in the global economy, being the thirteenth largest trading entity and maintaining the second largest foreign exchange reserves in the world, and is one of the last major market-based economies that is noticeably absent from the GATT;

(4) the United States and Taiwan maintain an important bilateral trading relationship, with Taiwan being the sixth largest trading partner of the United States and the United States being the second largest exporter to Taiwan;

(5) Taiwan has made substantial progress in its economic development, and has taken steps to open up its economy, including lowering its average tariff rates, reducing its barriers to foreign investment, and increasing its protection of intellectual property rights;

(6) the United States supports additional action by Taiwan to provide full open market access to United States goods and services and to ensure that United States intellectual property rights are fully enforced, and Taiwan's continued progress in these and other areas is mutually beneficial to the United States and Taiwan;

(7) the GATT is the premier multilateral body for regulating trade worldwide, and the United States and 100 other contracting parties of the GATT are in the final stages of the Uruguay Round of multilateral trade negotiations, which is the most ambitious effort ever undertaken by the GATT to expand, strengthen, and revitalize multilateral trade rules and principles;

(8) the successful conclusion of the Uruguay Round will establish multilateral and enforceable disciplines in key areas affecting bilateral trade between the United States and Taiwan, including the areas of services, intellectual property rights, and agriculture;

(9) Taiwan currently adheres to the guiding principles of the GATT on a de facto basis, is expressly committed to assuming greater international economic responsibility by its willingness to accede to the GATT as a developed economy, and has indicated its desire to join formally with other GATT contracting parties in implementing the final results of the Uruguay Round; and

(10) Taiwan's membership in the GATT will foster the further liberalization of Taiwan's economy along GATT lines, will serve as an exemplary model for other developing countries, will allow key United States-Taiwan trade issues to be addressed in the multilateral context, and will contribute to the overall strengthening of GATT rules of trade and of the GATT as an institution:

(b) POLICY.—It is the policy of the Senate that—

(1) the accession of Taiwan to the GATT is in the best economic interest of the United States and of the world trading system as a whole and should be achieved in an expeditious manner; and

(2) the Government of the United States should fully support Taiwan's accession to the GATT by requesting that the GATT Secretariat place Taiwan's accession request on the agenda of the next GATT Council meeting, by seeking the formation of a GATT Working Party, and by taking any additional steps deemed necessary to assure Taiwan's prompt membership in the GATT.

Mr. ROTH. Mr. President, I rise to offer an amendment in support of Taiwan's membership in the General Agreement on Tariffs and Trade [GATT]. This amendment contains the text of Senate Resolution 116, which is a resolution I submitted this past April. The resolution is strongly supported by a majority of the Senate, with 53 of my colleagues now cosponsoring it.

The goal of this amendment is twotold. First, it will demonstrate that the President has the full backing of the Senate to proceed forward with his recently announced decision to "begin to work actively with other Contracting Parties to resolve in a favorable manner the issues relating to Taiwan's GATT accession." It does so by making several findings on the importance of Taiwan's position in the world economy and of our bilateral economic relationship, and by expressing the sense of the Senate that Taiwan's GATT membership is in the best economic interest of the United States and of the world trading system.

The second objective of this amendment is to highlight the specific steps that should be taken to ensure that the accession of Taiwan to the GATT is achieved expeditiously. The amendment underscores that the United States should fully support Taiwan's accession request by taking two essential steps, in particular. The first is requesting that Taiwan's application be placed on the next GATT Council agenda. The second is seeking the formation of a GATT working party to consider Taiwan's terms of accession.

Mr. President, for a whole variety of reasons, which are outlined in the amendment, Taiwan deserves to be in the GATT, and Taiwan deserves our strong assistance in accomplishing it. In demonstrating the full backing of the Senate, this amendment is designed to do just that.

I yield the floor.

Mr. PELL. Mr. President, I ask unanimous consent that my name be added as a cosponsor.

Mr. ROTH. I thank the distinguished chairman and appreciate his support.

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

Mr. PELL. Mr. President, as far as I can ascertain, this amendment is acceptable on this side of the aisle.

Mr. McCONNELL. Mr. President, the Senator from Delaware has an excellent amendment. I fully intend to support it. I am not aware of any objection.

The PRESIDING OFFICER. Is there further debate on the amendment? If

not, the question is on agreeing to the amendment.

The amendment (No. 811) was agreed to.

Mr. ROTH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 812

(Purpose: To express the sense of the Senate concerning the treatment of U.S. companies operating in Angola in the U.S. Internal Revenue Code)

Mr. ROTH. Mr. President, I send a second amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH], for himself and Mr. BRADLEY, proposes an amendment numbered 812.

Mr. ROTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At an appropriate place in the bill add the following new section.

SEC. . TO EXPRESS THE SENSE OF THE SENATE REGARDING THE TREATMENT OF UNITED STATES COMPANIES OPERATING IN ANGOLA IN THE U.S. INTERNAL REVENUE CODE.

(a) FINDINGS.—The Senate finds that—

(1) section 901(j) of the United States Internal Revenue Code effectively subjects United States companies operating in Angola to double taxation;

(2) on May 31, 1991, the Government of Angola and the National Union for the Total Independence of Angola signed the Peace Accord for Angola in Lisbon, Portugal;

(3) the Peace Accords for Angola provide for: an internationally supervised ceasefire in Angola's civil war, the opening up of Angolan political life, and internationally supervised national elections;

(4) the Angolan economy offers a broad range of opportunities for United States companies.

(b) POLICY.—It is the policy of the Senate that—section 901(j) of the United States Internal Revenue Code should be amended to provide for a special rule for Angola so that United States companies operating in that nation shall be allowed a foreign tax credit for taxes paid to the Government of Angola.

Mr. ROTH. Mr. President, the purpose of the amendment which I am laying before the Senate today has a straightforward purpose. It expresses the sense of the Senate that the discriminatory manner in which United States companies which operate in Angola are treated in our Tax Code should be ended.

Ordinarily, U.S. corporations which operate in foreign countries are obliged to pay taxes to the government of that country. Subsequently, when their U.S. taxes are assessed, they are granted a credit equivalent to the amount which they have been obliged to pay the foreign government in question.

Several years ago, we began to tinker with this system. The so-called Rangel amendment denied United States companies operating in South Africa any foreign tax credit for the taxes which they paid the Government of South Africa. Subsequently, companies operating in Angola were similarly denied foreign tax credits for taxes which they paid that government. In effect, U.S. companies operating in either nation were subject to a crippling double taxation.

The Rangel amendment, which was closely tied to the Comprehensive Anti-Apartheid Act, was vitiated when the President recently certified that the South African Government had met the various conditions laid down in that act. It is my firm opinion that now is the time to move ahead and take similar actions vis-a-vis Angola. I say this for three primary reasons:

First, the Angolan economy, though devastated by civil war, has huge economic potential, largely because of Angola's massive oil reserves and mineral resources. United States companies are eager to expand their operations in the Angolan economy, but they are seriously hampered by their double taxation burden. Meanwhile, European companies, who were never subject to any restriction in their Angolan operations, are pushing vigorously into the Angolan economy. Recently, Royal Dutch Shell announced that it will be investing almost $½ billion in exploratory drilling rights in Angolan waters.

Frankly, I do not believe that the U.S. Congress should be hampering U.S. companies as they seek to compete with their European rivals in this area of major economic potential.

Second, Mr. President, the foreign policy considerations which originally led us to impose discriminatory treatment against Angola no longer pertain.

The Marxist government of Angola no longer enjoys Soviet or Cuban support. Deprived of this backing, the Government has signed the peace accords for Angola with its chief opposition—the National Union for the Total Independence of Angola [UNITA], an organization which I and several of my colleagues have strongly supported.

The accords provide for a cease-fire in the civil war, the opening up of national political activity, and for the internationally supervised national elections for which Dr. Jonas Savimbi and UNITA have so long pressed.

In light of this major progress toward democracy, it is fully appropriate the United States place its economic relations with Angola on a regular footing. Granted, the political situation in Angola is by no means perfect—that will require the actual holding of national elections.

However, who said that a nation had to have a perfect political situation in order to trade with the United States? If that was our standard, we would trade with very few nations, indeed.

Angola needs economic development now and United States companies need unfettered access to the Angolan economy now. Whoever wins the pending national elections will not wish to preside over an economic desert. And, Mr. President, while we hold back and hinder U.S. companies, their competititors are proceeding.

Third, Mr. President, I would ask my colleagues to consider whether the type of approach we have pursued toward United States companies dealing in Angola really does represent an optimal approach toward United States business.

Here on the floor of the Senate, we hear a great deal of talk about competitiveness, about picking up the economic challenge laid down by Japan and by EC '92. Well, Mr. President, if we are sincere in our rhetoric of competitiveness, we will have to stop burdening U.S. companies with restrictions and hindrances which have no basis in everyday economics. U.S. businesses are designed to make returns to their shareholders. They are not designed to discharge U.S. foreign policy. Attempts to subvert business and to use it in pursuit of foreign policy goals will only weaken our businesses, our overseas business activities, and undermine our global competitiveness.

For all of the above reasons, I ask my colleagues to support my amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, I support the amendment of the Senator from Delaware and so does the administration. There is, however, at least one Senator on this side of the aisle who wants to be heard in opposition to the Roth amendment and is not here yet.

Mr. SARBANES. Mr. President, I simply make the observation that we may also have a Senator or two on this side who wish to be heard on this amendment. Obviously, we would like to provide at least some accommodation to Members by allowing a reasonable period of time for them to speak on the amendment. When the House of Representatives considered the foreign assistance bill, they were able to get a rule which required that all amendments had to be printed in the RECORD ahead of time. Unfortunately, under our procedures, we cannot do that. But I simply point out that it made an enormous difference when the amendments were made available, so that people had a chance to examine them, consider the consequences of them, and so forth.

Here, of course, under our procedures, any Member at any time can stand up and offer an amendment to any part of the bill. We have to just try

to address issues as they arise. It would be most helpful, I say to our colleagues, if early on the managers could be made aware of amendments that Members were thinking of offering and could have a chance therefore to examine the amendment. Such a process would be helpful to the ability of the managers either to accept the amendments as proposed, or to suggest modifications that would make it possible to do so.

So it would be helpful to us if Members who have amendments could apprise use of that fact, informing us both that they have the amendment and, even more importantly, of the substance of the amendment. We could then try to expedite the matter. We are anxious to do that, and we are making good progress. We are very grateful to the Senator from Delaware for coming to the floor early on to offer his amendments. But on this particular amendment with respect to Angola, we have received, as has Senator McCONNELL, some communication that there are others who are interested in speaking on it. I think they ought to have a reasonable period of time to get here.

Mr. McCONNELL. Will the Senator yield.

Mr. SARBANES. Certainly.

Mr. McCONNELL. It is my understanding that the Senator from Delaware has yet another amendment. I do not know whether that is acceptable on the Senator's side or not. We might lay the current Roth amendment aside and do that one next.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. ROTH. Mr. President, I ask unanimous consent that we temporarily set aside the Roth amendment now before the Senate in order for me to bring up a new amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT NO. 813

(Purpose: To amend the Foreign Assistance Act of 1961, the Export-Import Bank Act of 1945, and the Commodity Credit Corporation Charter Act to prohibit the noncompetitive awarding of insurance contracts on certain government-supported exports)

Mr. ROTH. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH] proposes an amendment numbered 813.

Mr. ROTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place insert:

That chapter 2 of part I of the Foreign Assistance Act of 1961 is amended by inserting after section 240A the following new section:

"SEC. 240B. PROHIBITION OF NONCOMPETITIVE AWARDING OF INSURANCE CONTRACTS ON CERTAIN GOVERNMENT-SUPPORTED EXPORTS.

"(a) PROHIBITION.—No insurance, reinsurance, guarantee, or other financing may be issued by the Corporation with respect to any investment in a project unless the appropriate investor, in every practicable case, first certifies to the Corporation that any contract for the export of goods as part of such investment shall include a clause requiring that United States insurance companies have a fair and open competitive opportunity to provide insurance against risk of loss of such export.

"(b) FAILURE TO PROVIDE CERTIFICATION.—In any case in which such certification is not made in a timely fashion, the investor shall include in the certification when made the reasons for the failure to make timely certification."

"(c) REPORTS BY UNITED STATES TRADE REPRESENTATIVE.—The United States Trade Representative shall review the actions of the Corporation under this section and, after consultation with representatives of United States insurance companies, shall report to the Congress in the report required by section 181(b) of the Trade Act of 1974 with respect to such actions.

"(d) DEFINITIONS.—For purposes of this section—

"(1) the term 'United States insurance company'—

"(A) includes an individual, partnership, corporation, holding company, or other legal entity which is authorized, or in the case of a holding company, subsidiaries of which are authorized, by a State to engage in the business of issuing insurance contracts or reinsuring the risk underwritten by insurance companies; and

"(B) includes foreign operations, branches, agencies, subsidiaries, affiliates, or joint ventures of any entity described in subparagraph (A);

"(2) United States insurance companies shall have had a 'fair and open competitive opportunity to provide insurance' if they—

"(A) have received notice of the opportunity to provide insurance; and

"(B) have been evaluated on a nondiscriminatory basis.".

SEC. 2. EXPORT-IMPORT BANK OF THE UNITED STATES.

The Export-Import Bank Act of 1945 (12 U.S.C. 635 et seq.) is amended by adding at the end the following:

"SEC. 17. PROHIBITION ON NONCOMPETITIVE AWARDING OF INSURANCE CONTRACTS ON CERTAIN GOVERNMENT-SUPPORTED EXPORTS.

"(a) PROHIBITION.—The Bank may not guarantee, insure, extend credit or participate in the extension of credit with respect to any export unless the Bank receives a certification that any contract relating to the export of goods shall include a clause requiring that United States insurance companies have a fair and open competitive opportunity to provide insurance against risk of loss of such export.

"(b) REPORTS BY UNITED STATES TRADE REPRESENTATIVE.—The United States Trade Representative shall review the actions of the Bank under this section and, after consultation with representatives of United States insurance companies, shall report to the Congress in the report required by section 181(b) of the Trade Act of 1974 with respect to such actions.

"(c) DEFINITIONS.—For purposes of this section—

"(1) the term 'United States insurance company'—

"(A) includes an individual, partnership, corporation, holding company, or other legal entity which is authorized, or in the case of a holding company, subsidiaries of which are authorized, by a State to engage in the business of issuing insurance contracts or reinsuring the risk underwritten by insurance companies; and

"(B) includes foreign operations, branches, agencies, subsidiaries, affiliates, or joint ventures of any entity described in subparagraph (A);

"(2) FAIR AND OPEN COMPETITIVE OPPORTUNITY TO PROVIDE INSURANCE.—The term 'fair and open competitive opportunity to provide insurance' means, with respect to a United States insurance company, that the company—

"(A) has received notice of the opportunity to provide insurance; and

"(B) has been evaluated on a nondiscriminatory basis.".

SEC. 4. DETERMINATIONS OF DISCRIMINATION.

(a) DETERMINATION BY THE UNITED STATES TRADE REPRESENTATIVE.—Whenever the United States Trade Representative determines that United States insurance companies have been denied a fair and open competitive opportunity to provide insurance against risk of loss in violation of section 240B of the Foreign Assistance Act of 1961, section 17 of the Export-Import Bank Act of 1945, or section 20 of the Commodity Credit Corporation Charter Act as added by this Act, then—

(1) the Overseas Private Investment Corporation may not insure, reinsure, finance, or otherwise assist in the investment in question,

(2) the Export-Import Bank may not guarantee, insure, extend, credit, or participate in the extension of credit with respect to the export in question, and

(3) the Commodity Credit Corporation, may not guarantee, insure, extend credit, or participate in the extension of credit with respect to the export in question of agricultural commodities,

unless the transaction involves a United States firm, subsidiary, or affiliate doing business in a foreign country with which the United States has an agreement regarding the insurance of international transactions.

(b) REGULATIONS REQUIRED.—The United States Trade Representative shall prescribe such regulations as may be necessary to carry out this section.

Mr. ROTH. Mr. President, the amendment which I am offering today has a straightforward purpose. It seeks to guarantee to U.S. insurance companies the right to compete for the insurance-related business on exports which are supported by U.S. taxpayer dollars, that is to say, exports paid for, supported by or financed by the Agency for International Development, the Export-Import Bank, the Overseas Private Investment Corporation and the Commodity Credit Corporation.

Frankly, I was shocked when I first discovered the need for this legislation. This Nation generously provides foreign assistance to a number of nations around the world and it finances the export of many goods and services to nations which cannot afford to pay the full price of these commodites.

It was truly galling to discover that, on many occasions, when these transactions are made, the recipient nation—the recipient of United States largesse—then forbids United States insurance companies from competing for the insurance related business on these transactions.

For example, Mr. President, this Nation recently provided the Soviet Union with $1.5 billion of grain and feedstuffs via the Commodity Credit Corporation. The Soviet Government then coolly informed the United States that all the insurance-related business stemming from this transaction would be reserved for the Soviet Union's own state insurance company.

The American Institute of Marine Underwriters is a trade association representing over 90 marine insurance companies, which provide over 90 percent of the ocean marine insurance written in this country. The AIMU estimates that foreign protectionist practices in this field cost U.S. companies as much as $33 million in lost premiums every year.

The list of nations which exclude U.S. companies from insuring OPIC, Exim and CCC transactions is a long one: Bangladesh, Bolivia, Ecuador, Morocco, Pakistan, Peru, Sudan, Uganda, Venezuela, Tanzania, Kenya, Jordan, Nicaragua, Panama, Colombia, Ghana, Guinea, and Indonesia.

The International Union of Marine Insurance has listed a total of 62 nations, all of whom seek to reserve the right to insure goods coming into their ports to national insurance companies. And I must stress, Mr. President, that these restrictions apply to exports which are financed, subsidized, and sometimes are paid by the U.S. taxpayer.

U.S. insurance companies seek no special preference. They do not demand that the right to insure U.S.-subsidized exports go solely to them. But they do ask, quite understandably, that when the U.S. taxpayer does underwrite a U.S. export, then they should, at least, have the right to compete for the insurnace on that transaction.

The current situation is nothing short of ludicrous. Recipients of U.S. assistance are turning around and robbing us of the related benefits of our generosity.

The amendment which I am laying before the Senate today will end this nonsensical practice. It requires that the insurance contracts related to U.S.-financed exports must be open to free and competitive bid.

If the office of the U.S. Trade Representative discovers that a recipient nation is trying to exclude U.S. insurance companies from the bidding process or is discriminating against them, then the transaction in question will not proceed.

I suspect that my colleagues on both sides of the aisle will agree on the need to resolve this problem. I am aware that there is some controversy concerning the designation of an appropriate U.S. enforcing authority. I have in my amendment designated USTR, but I have no objection to this provision being changed in conference so long as the final conference report addresses the basic problem before us today as to discrimination against U.S. insurance companies which are legitimately pursuing their business.

Mr. President, I ask that my colleagues support this amendment. I respectfully ask the managers of the bill to do their utmost to ensure that this legislation is retained in the bill in conference.

I yield the floor.

Mr. SARBANES. Mr. President, I want to make one observation to the Senator from Delaware. As I understand the amendment, what he is seeking is that U.S. insurance companies have a fair, open, and competitive opportunity to provide insurance.

As I understand it, the definition of having such an opportunity is that the insurance companies have received notice of the opportunity to provide insurance and, if they seek to provide it, that their bids have been evaluated on a nondiscriminatory basis. It does not require that the insurance contract go to American companies. It just makes sure that they get a fair chance, along with anyone else, to bid for this work. Is that correct?

Mr. ROTH. That is correct.

Mr. SARBANES. At the moment apparently, American companies are actually being excluded from the opportunity to bid. They cannot even enter into the competition. Is that correct?

Mr. ROTH. That is correct. A number of countries keep it for their own insurance companies.

Mr. SARBANES. The Senator mentioned at the end some possible problems with how the amendment would be enforced and so forth. There may be other technical problems which we could address in conference, staying of course, in consultation with the Senator.

Having said that, I have no objection to the amendment. In fact, as stated by the Senator, this amendment seems to address an important problem.

Mr. McCONNELL. Mr. President, I am aware of no opposition to the amendment of the Senator from Delaware. I personally support it. I think it is a good amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Delaware.

The amendment (No. 813) was agreed to.

Mr. ROTH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROTH. Mr. President, I would like to express my appreciation both to the chairman and ranking member for their interest and support in correcting what I see as a deficiency.

The PRESIDING OFFICER. The question now recurs on amendment No. 812.

AMENDMENT NO. 812

Mr. SARBANES. Under the regular order are we now on the amendment offered by the Senator from Delaware and Senator BRADLEY on Angola?

The PRESIDING OFFICER. The Senator from Maryland is correct. Regular order.

Mr. SARBANES. Mr. President, I want to make an observation about this amendment because I know that some Members called in about it. Let me just put a question to the Senator from Delaware. My understanding of this amendment is that it simply expresses the sense of the Senate with respect to this issue. We do not have jurisdiction to make the legal change here. That would have to be done by the tax writing committees of the Congress. It would express, though, a policy judgment that such a change should be made in the law. Is that correct?

Mr. ROTH. That is correct. Since it involves revenue, it obviously has to come up first in the House and then the Senate in the tax writing committees. It relates to a matter that I think is important, that the Senate express its intent. I feel we are putting ourselves and American companies in a noncompetitive position with other companies of the world who are moving in to address the resources that are available in Angola.

Mr. SARBANES. I think it is important for Members who may have a concern with respect to the amendment to understand exactly what the amendment does and does not do.

Mr. ROTH. The Chairman is absolutely correct. This is a sense-of-the-Senate resolution. It merely expresses the intent, but it is not effective in changing the law.

Mr. SARBANES. Mr. President, this is the situation. I want to be very open and candid with the Senate.

There apparently are a few Members, I am not sure how many, on both sides who will want to be heard on the Angola amendment of the Senator from Delaware. There is a distinguished Senator on my side who says he can be here in 30 minutes. Obviously, given that it has just come up, I will try to protect his opportunity to speak, although I do want to try to move along.

I hope we are not going to get in a situation, although I am not now referring to this pending amendment, where amendments come up but Members ask us not to consider them for another 2 or 3 hours or until tomorrow or something like that. Otherwise, we will not be able to move expeditiously through this legislation.

I would also note that there are Senators on the other side of the aisle who wish to speak. Perhaps they might be prepared to go ahead now.

Mr. SARBANES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. SHELBY). Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I rise for the purpose of calling the attention of the Senate to this amendment that is before us, the Roth amendment, which would repeal a tax restriction on corporations doing business in the country of Angola, which tax restriction has been on those companies in that country since legislation adopted by this body in 1986. That was legislation that I sponsored because I did not feel, when there was a revolution going on in the country and the taxpayers of this country were supporting the challengers to the government—we were taking the position of the right side in that revolution against the Marxist government of Angola—that we ought to have an American corporation participating in doing business with that government when the taxes paid by that American corporation were being used by that government against a revolutionary force that the United States taxpayers were supporting at that particular time.

This is only a sense-of-the-Senate resolution that is before us today, so it is not repealing that law. But I think that it is an issue that we will face later on this year or early next year in regard to whether or not that 1986 legislation ought to be repealed. I am sure the motivation behind the legislation is because there is an agreement between the Government of Angola and the forces of Jonas Savimbi to have elections sometimes before November 1992. So the situation has changed dramatically. I would have to say that if the spirit of that agreement is carried out, obviously the political situation and military situation in that country has changed dramatically.

The only thing is, I believe that this question now that we are dealing with on the sense-of-the-Senate resolution, in that presumably we will be dealing with change in statute later on this year, is a little premature because the test of that agreement is whether or not we have free and fair elections, and obviously we are not going to know that until those elections are held. So, consequently, I do not really think it is going to be proven that there is a new political environment in that country until those elections come off and we have the democratic process mature.

So far, we are living on promises. Promises are a start, but having performance commensurate with the rhetoric is a real test of an agreement.

So I think that our body here ought to take into consideration this amendment and know the import of it. At this point, I would be asking my colleagues to be opposed to it even though it is a sense-of-the-Senate resolution.

I believe it is very important to continue our current policy of economic restrictions in force against the Republic of Angola until we do have those free and fair elections.

Unfortunately, some believe the signing of the Estoril accords warrants rewarding the MPLA and point to the lifting of sanctions against South Africa. I want to challenge this misguided view and I want to oppose any effort that upsets the delicate balance that exists between the ruling party and the proper Western opposition, led by UNITA.

More specifically, proposals to restore the foreign tax credits for taxes paid or accrued to Angola are premature and I think seriously damage the prospects for true peace and reconciliation in Angola.

As in formerly Marxist Nicaragua, the party is the State, and all revenues that are paid by these corporations doing business in that country go to the coffers of the ruling party. Lifting sanctions will only provide an even greater competitive edge to the MPLA in the electoral contest that has yet to be scheduled at this time.

I think we have to assume that whether this were an issue or not, whether or not American companies were doing business over there that would be in support of the ruling party and the government, that ruling party and the incumbent government has a dramatic advantage over those of UNITA challenging that existing government. If it is going to have increased revenues as a result of the repeal of this 1986 legislation, they are even going to have greater advantage.

Now, I know there are some who feel that there is no question that UNITA will come through that election fine and dandy. And I hope that is what happens. But I guess I do not want our Government to take a chance on that, because we have been part and parcel of reaching compromises over there and forcing the point of view of UNITA in the process for so long that it just seems to me that for this last 18 months why take any chances.

I believe this legislation brings about more questions about whether the ultimate gains of our Government are going to be accomplished. And those ultimate gains are free and fair elections, not just that UNITA be controlling the government. That is our hope. But we have to accept the will of the electorate there like we would in any other country if we do have free and fair elections.

But it is important to remember that United States restrictions remained in force—referring again to the Nicaraguan situation; we kept our restrictions in force against the Sandinista regime—until free and fair, internationally monitored elections were held.

I feel the same policy should apply to Angola, since the MPLA reneged on a promise to hold elections in 1975. It is only prudent to maintain economic pressure upon the MPLA, since military pressure was removed upon the declaration of the cease fire.

Too often, Americans have short memories about our relationships with foreign countries and we forget, I suppose, this promise was made in 1975 and denied; it was not carried out. I do not think the situation is quite the same for next year, but we ought to make sure that that is the situation. I do not believe millions of dollars of American taxpayers' assistance should be given to the MPLA.

Propping up the MPLA will not help the people of Angola. Therefore, we hope our colleagues here will stay the course in Angola. The dual policy of aiding UNITA and continuing pressure on the MPLA has produced a cease fire and promise for elections. If this policy is maintained, we believe it will produce the historic free elections and true democratic government we all anxiously await.

I hope my colleagues will remember our friend on the other side of the aisle, Senator DECONCINI of Arizona, has for a long, long period of time, headed up an effort in this body to make sure American policy stood firm in support of UNITA and against the MPLA. And that that good work of Senator DECONCINI has paid off as we have accomplished that goal.

I have been informed by staff that he would like to speak on this issue. I hope my colleagues will pay due attention to what he has to say on this issue, because he has worked so hard on it.

Yesterday, I had the opportunity to receive, and I will read into the RECORD, the official position on this issue from UNITA, the opposition party. This is the contents of that communique. It is headlined, "UNITA Policy Statement on the Grassley Amendment," referring to the Grassley amendment of 1986.

UNITA supported the Grassley Amendment in 1986 to revoke the foreign tax credit for U.S. companies operating in Angola. The profits from Angola's only viable industry,

oil, were used during the course of the 16-year war, to purchase at least $16 billion worth of Soviet weapons and to provide for the maintenance of the Cuban occupation forces, which once numbered 60,000. Sanctions against the one-party MPLA regime, coupled with U.S. support to UNITA after the repeal of the Clark Amendment, were intended to pressure the government into a peaceful settlement resulting in free and democratic elections. We are not there yet.

In Lisbon, Portugal on May 31, the Estoril Accords were signed by UNITA and the MPLA, establishing a ceasefire and setting elections between September and November of 1992. Significantly, the MPLA will continue to govern the country in the interim, with all tax revenues collected by the state under the control of the MPLA party. In Angola today, the state and the party remain inseparable.

While UNITA supports any humanitarian or other efforts in Angola intended to help the citizenry, UNITA cannot support the lifting of trade sanctions, which would only serve to augment the power of the MPLA-controlled state and thus the party.

The private sector does not exist in today's Angola. It remains a desire. Furthermore, the Grassley and other amendments are on "Automatic Cancellation," The validation of free elections will nullify them. Economic pressure, which serves as a deterrent against MPLA noncompliance with the peace agreement, is the only remaining leverage the U.S. Government enjoys in Angola.

In Nicaragua, sanctions persisted until the internationally-monitored elections were determined to be free and fair. The United States kept sanctions in force, recognizing that the Sandinistas continued, during the transition to democratic government, to command the military and the police, as well as the business sector.

U.S. policy towards Angola is on the verge of producing its objective of representative government, the first in Angola's history. Lifting trade restrictions now would be interpreted by the MPLA as a relaxation of U.S. policy, and would constitute a premature reward before full compliance with the Estoril Accords is assured. Restoration of full trade relations and the granting of diplomatic recognition should only occur when the peace process has culminated in its final goal of self-determination for the people of Angola.

It is signed by Jardo Muekalia, UNITA chief representative to the United States.

Mr. President, I am about ready to give up the floor. In conclusion, I hope the managers of this legislation will wait until Senator DECONCINI appears to give his statement. And, second, what this amendment, if it were actually changing the law, attempts to accomplish, I would say should be accomplished when the elections are held. That was the intent of the legislation passed in 1986. It is meant to be a lever to make sure there are free and fair elections, and it would not take any action by this body at that particular time for it to happen.

I guess I will say one additional thing. There is going to be a problem for the sponsors of the amendment when it comes to passing the statute change, and that is the revenue neutrality requirement. Whatever revenue is lost here, and there will be a significant amount lost, the proponents have to think of some way of taxing the American citizens to make up that lost revenue, unless you have the votes to add to the national debt.

I hope that, as conservative as the proponents of this amendment are, they take that into consideration. Right now we have revenue coming in from this, and that will be lost. We surely do not want to increase the debt to help corporations that in turn would support a government in this part of Africa that is in opposition to the goals of United States taxpayers and the United States taxpayers' Government.

I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I ask unanimous consent to proceed as in morning business.

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

Mr. DODD. Mr. President, I first of all want to commend the managers of the matter which is presently before this body, and commend them for the hard work they are doing trying to fashion a piece of legislation that deals with the foreign policy interests of this country.

THE RICH GOT RICHER, POOR GOT POORER

Mr. DODD. Mr. President, the remarks I am about to make do not relate to that subject at all except in a very tangential way. They have to do with a report that appeared this morning in the Washington Post with a headline entitled "Rich Got Richer, Poor Got Poorer," a story by Spencer Rich.

Mr. President, I ask unanimous consent that this press report be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. DODD. It struck me, Mr. President, that this report came in the wake of yesterday's narrow vote on the most-favored-nation status for the People's Republic of China; in the wake of the fast-track legislation dealing with Mexico; in the wake, if you will, of a decision to provide technical assistance and, in the thoughts of some, credits to the Soviet Union; and in the wake of decisions to break the budget agreements in order to provide assistance to Bangladesh. Mr. President, the litany can go on. I am not suggesting that in some of these cases there is not a degree of legitimacy in trying to be helpful, but it is disturbing when the ongoing process that seems to be more focused on the needs of other nations, legitimate as those needs are, and we watch what is happening to people in this country who are in desperate condition.

So it is in that light that I rise this afternoon to share some general comments and thoughts on the deteriorating situation of a constituency in this Nation that seems to be more and more squeezed every single day. This report and the documentation from the Congressional Budget Office and studies done by the House Ways and Means Committee make this more than just a simple allegation. As more and more data becomes available, it becomes quite clear that this is no longer an allegation or an assumption, but a fact.

The fact is that during the last 13 years, middle-income families in this country have not only been squeezed but they have been significantly hurt. At the same time a very small, tiny fraction of our population have done remarkably well at their expense. That is what this study indicates.

Frankly, the absence of any real sensitivity about this is what I believe is creating a growing sense of anger in this country, a growing sense of frustration on the part of people not only from the New England States where the economy has been particularly hard hit, but reaching across this country, even in areas where there has been a relatively high degree of affluence.

So, Mr. President, I want to emphasize my concern about this and about the failure to even address some of these questions at all. It is almost, as someone has suggested, as though we have a no-fault Presidency. The theory seems to be that if you do not even talk about these subject matters, then they do not exist. But they exist in the minds of the families who struggle on a daily basis to make a home mortgage, to make college tuition payments, to provide food and clothing for their children, while they watch their salaries and incomes decline, and watch their taxes go up. These families also watch the very affluent in this country, the top 1 percent, whose incomes absolutely skyrocket and whose taxes decline. No wonder there is a growing sense of anger.

I mentioned the headline in the Washington Post which says "Rich Got Richer, Poor Got Poorer," referring to the study on income disparities in the 1980's released by the Center on Budget and Policy Priorities. This study confirms what I think many people have known for years and what the working families of this country understand completely.

Just to share some of the data included in this study, the most affluent 1 percent of Americans have seen their incomes climb from $203,000 in 1977 to $451,000 in 1988, while the taxes of that income group have actually declined by 18 percent. So here, more of a doubling of their incomes in an 11-year period and a reduction of their taxes by almost 20 percent.

At the same time, the incomes of the middle-class working families of this

country have stagnated and the incomes of the poorest part of our population have actually declined during that same period of 1977 to 1988. Working families have paid a steep price in the 1980's, and at this rate, they will be paying the bill, for the excesses of the last decade for many years to come.

This trend, Mr. President, I think is shameful. I do not know anyone who feels any differently. After all the promises made by the Reagan and Bush administrations, the headline should read "Real Income Rises for Working Americans." Frankly, Mr. President, we will not see headlines like that as long as the Bush administration continues to focus their attention and resources on world problems at the expense—at the expense—of any real domestic agenda. I think there would be more tolerance, understanding, and acceptability for international initiatives if there were attention being paid to the domestic agenda. But when the American people watch the President spend a week traveling to seven different nations, watching whirling dervishes in Constantinople and literally no attention paid to what is happening in city after city—to layoffs right and left and a declining economy—then that sense of outrage grows further.

While I know the pollsters and the pundits tell us that the President has a popularity rating in the polls of some 75 percent, frankly, Mr. President, that is irrelevant. That is irrelevant. What is relevant is what is happening to working families and the failure to pay attention to it. Eighty-five percent of American families are worse off today than they were a decade ago. That is relevant. That is far more important than some rating by a polling agency. That is what people care so much about and are anxious to see an agenda address.

The findings released yesterday make it clear, in my view, that the administration has only one real constituency, and that is the wealthiest 1 percent of our citizens.

Mr. President, throughout our history, we as Americans have always shared a common goal, to make life better for our children than it was for us in our own time. Today, the present generation, has reached the conclusion for the first time in decades that their children and their grandchildren are going to have far lower a living standard than they have; that the American dream of always providing a better quality of life is not going to be available to their offspring.

Today, for the first time in our history, America's working families can no longer count on a better life for the next generation. These families, Mr. President, are not the very poor. This is not the desperate bottom 1 or 2 percent of our population. This is the middle-class that is being squeezed and squeezed and squeezed to such a point that it becomes, in the words of some, an endangered species.

Caught in the squeeze between the changing family demographics and stagnant income and rising basic costs, families now question whether the American dream is beyond their reach, and they are right to question it.

The economic pressures on working families are severe, and they are getting worse. Incomes for middle-class families have been virtually stagnant, despite the entrance of millions of mothers into the labor force over the past decade. At the same time, rising costs have further pressed tight family budgets. In the past 20 years, median rents have risen from 21 to 29 percent of household income, and the cost of college has gone from 25 to 31 percent of income.

Mr. President, in Connecticut, New England, families are caught in an even more desperate squeeze. They are in the Nation's highest median income, but they endure extremely high basic consumer expenses. While housing costs increased by an average of 300 percent nationally from 1970 to 1990, Connecticut residents face an average increase of 600 percent during that same period of time. The cost of child care is 33 percent higher than the national average. It costs $4,500 for preschoolers in Connecticut child care centers, as compared to $3,400 nationally.

Mr. President, I am equally disturbed by the extent to which Federal policies contribute to the income squeeze for middle-income families. During the eighties, the burden of Federal taxes shifted from the wealthiest to the middle class. Between 1977 and 1990, the share of Federal taxes paid by the richest 1 percent of Americans decreased by 18 percent, while they increased by almost 2 percent for middle-income taxpayers.

Working families have done their share in the workplace and through their tax payments. Frankly, it is time to correct these inequities of the past and give families the economic tools they need to remain strong and nurture their children.

There have been a variety of legislative proposals introduced to address some of these problems and to create greater equity, including proposals by the chairman of the Finance Committee dealing with individual retirement accounts and legislation that will provide tax credits to middle-income families with children under the age of 5 to alleviate costs. Under this IRA proposal they could use those dollars that have been saved for tuition, as well as home mortgages. Last month I introduced S. 1411, the Middle Income Tax Relief and Family Preservation Act of 1991. Yet, we still find opposition to those ideas within the administration.

My point today is a rather simple one. Hardworking families deserve a far better deal than they are getting. The 1980's were very generous to a small percentage of people in this country. But we now know that working families, despite the fact they were made all sorts of promises, ended up getting the short end of this deal. Certainly the ravages that we are seeing in Connecticut, New England, and throughout the country today show that most families were left far, far behind.

So, Mr. President, while it is important that those of us in this body and the American people understand there trends, what is really important is that we have an administration that understands and is willing to engage in this debate. It is worthwhile to point out, Mr. President, that programs like revenue sharing and section 8 housing, community development block grants, and urban development action grants were not the legacy of the Johnson and Kennedy administrations but came out of the Nixon-Ford administrations, and that they were Republican administrations that faced up to these questions and offered suggestions and ideas.

What is happening today is the absence of any ideas in these areas. We have a President who finds it easier to travel to the far corners of the Earth but does not pay enough attention, in my view, to the basic questions that we are facing at home. This Nation's ability throughout this decade and as we enter the 21st century to be a generous Nation to the rest of the world, as we consider a foreign assistance bill, will in no small measure depend upon how generous we are when it comes to dealing with the basic economic problems of working families.

Our failure to invest in the economic future of this country will deprive this Nation of being a significant participant in areas like foreign aid and technical assistance for other nations that desperately need it. Our role as a significant player in determining the foreign policy and international equation of the latter part of this decade and the next century will be directly and severely impacted by our failure to address these basic domestic agendas that have to be debated.

So, Mr. President, I hope the President this morning will have seen the same headlines and will have raised it with his own Cabinet officers and wondered how they can possibly redress these inequities and create greater fairness. While the President's poll numbers may remain high as we approach an election cycle next year, that is not going to be enough to sustain this country in the 1990's and beyond.

High poll numbers do not make for a better country. That is not the standard by which we judge how well we are doing as a Nation. We need to be judging on poll numbers which reflect the data that say working families are

doing better, not that the President is doing better politically. Those are the really relevant statistics. Frankly, the absence of those statistics ought to cause every American, including the leader of this Nation, a great deal of distress and concern about the direction this country is headed.

Mr. President, while we deal with the most-favored-nation status for the Republic of China, while the President pleads with Mr. Gorbachev and others and promised technical assistance; while we fast track a free trade agreement with Mexico and provide assistance to everybody else, it is also imperative to say what can we do to make this country stronger and better. The data this morning that was presented by Spencer Rich in the Washington Post indicates we have a long way to go and we better start soon.

EXHIBIT 1

[From the Washington Post, July 24, 1991]

RICH GOT RICHER, POOR GOT POORER, STUDY SAYS

(By Spencer Rich)

The income gap between rich and poor widened in the 1980s, with average incomes increasing 122 percent after taxes for the top 1 percent of households but falling 10 percent for the bottom fifth, according to a study released yesterday.

For the top 1 percent, the study said, income measured in today's dollars rose from an average of $203,000 per household in 1977 to $451,000 in 1988.

"The data provides fresh evidence of a growing trend toward greater income inequality in the United States," said Isaac Shapiro, who conducted the study for the nonprofit Center on Budget and Policy Priorities, a liberal think tank. He used data developed by the Congressional Budget Office for the House Ways and Means Committee.

"During the period examined by the CBO the incomes of the wealthiest households shot up dramatically but middle-income households received only a slight gain," Shapiro said. "Meanwhile, low-income households became poorer."

The study said that in the 1950s and 1960s "income disparities narrowed in the United States. In the early 1970s, disparities began to grow. This trend then accelerated in the 1980s."

The study looked at changes in income from 1977 to 1988, using household figures calculated by the CBO and adjusting for household size and inflation.

It found that for the poorest one-fifth of households, average cash income after taxes dropped 10 percent. For the second-poorest fifth, it dropped 3 percent. For the middle fifth it rose 4 percent, for the next highest fifth, 9 percent, and for the richest fifth, 34 percent.

However, when the top 5 percent of households was broken out and calculated separately, the rise was 60 percent—and for the top 1 percent alone, it was 122 percent.

The study said that most of the increase in the income gap "resulted from widening gaps in before-tax income." Among the reasons: stagnant wages for low- and middle-income earners, large increases in capital-gain income for well-off households, failure of the states to raise welfare benefits for low-income families fast enough to keep pace with inflation, and the contraction of the unemployment insurance system.

An increase in single-parent families (which have difficulty in earning income) and international competition (which could have an adverse impact on some wage scales) also played some role, according to Center officials.

"At the same time," the report said, "changes in federal tax policy also contributed to the widening gap in after-tax income. Between 1977 and 1992, the percentage of income paid in federal taxes by the richest 1 percent of Americans will decline 18 percent while the percentage of income that middle-income households pay in federal taxes will remain basically unchanged."

Robert Rector of the Heritage Foundation, a conservative think tank, criticized the study for counting only cash income, although low-income households are receiving $130 billion a year in food stamps, medical benefits and housing subsidies. He said the bulk of increases in public aid to the poor in recent years have been in non-cash benefits.

But Shapiro responded that households in the middle do not get non-cash welfare benefits and their income clearly has stagnated.

INTERNATIONAL SECURITY AND ECONOMIC COOPERATION ACT OF 1991

The Senate continued with the consideration of the bill.

Mr. SARBANES. Madam President, what is the regular order?

The PRESIDING OFFICER (Ms. MIKULSKI). The regular order, the Chair advises the Senator from Maryland, is the pending Roth amendment on treatment of American corporations doing business in Angola.

Mr. SARBANES. The Angola amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. SARBANES. I say to the Senator from Delaware who offered the amendment, who has been very patient, that the Senators who are interested in his amendment are here and about, and we ought to try to get them to the floor so we can move ahead on the Senator's amendment. We will try to do that right now.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DECONCINI. Madam President, I thank the Senator from Delaware—and the patience of the Senator from Maryland; I know he is interested in moving this along—for the modification of his amendment.

I think it is important that we understand why the amendment known as the Grassley amendment is on this particular country, if you want to call it that. I understand also it has been explained very clearly by the Senator from Delaware why he feels that is unfair and that trade should be the motivating force now that a peace accord has been signed.

Indeed, a peace accord has been signed, but of course the implementation of that peace accord and the cornerstone of that peace accord, besides a cease-fire which occurred in Angola, is free and fair internationally monitored elections. Those are scheduled now sometime in September, I believe early September 1992.

The amendment of the Senator from Delaware, as I understand it, would repeal the Grassley proposal which had a surcharge, sometimes known as a double taxation, upon the American petroleum industry that does business there, as well as other industries.

First of all, Madam President, it is important to know why was this adopted in 1986, and why toward Angola.

There was a very good reason at that time. The Angola Government refused to enter into any dialog or discussions with UNITA or any other opposition group within or without that country. In fact, we had the Cubans coming in during that period of time. We felt very strongly as a Congress and as a nation that our companies doing business there should not be supporting directly their recalcitrance toward any settlement of the Angola problem.

Quite frankly this Senator had amendments pending that would force our companies out of Angola because the billions of dollars they have received in revenue in the oil sold by American companies was going into the direct conflict and the military effort against UNITA. We did not go that route. What we did settle on is to assess an additional tax toward these particular companies I think for good reason because, as it is no longer classified information, our Government has assisted UNITA and still is in a nonlethal manner.

So the Senator from Delaware has a sense of the Senate, to be fair here now, that a peace accord has been entered into and that this so-called Grassley or double taxation should be relieved. He has agreed, and I thank him for it because it satisfies my concern because this sense of the Senate is effective.

As we know the sense of the Senate is not binding but it expresses the strong view of this body that this sense of the Senate, if I can pose a question to my friend from Delaware, says that upon free and fair elections in Angola the double taxation, or what is known as the Grassley amendment, should be repelled or would be repelled, and it would be retroactive for the entire calendar year.

If that is correct, I believe that is correct, I would welcome the Senator's clarification or concurrence in that then I think this is a very appropriate solution because I think it solves everybody's concern on the trade issue that the Senator from Delaware is in-

terested in, the so-called equity issue perhaps of the double taxation and the strong commitment that this Senate has from year to year passed on and voted on that we want free and fair elections, and now we have the MPLA to do just that.

So that being the case, the Senator propounding a modification of the sense-of-the-Senate amendment of the Senator from Delaware, I support this enthusiastically.

Mr. ROTH. Madam President, I am happy to advise my good friend and colleague from Arizona that the proposed change in language accomplishes exactly what he has just said. What we have reached agreement on is that the cancellation, the termination of the double taxation will take place when the free elections are actually held retroactive back to the beginning of that calendar year.

I think this accomplishes our mutual purposes. As the distinguished chairman knows, I have been a strong supporter of UNITA down through the years, much involved in providing covert aid to help UNITA, so that I think we are all pleased to see that there appears to be a significant change in the situation.

What has concerned me so seriously has been, as the Senator pointed out, the question of trade. I think it is critically important to the future welfare of this Nation that we put trade as a first goal because it means jobs and opportunities for our workers.

What concerns me in the immediate situation was the fact that we all know Angola is indeed rich, indeed wealthy in raw resources, both oil and other minerals. I am concerned that our companies have been handicapped in their capability of joining hands in determining that oil and helping to bring about the riches that would result.

Other major companies of other countries, for example Shell, is spending currently something like a half a billion to develop new oil resources. I do not want that to be a missed opportunity for American business, or for the American worker.

So I am happy that we are able to agree on the mutual language. The Senator still has the floor, but when he yields, I will send up the amendment.

Mr. DECONCINI. Madam President, I want to thank my friend from Delaware for his strong support of UNITA's efforts in Angola. I failed to mention that the Senator from Delaware has indeed been at the forefront of support for the UNITA effort that we have worked together on for some time. I thank him.

I also thank him for his clarification and his explanation as I understand the particular sense of the Senate that is before us. With that, my compliments to the Senator from Delaware for finding a solution that I think really addresses all of this without compromising the important point that we really have struggled with for so long to find free and fair elections monitored internationally in Angola, and also to deal in a more equitable way with those American companies.

I thank the Senator from Delaware.

I yield the floor.

AMENDMENT NO. 814 TO AMENDMENT NO. 812

(Purpose: To express the sense of the Senate concerning the treatment of U.S. companies operating in Angola in the U.S. Internal Revenue Code)

Mr. ROTH. Madam President, I send a substitute amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH], for himself and Mr. BRADLEY, proposes an amendment numbered 814 to amendment No. 812.

Mr. ROTH. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

In lieu of language, insert:

SEC. . TO EXPRESS THE SENSE OF THE SENATE REGARDING THE TREATMENT OF UNITED STATES COMPANIES OPERATING IN ANGOLA IN THE UNITED STATES INTERNAL REVENUE CODE.

(a) FINDINGS.—The Senate finds that—

(1) section 901(j) of the United States Internal Revenue Code effectively subjects United States companies operating in Angola to double taxation;

(2) on May 31, 1991, the Government of Angola and the National Union for the Total Independence of Angola signed the Peace Accord for Angola in Lisbon, Portugal;

(3) the Peace Accords for Angola provide for: an internationally supervised ceasefire in Angola's civil war, the opening up of Angolan political life, and internationally supervised national elections;

(4) the Angolan economy offers a broad range of opportunities for United States companies.

(b) POLICY.—It is the policy of the Senate that—section 901(j) of the United States Internal Revenue Code should be amended to provide for a special rule for Angola so that United States companies operating in that nation shall be allowed a foreign tax credit for taxes paid to the Government of Angola.

The aforesaid tax benefits should not come into effect until national elections in Angola been been held. Those benefits will then be granted for the taxable year beginning in the calendar year of those elections:

Mr. ROTH. Madam President, I shall be very brief because I have already made the arguments as to why I think this amendment should be added. But let me just say for purposes of clarification the modification which we have drafted grants no extension of tax credits to United States companies in Angola until national elections are held. But it proposes that the benefit will be retroactive to the beginning of the calendar year in which those elections take place.

Madam President, I urge that this amendment be agreed to. I yield the floor.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. SARBANES. Madam President, we are prepared to accept the amendment.

Mr. MCCONNELL. The amendment is acceptable on this side as well.

The PRESIDING OFFICER. Is there further debate on the amendment? If there is no further debate on the amendment, the question is on agreeing to the amendment of the Senator from Delaware.

The amendment (No. 814) was agreed to.

Mr. ROTH. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROTH. Madam President, I express my appreciation to the chairman and ranking member for their patience. I think it resulted in a better amendment, and we are happy that it was enacted.

Mr. SARBANES. Madam President, I would like to express my appreciation to the Senator from Delaware for coming early during the consideration of this bill in order to offer his amendments. As a consequence we were able to dispose of them in a way I hope he considers positive and constructive, and I would say, an expeditious way.

We are prepared to move on with other amendments. We hope colleagues who have them will come to the floor and offer them.

The PRESIDING OFFICER. Without objection, amendment No. 812, as amended, is agreed to.

Mr. MCCONNELL. Madam President, I want to commend my friend from Delaware for his excellent amendments, and thank him as well for coming over and offering them in the beginning of this debate.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

AMENDMENT NO. 815

(Purpose: To establish and expand programs to assist persons with disabilities)

Mr. SIMON. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. SIMON], for himself, Mr. HARKIN, and Mr. DOLE, proposes an amendment numbered 815.

Mr. SIMON. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 11, line 8, insert "disability," after "poverty,".

On page 13, line 2, insert "and persons with disabilities" after "women".

On page 17, between lines 11 and 12, insert the following:

(a) Section 105 of the Foreign Assistance Act is amended by adding a new subsection (c) as follows:

"(c) Assistance provided under this section shall also be used to establish and expand programs to assist persons with disabilities, including persons with visual and hearing impairments, physical disabilities, mental retardation and mental illness, to achieve independence.".

On page 17, line 12, insert "(b)" before "The".

Mr. SIMON. Madam President, along with Senator HARKIN and Senator DOLE, I offer an amendment that will provide a greater focus in our development assistance programs on the needs of the 500 million people with disabilities throughout the world.

The importance of this effort is highlighted in a GAO report Senator PELL and Senator HELMS requested at my suggestion 2 years ago. The report, issued in February 1991, shows that the magnitude of problems affecting persons with disabilities around the world is enormous. The United Nations estimates 80 percent of the 500 million persons with disabilities live in developing countries. These are the world's most neglected people; they are usually destitute, living in areas where services are rarely available.

Less than 3 percent of the world's disabled population has access to services. According to UNICEF, 80 percent of the 140 million children with disabilities in developing countries are without any access to the services they would need to become productive members of their societies.

In comparison to the need, international efforts are few, although they are often innovative and significant. There are models of well-focused projects that we can identify through the United Nations. I am sorry to say, however, that the contribution of the United States has been embarrassingly small, significantly less than that of other countries with fewer resources.

For example, U.S. contributions to the U.N. major effort to implement the goals of the Decade of Disabled Persons have totaled $103,000 over 10 years. Countries exceeding that amount include Canada, West Germany, France, Italy, Japan, Libya—which has given more than 3 times the United States—Norway, and Saudi Arabia.

The amendment we offer today is a small step toward giving appropriate attention to an overwhelming need. The amendment is simple. It consists of three parts that extend existing provisions in S. 1435. One provision seeks to maximize the involvement of persons with disabilities in all aspects of development assistance by specifically referring to such involvement along with the involvement of women and other disadvantaged populations.

Another provision adds disability to the areas Congress expresses commitment to addressing through our development policies. The third provision creates a specific authority within the education and human development program authorized by section 105 of the Foreign Assistance Act for programs that will enhance the independence of persons with disabilities. No additional funds are sought, simply the authority to address the needs of persons with disabilities.

It is our intent that these amendments reflect the Nation's commitment to assisting persons with disabilities around the world to become independent and productive members of their society. Such assistance should be made available through U.S. private voluntary organizations and indigenous private organizations whenever possible. A particular priority should be the use of organizations of persons with disabilities. As a result of these amendments, AID should establish a priority for programs of assistance in the field of disability, including habilitation and rehabilitation programs, independent living and social service programs, and programs regarding accessibility to facilities and services.

Madam President, on July 26 we celebrate the first anniversary of the Americans With Disabilities Act [ADA], a momentous civil rights bill that passed this body by a large majority vote, with strong bipartisan support and support from the administration. President Bush indicated at the signing ceremony that the United States had, by virtue of enacting the ADA, become the world leader in establishing rights and opportunities for persons with disabilities. He noted that other countries are looking to us for leadership. These amendments will help make sure that we accept that responsibility and begin to carry out that leadership.

Madam President, this is an amendment that is cosponsored by Senator HARKIN and Senator DOLE. What it does is to ask that our aid programs put a little greater emphasis on reaching the disabled community. Eighty percent of the disabled children, for example, in the world are receiving no services whatsoever where they live. Services for the disabled tend to be urban-based, and there are just millions of people out there who need some help. This is, I believe, completely noncontroversial. It simply adds another small thrust to our foreign assistance program that I think is important.

I am pleased to yield to my colleagues for any comments they may have. I think this amendment is acceptable on both sides.

Mr. HARKIN. Madam President, I am pleased to have this opportunity to work with my good friend, Senator SIMON, and with the distinguished minority leader, Senator DOLE, in cosponsoring these amendments to S. 1435. I strongly support these amendments, which represent another important step forward in our efforts to promote international human rights.

The precepts of the Americans With Disabilities Act should be a part of our foreign policy. The ADA makes it illegal to devise or employ attitudinal barriers or construct artificial barriers that prevent people with disabilities from participating in the economic, political, educational, social, and cultural mainstream.

The ADA requires that people be judged on the basis of their qualifications; not on the basis of fear, ignorance, prejudice, stereotypes, paternalism, or patronizing attitudes. The ADA requires that society no longer construct architectural, transportation, or communication barriers that preclude participation in the mainstream of American life. In sum, "independence" and "inclusion" are now recognized as basic civil rights.

I have spoken of the ADA as a 20th century emancipation proclamation for persons with disabilities. But for hundreds of millions of persons with visual and hearing impairments, physical disabilities, mental retardation, and mental illness around the world discrimination remains as debilitating as ever. They, too, need to know that America supports their aspirations to join the mainstream of their own society.

The ADA has had the support of a broad bipartisan coalition in this country. When the ADA was passed last year, the President noted that this is the world's first comprehensive declaration of equality for persons with disabilities, and that with its passage, the United States became an international leader on this human rights issue. I agree.

In my travels and here at home, I've had opportunities to hear firsthand from many leaders from around the world who are impressed with this legislation. Each has expressed interest in enacting similar legislation. Clearly, this is a new American revolution worth copying.

These amendments send a powerful message. They ensure that our foreign policy will address the special needs of persons with disabilities and that our foreign policy goals include the promotion of their civil rights. These amendments specifically seek to ensure the involvement of persons with disabilities in all aspects of development assistance, and encourage programs to enhance the independence of persons with disabilities.

I urge my colleagues to join with us in passing these amendments. Through

them America's beacon will guide the world.

Mr. SARBANES. Madam President, this amendment includes reference to persons with disabilities in the policy language for development assistance. It thereby places a greater focus on assistance to disabled people in developing countries.

Actually, at the urging of the able Senator from Illinois, the GAO undertook a study—this was last year?

Mr. SIMON. That is correct.

Mr. SARBANES. The GAO undertook a study on assistance to disabled people in the developing countries. Earlier this year, the GAO issued its report, concluding among the U.S. agencies only the Peace Corps had a specific mandate to assist disabled persons. And it also noted that AID, the major U.S. development agency, does not generally target the disabled in its regular bilateral programs, although missions in some 25 countries have in fact focused assistance in this area over the past 3 years.

Senators SIMON and HARKIN, and Senator DOLE, the Republican leader, seek to give an additional focus to the needs of the disabled in the developing countries by this amendment. We are prepared to accept the amendment on this side.

Mr. MCCONNELL. Madam President, I am not aware of any opposition to this amendment on this side.

The PRESIDING OFFICER. Is there further debate on the amendment? If there is no further debate on the amendment, the question is on agreeing to the amendment.

The amendment (No. 815) was agreed to.

Mr. SIMON. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SARBANES. Madam President, I would just repeat that we are prepared to consider any amendments that Members may have to offer.

Pending that, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. WELLSTONE. Madam President, I ask unanimous consent that a fellow in my office, Katherine Magraw, be allowed floor privileges for the duration of the bill.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. LIEBERMAN). Without objection, it is so ordered.

Mr. SPECTER. Mr. President, I ask unanimous consent that I may proceed for a period not to exceed 5 minutes as in morning business.

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

THE PHILADELPHIA NAVY YARD

Mr. SPECTER. Mr. President, I have sought recognition to acquaint my colleagues with a very significant development in litigation in the Federal court in Philadelphia concerning the effort by the Navy Department to close the Philadelphia Navy Yard.

As my colleagues know, the Base Closure Commission has ordered the closing of many facilities around the country, including the Philadelphia Navy Yard. I and others in the Pennsylvania delegation have strenuously resisted this, first on grounds of national defense because the victory in the gulf war was attributed largely to air power. Much of the air power came from carriers, and many of those carriers were serviced in the Philadelphia Navy Yard.

Beyond the issue of national defense, which is the first criterion on the matter of base closure, there was, of course, a very substantial economic impact to the region of southeastern Pennsylvania, southern New Jersey, and Delaware.

When we were presenting our case before the Base Closure Commission, we advanced these arguments and were prepared to accept, in a good-faith determination, what the Commission concluded, until we found that the Department of the Navy had failed flagrantly to comply with the provisions of the Base Closure Act and the Department of the Navy had, in fact, concealed very important evidence which supported keeping the Philadelphia Navy Yard open. I refer specifically to memoranda from Admiral Claman and Admiral Hekman which recommended keeping the Philadelphia Navy Yard open, although downsizing the yard, and then further activity by the Department of the Navy with Under Secretary Howard telling Admiral Hekman not to testify before the Base Closure Commission.

These instances were in flagrant disregard of the rights of the Senators and Members of the House to have a full and fair presentation of the facts. We learned about these memoranda only after we got them from a collateral source, long after the May 22 hearing here in Washington and long after the May 24 hearing in Philadelphia.

As a result of failure to comply with the base closure law, a lawsuit was initiated in the name of a number of Members of the U.S. Senate, including myself, Senator WOFFORD, Senator BRADLEY, Senator LAUTENBERG, and a number of the Members of the House of Representatives and the Governors of Pennsylvania, New Jersey, and Delaware because of our sense of outrage at what happened on the procedures before the Base Closure Commission.

After the commission report was filed and approved, this Senator filed a resolution of disapproval. It came up in a hearing yesterday before the Armed Services Committee, and the members of the Commission there present responded rather irrelevantly, in my judgment, saying that they later considered what Admiral Claman's memo said, and they later considered what Admiral Hekman's memo said. One of the commissioners had talked to Admiral Hekman.

But that was not to the point. The point was that members of the congressional delegation were entitled to that evidence, entitled to know what it was, and entitled to have it available at the time that arguments were made. Furthermore, the Commission itself should have heard from Admiral Hekman, who was the key naval official involved.

Those reasons, Mr. President, are only a thumbnail sketch of the matters raised in this important lawsuit filed in Federal court. This afternoon, at 1:30, I was notified that Federal Judge Ronald L. Buckwalter, Jr., had entered an order in favor of the position which this Senator and other plaintiffs have asserted, and has granted the motion for expedited discovery on our showing that the Department of the Navy has concealed material facts and that it is necessary to get further evidence at this time under oath by the Navy officials, subject to the penalties of perjury.

It is one thing for the Department of the Navy to provide erroneous information in response to a letter of request from this Senator. It is another thing for the Department of the Navy, or anyone, to provide false and erroneous information when there is an order of court and when that information has to be provided under affidavit.

A date for a hearing on the motion for preliminary injunctive relief was also established by the court in another significant development, and, while I do not want to read too much into this order today, the Department of the Navy had raised an argument that the court lacked jurisdiction and the parties did not have standing which is, essentially stated, a move to defeat the entire lawsuit.

I believe it is a fair inference from the court's ruling today that there is, at least at this stage of the proceeding,

a conclusion by a Federal judge that there is appropriate jurisdiction, that the parties have proper standing and that based upon the information provided to date that a good showing has been made, good cause established to compel the Department of the Navy to disclose precisely what happened here under oath in an affidavit and documents. A long list of witnesses to be subject to interrogation in accordance with Federal discovery proceedings, including the commissioners on the Base Closing Commission, the Navy officials who had this vital information in support of keeping the Navy Yard open and a full disclosure of the entire Navy files has also been requested. I think that since this matter is before the Congress generally, it is a matter of some considerable importance.

Mr. President, I ask unanimous consent that the one-page order issued by Judge Buckwalter be printed in the RECORD at the conclusion of my comments.

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

(See exhibit 1.)

Mr. SPECTER. Mr. President, as to this important Federal litigation, I ask my colleagues to stay tuned. I thank the Chair.

EXHIBIT 1

[In the U.S. District Court for the Eastern District of Pennsylvania, Civil Action No. 91-4322]

Sen. ARLEN SPECTER, et al. *v.* H. Lawrence Garrett III, Secretary of the Navy, et al.

ORDER

And now, this 24th day of July, 1991, Plaintiffs' Motion for Expedited Discovery is GRANTED subject to the following conditions:

1. Counsel for the respective parties shall attempt to establish a mutually agreeable discovery schedule.

2. If such an agreement cannot be reached, each party shall submit to the court its proposed discovery schedule by July 29, 1991, together with any written argument it may have in support of its proposal.

3. A hearing on Plaintiff's Motion for Preliminary Injunctive Relief is scheduled for Monday, September 30, 1991 at 10:00 a.m. in a courtroom to be assigned.

By the Court:

RONALD L. BUCKWALTER, J.

Mr. SPECTER. Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. HELMS. I thank the Chair.

INTERNATIONAL SECURITY AND ECONOMIC COOPERATION ACT OF 1991

The Senate continued with the consideration of the bill.

Mr. HELMS. Mr. President, presently I am going to offer an amendment. I hope the managers of the bill will accept it.

The amendment I have in mind would condition United States financial aid to the Soviet Union upon the Soviets stopping military and economic aid to Communist Cuba. In order for United States aid—that is American taxpayers' money—to be given to the U.S.S.R., the President of the United States would have to certify that the U.S.S.R. has stopped aid to Cuba. In other words, there is no point in sending the American taxpayers' money to Moscow when Mr. Gorbachev and his regime are just going to turn around and give many of those same dollars, directly or indirectly, to Castro's Communist regime.

I do not see how anybody in this country could favor sending a penny to Moscow as long as they are supporting Castro.

Just last week, Mr. Gorbachev took a trip over to London—hat in hand—begging for assistance for his teetering economy, with promises of reform.

Wisely, no direct assistance was forthcoming. However, the United States does currently provide trade through credits, loans, and technical assistance, and the argument is being heard more and more that at some point in the not-too-distant future the United States should begin to provide large-scale aid and credit to the Soviet Union. That is not unanimous. Here is one Senator that has considerable doubt about that.

So the amendment that I shall offer would make this assistance to the Soviets conditioned on the Soviet cessation of all military and economic aid to Fidel Castro and his Communist accomplices in Cuba.

Last year, the Cuban Government received approximately $5 billion in such aid. Over the past 10 years it received some $45 billion from the Soviet Union, more than half of which was in military aid. That should be of concern to all Senators being that Cuba is a mere 90 miles from Florida—less than a 30-minute plane ride from Miami.

Obviously, the Soviet military buildup in Cuba has put the United States at great risk.

Furthermore, the peace of the whole Western Hemisphere is endangered with the weapons presently deployed in Cuba. Cuba has helped destabilize the entire region. Castro has been a tireless campaigner in behalf of violent revolutionary Communist groups in El Salvador, Guatemala, Honduras, Argentina, Chile, Bolivia, and most notably in Nicaragua.

Mr. President, there has always been some difficulty in determining the exact amount of Soviet aid to Cuba. This is primarily due to the fact that the Soviet currency is absolutely worthless and nonconvertible on the world market. This allows Soviet and Cuban spokesmen to argue over the exact dollar equivalents of the aid provided to Cuba. However, the simple facts of Cuba's extraordinary level of hypermilitarization are indisputable.

Cuba's level of military mobilization is astonishing for a population of less than 10 million people. Yet the Cuban Armed Forces have built, and are continuing to build, to a level in excess of the combined strength of the United States Army, National Guard, and Army Reserve combined.

How do you imagine that the Cubans can afford such a buildup? With Soviet aid of course.

Let's look at military assistance provided to Cuba over the past several years. After all, since 1989, Mr. Gorbachev has assured the United States that support for Cuba, both economic and military, has been cut sharply—but the facts are otherwise.

Recently, several defectors from the Cuban military such as Brig. Gen. Raphael del Pino and Maj. Antonio de la Guardia have estimated that Soviet military aid to Cuba was roughly $2½ billion a year. It has been at that level since the early 1980's.

With this glut of military aid, Castro and his brother, Raul—who also happens to be the Cuban Defense Minister—has built, as I said earlier, the largest armed force in Latin America. Even Brazil, a country with 15 times as many people as Cuba and a geographical area 76 times as large, has a smaller armed force.

Just last year, Mr. President, the Soviet Union supplied Cuba with eight Mig-29 attack fighters. These are the same jet fighters that the Soviets have provided to Iran, Iraq, and Syria. They are comparable to the U.S. F-16 Hornet. These Mig-29's are the most advanced fighter bombers in the Soviet arsenal, and they are capable of carrying nuclear weaponry.

In addition, Major de la Guardia, a former Cuban intelligence officer, reported that Cuba has acquired several Soviet SS-20 mobile surface-to-surface, Intermediate-range ballistic missiles. And there are reports that U.S. military intelligence satellites have detected several heavily camouflaged SS-20's near underground military bases close to Havana.

The Soviets should recall that all SS-20's were banned under the 1988 INF Treaty. All were supposed to have been destroyed by May 31, 1991. As I have said many times, the Soviets have violated every treaty they have ever signed. They violated the INF Treaty, even though some Senators tried to warn about that at the time.

In any case, Mr. President, these reports are staggering. I am sure that all Senators remember the events that took place in October of 1962—the Cuban missile crisis. Deploying banned SS-20 INF missiles and Mig-29 nuclear

capable fighter-bombers is the most provocative act possible by the Soviets. It is a clear violation of the agreement reached by President Kennedy and Premier Khruschev, which ended the missile crisis by prohibiting any Soviet offensive weapon in Cuba.

So it is obvious, it seems to me, Mr. President, that Cuba's arsenal of Soviet-supplied equipment is far in excess of any threat that could possibly be posed to Cuba's security. Cuba has deployed advanced weaponry systems such as the T-62 battle tanks, the Foxtrot submarines, Mig-21 and Mig-23 fighters, surface-to-air missiles, attack helicopters, and advanced electronic and radar equipment. The list is endless.

So far, Mr. President, I mentioned only the military hardware that has been provided to Cuba by the Soviets. But let us not think that all Soviet aid comes to Cuba in the form of military hardware. For example, there are more than 13,000 Soviets in Cuba right now in military, combat, espionage, and technical roles, and the Soviets are currently expanding and modernizing their electronic espionage facility at Lourdes and are reported to be building a second, more sophisticated facility nearby.

In addition, the Soviet Army maintains a 2,800-man motorized combat brigade in Cuba, fully equipped with 40 tanks and 60 armored vehicles. The existence of this brigade was made public more than 13 years ago during the debate on the SALT II Treaty. When this was made public, that became instrumental to the decision of the Senate to defer indefinitely the ratification of SALT II. The Soviet combat brigade in Cuba is capable of serving as a Praetorian guard for Fidel Castro, protecting the Soviet facilities there, guarding nuclear warheads, and serving as the spearhead for a Soviet-Cuban projection of force throughout the region.

Mr. President, the facts are clear, at least to this Senator, that the Soviet Union has been a major supplier and supporter of Cuba and Cuba's military adventurism over the past 30 years. The facts, as I have stated, detail a major, longstanding Soviet commitment, both economic and military, to Communist Cuba.

I find it difficult to believe that hardliners in the Soviet Union, despite the promises made by Mr. Gorbachev, intend to cut loose their best ally in this region and quite possibly the world. It appears that Mr. Gorbachev is merely telling United States officials what they want to hear, that is, that Soviet aid to Cuba will cease—promises, promises.

Mr. President, the Soviets are currently experiencing their worst economic crisis in history. As I said at the outset, Mr. Gorbachev has been requesting massive economic assistance to prop up his illegitimate regime.

However, the Soviets still have sufficient resources to supply the Cubans, so that the Cubans can threaten the United States and threaten to destabilize all of Cuba's neighbors.

This amendment, which I will send to the desk momentarily, would rectify that situation. It would condition United States assistance to the Soviet Union on the cessation of Soviet military and economic aid to Cuba.

Senators know, I think, that I have never supported foreign aid. I have made that clear from the very beginning. I remember Sam Ervin, when he was my senior Senator from North Carolina. I went to him when the first foreign aid authorization bill was presented, and I said, "Senator, I cannot support this bill." He said, "Why should you?" He said, "I have never voted for a dime's worth of foreign aid and never will." So when Senator Ervin departed the Senate, I adopted his program with respect to foreign aid, because long before I lost my mind and ran for the Senate in 1972, I complained about sending billions of the American taxpayers' dollars overseas when they were so badly needed at home.

I am sure that the American people would be outraged to know that their hard-earned tax dollars are being used to bail out the Soviet Union, so that the Soviets can continue to bail out Fidel Castro and his Communist thugs in Havana.

Who knows, if the Soviets cut off aid to Mr. Castro, perhaps they will not even need the American taxpayers' dollar.

AMENDMENT NO. 816

Mr. HELMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The Senator from North Carolina [Mr. HELMS], for himself, Mr. GRAHAM, and Mr. MACK, proposes an amendment numbered 816.

On page 98, after line 19, add the following new section:

SEC. 514. CONDITIONS ON ASSISTANCE TO THE SOVIET UNION.

None of the funds made available under this Act, or under any amendment made by this Act, shall be available for disbursement to the government of the Union of Soviet Socialist Republics unless the President has certified to the Speaker of the House of Representatives, the chairman, and the ranking member of the Committee on Foreign Relations of the Senate that the Soviet Union has ceased all direct or indirect military or economic assistance to Cuba.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SARBANES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. SARBANES. I thank the Chair.

The PRESIDING OFFICER. Is there further debate on the amendment offered by the Senator from North Carolina? If not, the question is on agreeing to the amendment of the Senator from North Carolina.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Arkansas [Mr. PRYOR], is absent because of illness.

The result was announced—yeas 98, nays 1, as follows:

[Rollcall Vote No. 145 Leg.]

YEAS—98

Adams	Fowler	Mikulski
Akaka	Garn	Mitchell
Baucus	Glenn	Moynihan
Bentsen	Gore	Murkowski
Biden	Gorton	Nickles
Bingaman	Graham	Nunn
Bond	Gramm	Packwood
Boren	Grassley	Pell
Bradley	Harkin	Pressler
Breaux	Hatch	Reid
Brown	Hatfield	Riegle
Bryan	Heflin	Robb
Bumpers	Helms	Rockefeller
Burdick	Hollings	Roth
Burns	Inouye	Rudman
Byrd	Jeffords	Sanford
Chafee	Johnston	Sarbanes
Coats	Kassebaum	Sasser
Cochran	Kasten	Seymour
Cohen	Kennedy	Shelby
Conrad	Kerrey	Simon
Craig	Kerry	Simpson
D'Amato	Kohl	Smith
Danforth	Lautenberg	Specter
Daschle	Leahy	Stevens
DeConcini	Levin	Symms
Dixon	Lieberman	Thurmond
Dodd	Lott	Wallop
Dole	Lugar	Warner
Domenici	Mack	Wellstone
Durenberger	McCain	Wirth
Exon	McConnell	Wofford
Ford	Metzenbaum	

NAYS—1

Cranston

NOT VOTING—1

Pryor

So the amendment (No. 816) was agreed to.

Mr. McCONNELL. Mr. President, I move to reconsider the vote.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. CONRAD). The Senator from North Carolina.

Mr. HELMS. Mr. President, I think I inadvertently failed to mention the distinguished Senator from Florida [Mr. MACK] is a principal cosponsor of this amendment and he has been so helpful all along on this general question. I ask unanimous consent that the RECORD reflect Senator MACK is, in fact, a principal cosponsor.

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

Mr. HELMS. I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 818

(Purpose: To authorize certain programs for the Baltic and Soviet Republics to support democracy and free market economies)

Mr. LIEBERMAN. Mr. President, I have an amendment at the desk, which I ask to be called up at this time, regarding aid to the Baltic and Soviet Republics.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Connecticut [Mr. LIEBERMAN] proposes an amendment numbered 818.

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place add the following:

TITLE XIII—SUPPORT FOR DEMOCRACY AND FREE MARKET ECONOMIES IN THE BALTIC AND SOVIET REPUBLICS

It is the sense of Congress that there should be established the position of special advisor for Baltic and Soviet Republic assistance.

The President should be authorized to appoint a special advisor for Baltic and Soviet Republics assistance. Such special advisor should make recommendations to the President regarding the coordination of United States assistance (other than section 1303(c)) for the Baltic Republics and the Soviet Republics authorized or supported by this Act.

SEC. . BILATERAL PROGRAMS FOR THE BALTIC AND SOVIET REPUBLICS.

(a) CITIZENS' DEMOCRACY CORPS.—Assistance should be provided under chapter 1 of part I of the Foreign Assistance Act of 1961 to the Citizens' Democracy Corps to establish a program for the Baltic and Soviet Republics, with an initial pilot program for the Baltic and Armenian Republics.

(b) POLICY REGARDING THE NATIONAL ENDOWMENT FOR DEMOCRACY.—It is the sense of the Congress that the National Endowment for Democracy, acting through the National Democratic Institute for Foreign Affairs, the National Republican Institute for Foreign Affairs, the Center for International Private Enterprise, and the American Institute for Free Labor Development should establish programs for the Baltic and Soviet Republics for the promotion of democracy and a free trade union movement, with a pilot program for the Baltic and Armenian Republics.

(c) GIFT OF DEMOCRACY.—Congress should: (1) endeavor to identify and secure the ways and means to implement an appropriate United States congressional gift of democracy to the Baltic and Soviet Republics in the form of equipment and training to help them establish a modern legislative process, with a pilot program of the Baltic and Armenian Republics; and

(2) coordinate this effort with private and public sector experts such as the National Democratic Institute for International Affairs and the National Republican Institute for International Affairs and with parliaments in Western Europe.

(d) ADDITIONAL AUTHORITIES FOR UNITED STATES AGENCIES.—The following United States agencies should establish the specified programs with any of the Baltic Republics or Soviet Republics and where appropriate to coordinate such projects with the Government of the Soviet Union:

(1) The Environmental Protection Agency should establish an environmental exchange program to help the Baltic and Soviet Republics to clean up their environment.

(2) The Department of Commerce should establish a trade program between the Baltic and Soviet Republics and the United States to promote trade and investment programs.

(3) United States Information Agency (USIA) should establish cultural and information exchange programs, including support for emerging private radio and television stations, as well as university-level exchanges in the Baltic and Soviet Republics.

(4) The Department of Justice, the Federal Reserve Board, and the Department of the Treasury should establish technical training programs for the Baltic and Soviet Republics in order to help them establish a functioning judicial system, financial system, and market economy.

(e) ASSIGNMENT OF COMMERCIAL OFFICER.—A commercial officer should be assigned to the United States Embassy in Moscow, for the purpose of developing better economic relations between the United States Government and business community and the Baltic and Soviet Republics.

(f) INTERNATIONAL EXECUTIVE SERVICE CORPS.—Assistance under chapter 1 of part I of the Foreign Assistance Act of 1961 should be provided to the International Executive Service Corps to develop and implement a program in the Baltic and Soviet Republics to advise private industry and, to the extent practical and useful, public industry, concerning how to make the transition to a market-based economy.

SEC. . MULTILATERAL PROGRAMS.

(a) POLICY REGARDING OECD STUDY.—(1) The United States Ambassador to the United States Mission to the Organization for Economic Cooperation and Development (OECD) should request the OECD Center for Economies in Transition to undertake a study of the economies of the Baltic and Soviet Republics, including a determination of the potential these republics have made toward developing a market economy and the amount of progress these republics have made in developing such an economy.

(2) Upon completion of the study described in subsection (a)(1), the Secretary of State should submit to the Congress a report setting forth the findings of that study.

(b) EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT.—The United States Executive Director to the European Bank for Reconstruction and Development should discuss with the Bank's directors those programs that can be developed and carried out by the Bank to aid directly the Baltic and Soviet Republics. Not later than 180 days after the date of enactment of this Act, the Secretary of the Treasury shall submit a report to the Congress on the progress of such discussions.

SEC. . DEFINITIONS.

For the purposes of this title—

(1) the term "Soviet Republics" refers to all the constituent republics of the Union of Soviet Socialist Republics except for the Baltic Republics; and

(2) the term "Baltic Republics" means the republics of Lithuania, Latvia, and Estonia.

Mr. LIEBERMAN. Mr. President, this amendment is intended to complement work that the floor managers and the committee have done in structuring our aid program to the Soviet and Baltic Republics. It is in the form of a sense-of-Congress amendment that suggests a number of programs to help the Baltic Republics, the Armenian Republics, and all of the other constituent Republics in the Soviet Union, so long as the governments of those Republics demonstrate that they are committed to the process of democratization and marketization.

Mr. President, the intention of this amendment is not to undermine or second-guess anyone's policy toward the Soviet Union. The intention is to reach out directly to the forces of democracy and capitalism in the Soviet Union: the grassroots, democratic movements in the individual Soviet Republics. Programs that are set forth in this sense-of-the-Senate amendment would be coordinated by a special Presidential adviser to coordinate programs and initiatives to the Republics.

Examples of those programs include: direct involvement of the Citizen Democracy Corps, which will help bring private sector expertise to the Republics; the establishment of a gift of democracy program for the Baltic Republics similar to the program we set up for Poland recently that aided them in setting up the new Polish Parliament; and directing the EPA, Federal Reserve, and the Department of Commerce, among others, to get involved with the various republican governments of the Soviet Union.

Mr. President, there are two multilateral initiatives that are suggested in this sense-of-Congress amendment. One calls for the EOCD to study the economies of the Baltic and Soviet Republics to help them build a market-based system, and the other calls for the new European Bank for Reconstruction and

Development to develop programs to aid the Republics.

Mr. President, my hope is that we will create programs that will help the Soviet leadership and all Soviet citizens who have been thwarted by the vast and intransigent Soviet bureaucracy. Helping the Soviet Union, whether it be through aid or technical advice, cannot work if there is not a genuine transformation of the Soviet system. I think no such transformation will occur without that change beginning at the level of the Republics.

The Soviet economy is obviously imploding, as we have seen reported repeatedly. Soviet oil production is declining rapidly.

The United States cannot solve these fundamental economic problems, but we can help the Soviets at least at the margins. In this case, I believe the margins are the constituent Republics. By reaching out directly to them, we would be heeding the call of people like Vaclav Havel, who wrote recently that aid must be directed toward the Republics, and Dr. Igor Oleynik, a Soviet economist, who recently testified before the Joint Economic Committee and said that aid should go directly to the Republics with the most realistic market programs. That is the intention of this amendment. It, I hope, will lay a foundation for direct aid to the Republics in a way that will help the Soviet restructuring, increase the economic well-being of people throughout the Soviet Union, and most fundamentally increase the spread of democracy and human rights within the Soviet Union.

I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. McCONNELL. Mr. President, as I am sure the Senator from Connecticut knows, I am happy to support his amendment.

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that Senator McCAIN be added as a cosponsor of the amendment.

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

Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Connecticut.

The amendment (No. 818) was agreed to.

Mr. LIEBERMAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCONNELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

AMENDMENT NO. 819

Mr. PRESSLER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER], for himself, Mr. DIXON, Mr. D'AMATO, Mr. COATS, and Mr. WALLOP, proposes an amendment numbered 819.

Mr. PRESSLER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place in the bill add the following section:

SEC. . LIMITATION ON ASSISTANCE.

(a) FINDINGS.—The Congress finds that—

(1) the long term national security of the United States, and of the peoples of the Soviet Union, would benefit greatly from the transformation of the Soviet Union to a fully democratic nation based on the principles of government by the people, respect for individual rights, and free market economic opportunity and

(2) assistance provided by the United States to the Soviet Union should promote rather than retard this transformation.

(b) CERTIFICATION.—During fiscal year 1992 and fiscal year 1993, assistance may not be provided to the Soviet Union under the Foreign Assistance Act of 1961 unless the President certifies in a report to the Congress that the following conditions have been met:

(1) That the Government of the Soviet Union has taken meaningful steps toward observing human rights for all citizens, including the following:

(A) The Soviet Government has ceased its interference with the freedom of the press in the Baltic states and the republics.

(B) The Soviet Government has returned control of all buildings and other property which it has seized since January 1, 1991 within the Baltic states to the freely elected governments of those states and other lawful owners of such buildings and other property;

(C) The Soviet Government has made assurances that such assistance will be distributed equitably among the Baltic states and the Soviet republics, as shown through a detailed plan of proposed distribution.

(D) The Soviet Government has ceased the threat and use of force against democratic movements.

(E) The Soviet Government has entered into meaningful negotiations with leaders of the Baltic states and the republics to ensure a smooth transition to self-determination.

(F) The people of the Soviet Union have been empowered to elect in genuinely free, fair, and open elections the government that rules them.

(G) The Soviet Government has not only codified but honors in practice the right of its citizens to leave the Soviet Union and to move freely within its borders, consistent with international standards.

(H) The Soviet Government compels no republic or historically recognized nationality group with a history of self-determination to remain part of the Soviet Union involuntarily, and fully respects the right of self-determination stipulated in the Universal Declaration of Human Rights, to which the Soviet Union is a party.

(I) The Soviet Government has withdrawn the authorization issued by Valentin Pavlov, the prime minister, permitting the police and the KGB to raid the offices of joint ventures involving nationals of Western European countries and the United States, in violation of their civil rights;

(2) That the threat to the United States from the armed forces of the Soviet Union has been reduced, including—

(A) that the Soviet Union—

(i) has adopted a defense budget which will draw down the percentage of its gross national product that is allocated for military purposes to levels approximating those of the United States, and

(ii) is beginning to implement this defense budget; and

(B) that the Soviet Union has terminated the modernization of its strategic forces.

(3) That the Soviet Union is no longer engaged in acts of subversion, or of support for international terrorism, that are directed at the United States or its allies.

(4) That the Soviet Union no longer provides assistance in the form of arms sales, military assistance, or any kind of grant, credit, commodity, or technology transfer to other countries, such as Cuba, North Korea, Afghanistan and Vietnam that are engaged in activities inimical to the national interests of the United States.

(5) That the Soviet Union has taken constructive steps toward completing the Strategic Arms Reduction Talks (START) and has placed a high priority on reaching an accord in the Defense and Space Talks.

(6) That full transparency exists with respect to data necessary for the United States to determine the creditworthiness of the Soviet Union and its ability to repay debt, such as other sovereign borrowers, including disclosure of the sources and uses of Soviet hard currency, the value of the strategic gold reserves of the Soviet Union, and other key economic and financial data.

(7) That, in order to demonstrate its creditworthiness and to demonstrate a commitment to economic reform, the Soviet Union has adopted specific provisions with strict, short timeliness for deregulating most prices, selling to privately owned entities most government-owned assets, and introducing genuine competition into the Soviet economy.

(8) That the Soviet Union is committed to environmental restoration and rehabilitation of unsafe nuclear facilities that it continues to operate.

(9) That the Soviet Union will not transfer to any country any equipment, technology, or services to build any VVERS nuclear reactors. In particular, that the Soviet Union will no longer provide support in the form of funds, equipment, technology, or services for the Cienfuegos project in Cuba.

(10) That any assistance otherwise prohibited by this subsection will be provided, whenever feasible, to the democratically elected governments of the Baltic states and the republics.

(c) CERTAIN ASSISTANCE NOT AFFECTED.—Subsection (b) shall not prohibit assistance to the government of, or through nongovernmental organizations to, any of the Baltic states or any eligible recipient in the Soviet Union as defined in section 862(f).

(d) WAIVER IN THE NATIONAL INTEREST.—The President may provide assistance to the Soviet Union notwithstanding subsection (c) if—

(1) he determines such assistance to be in the national interest of the United States;

(2) he submits his determination, together with the reasons therefor, to the President of the Senate and the Speaker of the House of Representatives;

(3) 30 legislative days have elapsed since the determination is so submitted; and

(4) in the case of credit assistance, the United States will retain collateral for the full dollar amount of such assistance.

Each submission under paragraph (2) shall include a description of the progress of the Soviet Union in meeting the conditions set in subsection (b).

Mr. PRESSLER. Mr. President, today I rise to propose an amendment to S. 1435 cosponsored by Senators DIXON, D'Amato, Coats, and WALLOP. My amendment insists that radical, structural change in the Soviet Union must precede any further United States taxpayer-supported aid to the Soviet Union. These conditions include significant improvements in human rights, creation of a democratic government, a reduction in military forces and spending, and transformation to a free-market economy. The amendment I am offering is identical to the Kyl-Frank amendment to the House foreign aid bill, which was approved by the House of Representatives by a vote of 374-41.

Mr. President, when it was considered in the other body, this amendment received overwhelming support because it is neither liberal nor conservative. These conditions on direct financial assistance to the Soviet Union are essential. Indeed, they are also in the best interest of both the United States and the Soviet Union, and they should be achieved as soon as possible.

My amendment is completely consistent with the position taken by President Bush and the other leaders of the Group of Seven in London as outlined last week in their joint final communique.

After meeting with President Gorbachev, the Group of Seven agreed to a six point program of technical assistance to the Soviet Union. This assistance includes:

Special associate status with the International Monetary Fund and the World Bank.

The provision of advice and expertise through the Organization for Economic Cooperation and Development and the European Bank for Reconstruction and Development to the Soviet Union to help it create a market economy.

Technical assistance in the areas of energy, conversion of defense industries to civilian output, improved food distribution, and nuclear safety.

The promotion of Soviet trade, particularly with Eastern Europe.

A visit by British Prime Minister, as chairman of the Group of Seven, to Moscow by the end of the year.

A study of the Soviet economy in Moscow by the Group of Seven finance ministers and ministers for small business.

Although the Group of Seven rejected a massive infusion of aid to the Soviet Union, that was exactly the type of assistance sought by the Soviet regime. Some Soviet officials asked for $20 billion to $35 billion a year from United States taxpayers for a number of years. The conditions in this amendment help the President resist proposals for large-scale direct financial aid to the Soviet Union.

Mr. President, the U.S. taxpayer correctly opposes that kind of assistance. According to an ABC-Washington Post news poll, two-thirds of all Americans are opposed to giving money to help the Soviet Central Government revitalize its collapsed economy. I have no doubt that U.S. taxpayers support my amendment.

I have heard from numerous American organizations that support this amendment. They include Americans of Cuban, Ukrainian, Armenian, Lithuanian, Latvian, and Estonian heritage. Their concern is with the recent Soviet human rights record, including the threat and use of force against the democratic movements. They demand an end to Soviet repression of the rightful demands of the Baltic States, the Soviet republics, and Cuba for self-determination and freedom.

President Bush has correctly described large-scale assistance to the Soviet Union, "that's a big chunk of change." Taxpayer's money should not be given away lightly especially when the United States has problems of its own, including huge deficits. President Bush also stated that even if a large amount of money were available for direct aid, the United States would not consider giving it unless it was in our best interest, achieves our objectives, and has a reasonable prospect for success.

Mr. President, I am convinced that large-scale foreign assistance to the Soviet Union is not in America's best interests. In fact, all evidence indicates that foreign assistance could do more harm than good. As President Yeltsin of the Russian republic stated during his visit to the United States last month, the Russian republic needs investment. He also asked for grain credits for the Soviet Union in coordination with the Russian republic. He was opposed to assistance that could be used to keep the hard-liners and the military in power. This amendment would not prohibit assistance to democratic republics such as Lithuania, Latvia, and Estonia. This amendment is not intended to interfere with the extension of credits for Soviet purchases of grain in the United States.

Mr. President, we all know that democracies are less threatening than authoritarian governments. That is why it is in the interest of the United States to give appropriate encouragement to the process of change in the Soviet Union. United States policy should promote a total transformation of Soviet political, economic and military systems. These conditions on United States assistance to the Soviet Union will help achieve our aims and will promote the legitimate aspirations of the republics for representative government, freedom, and a market economy. I hope that the Senate will support this amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. SARBANES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

AMENDMENT NO. 819, AS MODIFIED

Mr. PRESSLER. Mr. President, I will send a modified version of my amendment to the desk, and I want to explain to the Senate some of the changes. The amendment I originally offered was identical to an amendment that passed overwhelmingly in the House. Several changes have been made here at the suggestion of the managers of the bill and I am going to modify my amendment.

First of all, we are changing part (A)(ii), that requires "that the Soviet Union is beginning to implement this defense budget"; and (B) "that the Soviet Union has terminated the modernization of its strategic forces." We are replacing words "terminated the modernization" of Soviet strategic forces with the word "curtailed" based on recent United States-Soviet agreement on START.

Also, in section (5) of the amendment, we have removed the words "That the Soviet Union has taken constructive steps toward completing the strategic arms reduction talks [START] and has placed a high priority on reaching an accord in the defense and space talks." We are replacing that with "That the Soviet Union has placed a high priority on reaching an accord in the defense and space talks."

Since the House of Representatives acted, obviously, new developments have taken place on the START talks.

Finally, under "Waiver in the National Interest." We are taking out "30 legislative days" and replacing it with "10 days" since 30 legislative days take a long, long time, especially if the period begins around Christmas or August.

We are also taking out this section: "In the case of credit assistance, the United States will retain collateral for the full dollar amount of such assistance." We may have additional recommendations to conferees.

I send a modified version of this amendment to the desk and ask for its immediate consideration.

I thank the Senator from Maryland and the Senator from Kentucky and their staffs. I ask unanimous consent that Senator MCCAIN be listed as an original cosponsor.

The PRESIDING OFFICER. The Senator has a right to modify his amendment, and it is so modified.

The amendment (No. 819), as modified, reads as follows:

At the appropriate place in the bill add the following section:

SEC. . LIMITATION ON ASSISTANCE

(a) FINDINGS.—The Congress finds that—

(1) the long term national security of the United States, and of the peoples of the Soviet Union, would benefit greatly from the transformation of the Soviet Union to a fully democratic nation based on the principles of government by the people, respect for individual rights, and free market economic opportunity; and

(2) assistance provided by the United States to the Soviet Union should promote rather than retard this transformation.

(b) CERTIFICATION.—During fiscal year 1992 and fiscal year 1993, assistance may not be provided to the Soviet Union under the Foreign Assistance Act of 1961 unless the President certifies in a report to the Congress that the following conditions have been met:

(1) That the Government of the Soviet Union has taken meaningful steps toward observing human rights for all citizens, including the following:

(A) The Soviet Government has ceased its interference with the freedom of the press in the Baltic states and the republics.

(B) The Soviet Government has returned control of all buildings and other property which it has seized since January 1, 1991 within the Baltic states to the freely elected governments of those states and other lawful owners of such buildings and other property;

(C) The Soviet Government has made assurances that such assistance will be distributed equitably among the Baltic states and the Soviet republics, as shown through a detailed plan of proposed distribution.

(D) The Soviet Government has ceased the threat and use of force against democratic movements.

(E) The Soviet Government has entered into meaningful negotiations with leaders of the Baltic states and the republics to ensure a smooth transition to self-determination.

(F) The people of the Soviet Union have been empowered to elect in genuinely free, fair, and open elections the government that rules them.

(G) The Soviet Government has not only codified but honors in practice the right of its citizens to leave the Soviet Union and to move freely within its borders, consistent with international standards.

(H) The Soviet Government compels no republic or historically recognized nationality group with a history of self-determination to remain part of the Soviet Union involuntarily, and fully respects the right of self-determination stipulated in the Universal Declaration of Human Rights, to which the Soviet Union is a party.

(I) The Soviet Government has withdrawn the authorization issued by Valentin Pavlov, the prime minister, permitting the police and the KGB to raid the offices of joint ventures involving nationals of Western European countries and the United States, in violation of their civil rights;

(2) That the threat to the United States from the armed forces of the Soviet Union has been reduced, including—

(A) that the Soviet Union—

(i) has adopted a defense budget which will draw down the percentage of its gross national product that is allocated for military purposes to levels approximating those of the United States, and

(ii) is beginning to implement this defense budget; and (B) that the Soviet Union has curtailed its strategic forces.

(3) That the Soviet Union is no longer engaged in acts of subversion, or of support for international terrorism, that are directed at the United States or its allies.

(4) That the Soviet Union no longer provides assistance in the form of arms sales, military assistance, or any kind of grant, credit, commodity, or technology transfer to other countries, such as Cuba, North Korea, Afghanistan and Vietnam that are engaged in activities inimical to the national interests of the United States.

(5) That the Soviet Union has placed a high priority on reaching an accord in the Defense and Space Talks.

(6) That full transparency exists with respect to data necessary for the United States to determine the creditworthiness of the Soviet Union and its ability to repay debt, such as other sovereign borrowers, including disclosure of the sources and uses of Soviet hard currency, the value of the strategic gold reserves of the Soviet Union, and other key economic and financial data.

(7) That, in order to demonstrate its creditworthiness and to demonstrate a commitment to economic reform, the Soviet Union has adopted specific provisions with strict, short timeliness for deregulating most prices, selling to privately owned entities most government-owned assets, and introducing genuine competition into the Soviet economy.

(8) That the Soviet Union is committed to environmental restoration and rehabilitation of unsafe nuclear facilities that it continues to operate.

(9) That the Soviet Union will not transfer to any country any equipment, technology, or services to build any VVERS nuclear reactors. In particular, that the Soviet Union will no longer provide support in the form of funds, equipment, technology, or services for the Cienfuegos project in Cuba.

(10) That any assistance otherwise prohibited by this subsection will be provided, whenever feasible, to the democratically elected governments of the Baltic states and the republics.

(c) CERTAIN ASSISTANCE NOT AFFECTED.—Subsection (b) shall not prohibit assistance to the government of, or through nongovernmental organizations to, any of the Baltic states or any eligible recipient in the Soviet Union as defined in section 862(f).

(d) WAIVER IN THE NATIONAL INTEREST.—The President may provide assistance to the Soviet Union notwithstanding subsection (c) if—

(1) he determines such assistance to be in the national interest of the United States;

(2) he submits his determination, together with the reasons therefor, to the President of the Senate and the Speaker of the House of Representatives;

(3) ten days have elapsed since the determination is so submitted; and

Each submission under paragraph (2) shall include a description of the progress of the Soviet Union in meeting the conditions set in subsection (b).

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, we thank the Senator from South Dakota for addressing some of these relatively minor concerns we have. We think it strengthens his amendment, in terms of the modifications, and I am happy to accept the amendment on this side, as modified.

Mr. McCONNELL. I, too, thank the distinguished Senator from South Dakota, and also find his amendment acceptable.

Mr. MACK. Mr. President, I also want to compliment the Senator from South Dakota, particularly with respect to the language that deals with the transfer of technology from the Soviet Union to Cuba for the purpose of constructing a nuclear powerplant. The powerplant is of deep concern, frankly, to the people of Florida, and I would say to the people of the southeastern part of the United States.

I have had the opportunity to personally speak with some of the defectors from Cuba who have been working on this powerplant. Just to share with you one comment they made, this individual indicated that there are roughly 15 percent of the weld points in the construction of this powerplant that are defective.

I go further to say that in this country, if we found 1 percent—not 15 percent, but 1 percent—we would stop construction. There is every reason for us to be concerned.

I compliment the Senator for offering this amendment, and I ask unanimous consent that I be added as a cosponsor as well.

Mr. PRESSLER. Mr. President, I compliment the Senator from Florida and ask him: It is my understanding that this nuclear plant cannot be repaired. If they continue to build it, is it of such a nature that it cannot be constructed in an environmentally safe manner? Is that correct?

Mr. MACK. In response to the Senator's question, it is my understanding that at this stage of construction, to try to go back in and redo that welding is virtually impossible.

I further say that there is truly a debate about the design of the facility itself. Some argue that it is a design that is similar to Chernobyl; I do not believe that is the case. It has been an upgraded design.

Others argue that it is similar to a design in East Germany which, after the reunification of the Germanys, was shut down. So there are many reasons for us to be concerned here.

Again, I appreciate the Senator bringing this to the attention of the Senate.

The PRESIDING OFFICER. The Senator from Florida [Mr. MACK] will be added as a cosponsor of the amendment.

Is there further debate?

The question is on agreeing to the amendment, as modified.

The amendment (No. 819), as modified, was agreed to.

Mr. PRESSLER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Connecticut.

AMENDMENT NO. 820

(Purpose: To establish the Industrial Development for Eastern Europe Foundation)

Mr. LIEBERMAN. Mr. President, I send an amendment to the desk, concerning creation of an Industrial Development for Eastern Europe Foundation, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Connecticut [Mr. LIEBERMAN] proposes an amendment numbered 820.

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place add the following:

TITLE XIII—INDUSTRIAL DEVELOPMENT FOR EASTERN EUROPE FOUNDATION

It is the sense of Congress that there should be established an entity to be known as Industrial Development for Eastern Europe Foundation (hereafter in this title referred to as the "Foundation"), to be governed by a Board of Governors as described in section 1304. It is the sense of the Congress that the President should negotiate with the governments of foreign nations for participation by such nations, consistent with section 1304, in carrying out the activities of the Foundation.

(b) PURPOSES.—The purposes of the Foundation should be—

(1) to promote and support joint, nondefense, industrial research and development activities of mutual benefit to the nations involved with the Foundation and its activities;

(2) to develop nondefense high technology industry in these nations, particularly through joint and cooperative projects between firms in participating nations;

(3) to aid with the modernization of the economies of these nations by helping them to create a more sophisticated manufacturing base; and

(4) to help these nations to become economically viable by providing benefits to their industrial sector particularly through joint projects.

(c) PARTICIPATION OF OTHER NATIONS.—The President should negotiate with the governments of foreign nations for participation by such nations, consistent with section 1304, in carrying out the activities of the Foundation.

SEC. . FUNCTIONS AND POWERS OF THE FOUNDATION.

(a) The Foundation should support and promote the purposes stated in section 1302(b) and research and development activities which—

(1) involve all applied science activities in the process through which an innovation becomes a commercial product; and

(2) assist with product engineering and manufacturing start up.

(b) The Foundation should work closely with, and to the extent practicable coordinate its activities with, the OECD and the European Bank for Economic Recovery and Development, drawing on the expertise of those institutions in achieving its purposes.

(c) The Foundation should be a legal entity and should have all the powers necessary to carry out its objective, including the power to—

(1) promote and support, by funding or otherwise, joint industrial research and development projects (hereafter in this title referred to as "projects"), in accordance with subsection (d);

(2) make loans and grants;

(3) enter into contracts;

(4) provide services;

(5) acquire, hold, administer, and dispose of real and personal property;

(6) receive, hold, and disburse funds, and open bank accounts;

(7) accept contributions of property, funds, and services; and

(8) employ personnel.

(d)(1) Foundation projects should be undertaken and otherwise supported through direct investment and joint ventures in order to develop the more advanced technology sectors of the economics of Foundation member nations.

(2) All technology and products developed as a result of the work of the Foundation should be freely transferable among the nations participating in a project.

(3) More than one member nation of the Foundation should participate in each Foundation project.

(4) All Foundation projects undertaken should be in compliance with the export control laws of the United States.

(e) Nothing in this title should be construed to prejudice other arrangements for scientific cooperation between the United States and other member states of the Foundation.

SEC. . BOARD OF GOVERNORS.

(a) A Board of Governors (hereafter in this title referred to as the "Board"), should be the governing body of the Foundation and should be responsible for determining the Foundation's program, including the fields of cooperative research to be supported by the Foundation, and the Foundation's financial and managerial policies.

(b) The Board should consist of—

(1) the Secretary of State or his designee;

(2) the Secretary of Commerce or his designee;

(3) the Secretary of the Treasury or his designee; and

(4) a representative from the Foreign Ministry, Ministry of Finance, Ministry of Trade and Industry, and the National Science Foundation or its equivalent from the governments of Poland, Hungary, and Czechoslovakia.

(c) Subject to the provisions of this title, the Board should have the authority to—

(1) adopt bylaws and rules of procedure;

(2) establish regulations defining the policies, organization, and procedures of the Foundation;

(3) appoint an Executive Director;

(4) approve the annual budget and research program of the Foundation indicating, among other things, the research and development fields to which priority is to be given;

(5) accept contributions of property, funds, and services;

(6) establish the principal office of the Foundation in a neutral location;

(7) approve project and other expenditures by the Foundation and agreements pertaining to projects to be funded by the Foundation; and

(8) exercise and delegate any other power of the Foundation not otherwise assigned by this title.

(d) Each other East European country should be eligible for membership in the Foundation whenever the Board determines that such country has made sufficient progress toward marketization and democratization and is not in violation of section 502B of the Foreign Assistance Act of 1961.

(e) The chairman of the Board should be a United States national and should serve for a one-year term. The chairmanship should rotate among the three Board members designated under subsection 1304(b) (1), (2), and (3).

(f) The Board should meet at least twice a year, but meetings of the Board may be held at such times and places as the Board may from time to time determine.

(g) The Board shall act by a vote of at least two-thirds of its entire membership.

(h) Members of the Board should serve without compensation from the Foundation, but the Board should authorize the payment by the Foundation of the necessary expenses of any members in attending Board meetings and in performing other official duties for the Foundation. Acceptance of such payments by Board members of the Foundation for this purpose should not be deemed in violation of Ethics in Government Act for the purposes of carrying out this section.

(i) The Board should provide for annual audits by independent auditors of the accounts of the Foundation. The reports of such audits, which should be submitted to all member governments, should contain certification as the accounts of the Foundation and evaluate the Foundation's internal control and auditing system.

SEC. . ADVISORY COUNCIL.

(a) An Advisory Council (hereafter in this title referred to as the "Council"), should act in an advisory capacity to the Board and the staff of the Foundation. The Council should—

(1) help the Board and the Foundation staff evaluate projects; and

(2) make proposals as to which sectors of member nation economies offer the best opportunity for a favorable return on an investment.

(b) Recommendations made by the Council to the Board and the staff of the Foundation should not be binding.

(c) The Council should consist of three members from the business and finance community from each nation belonging to the Foundation. In the case of the United States, the President should appoint the members.

(d) The chairmanship of the Council should change on a yearly basis, rotating among the members of the panel and alternating among member countries.

(e) The Council should meet at least twice a year. To the extent practical, it should meet at the same time and place as the Board.

(f) Members of the Council should serve without compensation from the Foundation, but the Board should authorize the payment by the Foundation of necessary expenses of any members of the Council attending Council meetings and in performing other official duties for the Foundation.

SEC. . STRUCTURE OF THE FOUNDATION.

(a)(1) The Foundation should be administered by an Executive Secretariat. The Executive Secretariat should be headed by an Executive Director, the Executive Director should be a United States citizen, and—

(A) act as a liaison to the Board; and

(B) coordinate the activities of the Executive Secretariat and the Board.

(2) There should be three Deputy Directors, one each for Poland, Hungary, and Czechoslovakia, who would evaluate projects from each nation, making recommendations to the Board and the Executive Secretariat as to whether or not the Foundation should support the project; and

(3) Additional Deputy Directors should be created as more nations join the Foundation.

(b)(1) The Executive Director should be the chief executive officer of the Foundation. He should be responsible for the operations and staff of the Foundation, and should act in accordance with the policies, directives, and delegation of the Board.

(2) The Executive Director should employ, oversee, and dismiss the members of the professional administrative staff subject to the approval of the Board.

(3) The Executive Director should among other things—

(A) evaluate proposals for projects submitted to the Foundation and prepare and submit recommendations and draft agreements concerning project proposals to the Board for its approval;

(B) prepare and submit to the Board for its approval an annual budget and research program, including long-range plans for use of the Foundation's resources;

(C) prepare and submit to the Board for its approval an annual report, including an audited financial statement, on the activities of the Foundation: and

(D) implement decisions of the Board.

(4) Any power of the Executive Director under this title or delegated to him by the Board may be delegated by him to other officers of the Foundation, except as otherwise prescribed by the Board.

(5) The Executive Director may obtain assistance from outside professionals and experts for the purposes of evaluating proposals and auditing and monitoring projects sponsored by the Foundation. These professionals and experts may be given compensation by the Foundation for services rendered, as approved by the Board.

(6) The Executive Director should be permitted to organize various activities, such as consultant visits, information exchanges, and similar activities, to facilitate the achievement of the Foundation's objective. The Executive Director should be given a budget approved by the Board to undertake these activities.

(7) The Executive Director should maintain an appropriate system of internal control, including books and records which reflect the transactions of the Foundation and show the current financial condition of the Foundation. Such system should include adequate internal financial and operational audits. The books, records, and internal audit reports should be available for review by authorized representatives of governments involved with the Foundation.

SEC. . OPERATIONS OF THE FOUNDATION.

(a) The Foundation's operations should consist mainly of the selection, approval, and monitoring of projects funded in whole or in part by the Foundation. All proposals for such projects should be submitted through the Executive Director to the Board for approval.

(b) Each proposal considered by the Board should—

(1) be submitted by Foundation member entities;

(2) demonstrate the technical and economic feasibility of the project;

(3) contain evidence that the applicant is capable of carrying out the project, either alone or through the partial subcontracting to universities, industrial research institutes, or other qualified entities; and

(4) indicate that the applicant will contribute, from its own financial resources or resources available to it, some portion of the financial resources required to carry out the project.

(c) Each proposed project considered by the Board should—

(1) propose a tangible, direct benefit for the national economies of Foundation member nations, such as an increase in exports, value added or new markets;

(2) be of interest to Foundation member nation's industry;

(3) be of general interest to an entire industrial field;

(4) directly or indirectly contribute to additional development of products, processes, or markets; and

(5) have tangible benefits for nations involved with a project.

(d) For purposes of subsection (c)(5), a project having a tangible benefit should be one that—

(1) is submitted by one or more Foundation member firms or a joint venture between a United States firm and a member nation firm;

(2) will require expenditures for goods and services in nations involved with the project; and

(3) meets any other criteria established by the Board.

Mr. LIEBERMAN. Mr. President, for over four decades we promised the people of Central and Eastern Europe that we would help them in their struggle to free themselves from the yoke of communism. They have now succeeded beyond our expectations, but we find it difficult to live up to our end of the bargain.

We are understandably concerned about domestic economic problems and the limitation on our own resources. There is little money to spare in our budget. But we are trying and the committee has tried, I think quite ably, in this bill to come up with creative ways to use our resources, to pool our resources so that we can help the newly free countries of Eastern and Central Europe who have committed themselves so boldly to both democracy and capitalism. This amendment would attempt to suggest another such creative use of our resources. In that sense, it is consistent with what the committee has done in the bill.

This is a sense-of-Congress amendment that urges the creation of what I call an Industrial Development for Eastern Europe Foundation. Mr. President, this is modeled on a highly successful existing foundation called Binational Industrial Research and Development Foundation [BIRD] which was established in 1977 to develop a cooperative relationship between American and Israeli high-technology industries. BIRD has an income of approximately $10 million a year. Almost all of that comes from its $110 million endowment fund. And with that income it shares the expense, the investment cost, 50–50 with an Israeli-American venture trying to develop and commercialize a nondefense technical product or process.

Mr. President, in the last decade this foundation, BIRD, has supported over 250 joint ventures, and over 100 of these have led to sales of over $1.5 billion. Its success is due to a number of factors, including the advance state of research and development in Israel.

Mr. President, if we look at the population of the countries of Eastern and Central Europe it should make us confident that the basic concept between the Israeli-American Foundation is equally applicable to Central and Eastern Europe.

A while ago I requested a study be done by the Congressional Research Service, and it was done, entitled "Eastern European and Soviet Science Technology: Capabilities and Needs." In it the study's author, Bill Boesman, writes that Eastern European sciences and technology capability have been largely ignored. The population of these countries in Central Europe is extremely well educated. These countries can play an increasingly important role leading to greater East-West cooperation on science and technology developments.

So this Foundation, IDEE, just like the Israeli-American Foundation, would receive its operating expenses from interest on endowment as well as any royalties it might receive from successful projects. Contributions to the endowment would be made by all member nations—the United States, as well as each of the nations of Eastern and Central Europe that chooses to become a partner in this process. It is clear that the three nations that are best able to take advantage of this idea will be Hungary, Poland, and Czechoslovakia.

Mr. President, this foundation, IDEE, will only need a one-time appropriation since its projects will be funded from its interest on the endowment and from royalties.

I want to add that, while the primary purpose it has is to foster the growth of high-technology industries in the nations of Central and Eastern Europe, there are going to be clear advantages here from American firms willing to become involved with Central and Eastern European entrepreneurs, engineers, and scientists. American investors will be able to share in any profits and innovations developed through joint ventures.

I know we all believe that it is important, as we continue to look for more cost-effective ways to aid the nations of Central and Eastern Europe, that we make every effort at the same time to develop programs that will also be of benefit to American businesses and to America. The best way to receive continued support for funding for such programs is to make sure that American interests will receive some benefit from these programs, and this IDEE Foundation embodies that principle of helping American business

while at the same time helping the private sector of its Central and Eastern European member nations.

Mr. President, I urge my colleagues to support the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

The Senator from Rhode Island.

Mr. PELL. Mr. President, I would like to say a word of support for this amendment authored by the Senator from Connecticut. Having lived in Eastern Europe for a couple of years before it became Communist and recognizing the travail that prevails there now, this approach is exactly what is needed. What they want is not cash, money, riches; what they want is know-how. And this is offering them know-how and it is modeled after the successful American-Israeli Foundation. It has merit, and I think we should all accept it.

Mr. McCONNELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 820, AS MODIFIED

Mr. LIEBERMAN. Mr. President, I send a modification of my amendment to the desk at this time.

The PRESIDING OFFICER (Mr. WELLSTONE). The Senator has a right to modify his amendment and the amendment is so modified.

The amendment (No. 820), as modified, is as follows:

At the appropriate place add the following:

TITLE XIII—INDUSTRIAL DEVELOPMENT FOR EASTERN EUROPE FOUNDATION

It is the sense of Congress that there may be established an entity to be known as Industrial Development for Eastern Europe Foundation (hereafter in this title referred to as the "Foundation"), to be governed by a Board of Governors as described in section 1304. It is the sense of the Congress that the President should negotiate with the governments of foreign nations for participation by such nations, consistent with section 1304, in carrying out the activities of the Foundation.

(b) PURPOSES.—The purposes of the Foundation may—

(1) to promote and support joint, nondefense, industrial research and development activities of mutual benefit to the nations involved with the Foundation and its activities;

(2) to develop nondefense high technology industry in these nations, particularly through joint and cooperative projects between firms in participating nations;

(3) to aid with the modernization of the economies of these nations by helping them to create a more sophisticated manufacturing base; and

(4) to help these nations to become economically viable by providing benefits to their industrial sector particularly through joint projects.

(c) PARTICIPATION OF OTHER NATIONS.—The President should negotiate with the governments of foreign nations for participation by such nations, consistent with section 1304 in carrying out the activities of the foundation.

SEC. . FUNCTIONS AND POWERS OF THE FOUNDATION.

(a) The Foundation may support and promote the purposes stated in section 1302(b) and research and development activities which—

(1) involve all applied science activities in the process through which an innovation becomes a commercial product; and

(2) assist with product engineering and manufacturing start up.

(b) The Foundation may work closely with, and to the extent practicable coordinate its activities with, the OECD and the European Bank for Economic Recovery and Development, drawing on the expertise of those institutions in achieving its purposes.

(c) The Foundation may be a legal entity and may have all the powers necessary to carry out its objective, including the power to—

(1) promote and support, by funding or otherwise, joint industrial research and development projects (hereafter in this title referred to as "projects"), in accordance with subsection (d);

(2) make loans and grants;

(3) enter into contracts;

(4) provide services;

(5) acquire, hold, administer, and dispose of real and personal property;

(6) receive, hold, and disburse funds, and open bank accounts;

(7) accept contributions of property, funds, and services; and

(8) employ personnel.

(d)(1) Foundation projects may be undertaken and otherwise supported through direct investment and joint ventures in order to develop the more advanced technology sectors of the economies of Foundation member nations.

(2) All technology and products developed as a result of the work of the Foundation may be freely transferable among the nations participating in a project.

(3) More than one member nation of the Foundation may participate in each Foundation project.

(4) All Foundation projects undertaken may be in compliance with the export control laws of the United States.

(e) Nothing in this title may be construed to prejudice other arrangements for scientific cooperation between the United States and other member states of the Foundation.

SEC. . BOARD OF GOVERNORS.

(a) A Board of Governors (hereafter in this title referred to as the "Board") may be the governing body of the Foundation and may be responsible for determining the Foundation's program, including the fields of cooperative research to be supported by the Foundation, and the Foundation's financial and managerial policies.

(b) The Board may consist of—

(1) the Secretary of State or his designee;

(2) the Secretary of Commerce or his designee;

(3) the Secretary of the Treasury or his designee; and

(4) a representative from the Foreign Ministry, Ministry of Finance, Ministry of Trade and Industry, and the national science foundation or its equivalent from the governments of Poland, Hungary, and Czechoslovakia.

(c) Subject to the provisions of this title, the Board may have the authority to—

(1) adopt bylaws and rules of procedure;

(2) establish regulations defining the policies, organization, and procedures of the Foundation;

(3) appoint an Executive Director;

(4) approve the annual budget and research program of the Foundation indicating, among other things, the research and development fields to which priority is to be given;

(5) accept contributions of property, funds, and services;

(6) establish the principal office of the Foundation in a neutral location.

(7) approve project and other expenditures by the Foundation and agreements pertaining to projects to be funded by the Foundation; and

(8) exercise and delegate any other power of the Foundation not otherwise assigned by this title.

(d) Each other East European country be eligible for membership in the Foundation whenever the Board determines that such country has made sufficient progress toward marketization and democratization and is not in violation of section 502B of the Foreign Assistance Act of 1961.

(e) The chairman of the Board may be a United States national and may serve for a one-year term. The chairmanship may rotate among the three Board members designated under subsection 1304(b) (1), (2), and (3).

(f) The Board may meet at least twice a year, but meetings of the Board may be held at such times and places as the Board may from time to time determine.

(g) The Board shall act by a vote of at least two-thirds of its entire membership.

(h) Members of the Board may serve without compensation from the Foundation, but the Board may authorize the payment by the Foundation of the necessary expenses of any members in attending Board meetings and in performing other official duties for the Foundation. Acceptance of such payments by Board members of the Foundation for this purpose may not be deemed in violation of Ethics in Government Act for the purposes of carrying out this section.

(i) The Board may provide for annual audits by independent auditors of the accounts of the Foundation. The reports of such audits, which may be submitted to all member governments, may contain certification as the accounts of the Foundation and evaluate the Foundation's internal control and auditing system.

SEC. . ADVISORY COUNCIL.

(a) An Advisory Council (hereafter in this title referred to as the "Council"), may act in advisory capacity to the Board and the staff of the Foundation. The Council may

(1) help the Board and the Foundation staff evaluate projects; and

(2) make proposals as to which sectors of member nation economies offer the best opportunity for a favorable return on an investment.

(b) Recommendations made by the Council to the Board and the staff of the Foundation may not be binding.

(c) The Council may consist of three members from the business and finance community from each nation belonging to the Foundation. In the case of the United States, the President may appoint the members.

(d) The chairmanship of the Council may change on a yearly basis, rotating among the members of the panel and alternating among member countries.

(e) The Council may meet at least twice a year. To the extent practical, it may meet at the same time and place as the Board.

(f) Members of the Council may serve without compensation from the Foundation, but the Board may authorize the payment by the Foundation of necessary expenses of any members of the Council attending Council meetings and in performing other official duties for the Foundation.

SEC. . STRUCTURE OF THE FOUNDATION.

(a)(1) The Foundation may be administered by an Executive Secretariat. The Executive Secretariat may be headed by an Executive Director. The Executive Director should be a United States citizen, and—

(A) act as a liaison to the Board; and

(B) coordinate the activities of the Executive Secretariat and the Board.

(2) There may be three Deputy Directors one each for Poland, Hungary, and Czechoslovakia who may evaluate projects from each nation, making recommendations to the Board and the Executive Secretariat as to whether or not the Foundation may support the project; and

(3) Additional Deputy Directors may be created as more nations join the Foundation.

(b)(1) The Executive Director may be the chief executive officer of the Foundation. He may be responsible for the operations and staff of the Foundation, and may act in accordance with the policies, directives, and delegation of the Board.

(2) The Executive Director may employ, oversee, and dismiss the members of the professional administrative staff subject to the approval of the Board.

(3) The Executive Director may, among other things—

(A) evaluate proposals for projects submitted to the Foundation and prepare and submit recommendations and draft agreements concerning project proposals to the Board for its approval;

(B) prepare and submit to the Board for its approval an annual budget and research program, including long-range plans for use of the Foundation's resources;

(C) prepare and submit to the Board for its approval an annual report, including an audited financial statement, on the activities of the Foundation; and

(D) implement decisions of the Board.

(4) Any power of the Executive Director under this title or delegated to him by the Board may be delegated by him to other officers of the Foundation, except as otherwise prescribed by the Board.

(5) The Executive Director may obtain assistance from outside professionals and experts for the purposes of evaluating proposals and auditing and monitoring projects sponsored by the Foundation. These professionals and experts may be given compensation by the Foundation for services rendered, as approved by the Board.

(6) The Executive Director may be permitted to organize various activities, such as consultant visits, information exchanges, and similar activities, to facilitate the achievement of the Foundation's objective. The Executive Director may be given a budget approved by the Board to undertake these activities.

(7) The Executive Director may maintain an appropriate system of internal control, including books and records which reflect the transactions of the Foundation and show the current financial condition of the Foundation. Such system may include adequate internal financial and operational audits. The books, records, and internal audit reports may be available for review by authorized representatives of governments involved with the Foundation.

SEC. . OPERATIONS OF THE FOUNDATION.

(a) The Foundation's operations may consist mainly of the selection, approval, and monitoring of projects funded in whole or in part by the Foundation. All proposals for such projects may be submitted through the Executive Director to the Board for approval.

(b) Each proposal considered by the Board may—

(1) be submitted by Foundation member entities;

(2) demonstrate the technical and economic feasibility of the project;

(3) contain evidence that the applicant is capable of carrying out the project, either alone or through the partial subcontracting to universities, industrial research institutes, or other qualified entities; and

(4) indicate that the applicant will contribute, from its own financial resources or resources available to it, some portion of the financial resources required to carry out the project.

(c) Each proposed project considered by the Board may—

(1) propose a tangible, direct benefit for the national economies of Foundation member nations, such as an increase in exports, value added or new markets;

(2) be of interest to Foundation member nations' industry;

(3) be of general interest to an entire industrial field;

(4) directly or indirectly contribute to additional development of products, processes, or markets; and

(5) have tangible benefits for nations involved with a project.

(d) For purposes of subsection (c)(5), a project having a tangible benefit may be one that—

(1) is submitted by one or more Foundation member firms or a joint venture between a United States firm and a member nation firm;

(2) will require expenditures for goods and services in nations involved with the project; and

(3) meets any other criteria established by the Board.

Mr. LIEBERMAN. Mr. President, very briefly the modification is intended to make clear that there is nothing mandatory about the amendment; that we are suggesting the creation of this American, Eastern and Central European Foundation for joint high-technology business development as a good idea and one we hope the administration will carry forward on the model of the existing BIRD foundation, which established similar joint ventures between Israeli and American companies and has been enormously successful.

But the aim is to make that a suggestion, a request, a hope, and not to mandate. I ask that the amendment, as modified, be adopted.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 820), as modified, was agreed to.

Mr. LIEBERMAN. Mr. President, I thank the managers for their kind support.

Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 821

(Purpose: To restrict access of the Soviet Union to the resources of international financial institutions)

Mr. MACK. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Florida [Mr. MACK], for himself, Mr. GARN, Mr. MCCAIN, and Mr. LIEBERMAN, proposes an amendment numbered 821.

Mr. MACK. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 225, between lines 4 and 5, insert the following new section:

SEC. 902. SOVIET ACCESS TO THE FINANCIAL RESOURCES OF INTERNATIONAL FINANCIAL INSTITUTIONS.

(a) FINDINGS.—The Congress finds that—

(1) the Soviet Union has adopted a more cooperative posture on a range of international political issues that has moved East-West relations beyond the stalemate of the Cold War, assisted the cause of world freedom and peace, and permitted improved relations with the United States;

(2) at the same time, the course of internal political and economic developments in the Soviet Union has been far less clear, with increased political pluralism as represented by free elections in various Republics matched by instances of political repression, including armed intervention in the Baltic states;

(3) in the economic arena, tentative movements toward economic liberalization have produced a breakdown of the former command economy but little tangible evidence of movement toward a market economy;

(4) in its international trade and aid relationships, the Soviet Union continues to support repressive political regimes and to encourage regional instability through substantial economic support for Cuba, Vietnam, Afghanistan, and North Korea and continues to export substantial quantities of arms and unsafe nuclear technology, which represent a threat to regional stability and the world environment;

(5) it is in the interest of the United States to encourage Soviet cooperation on international problems and to promote adoption of a fully democratic form of government and economic transformation from a centrally planned to a free market economy in the Soviet Union;

(6) expanded economic ties with the West can advance the process of transformation by educating the Soviets to the benefits of political pluralism, market economics, and free trade;

(7) Western financial assistance could also potentially assist the process of transformation but it carries substantial risks on the Soviet side of delaying needed reform and propping up the failed structures and policies of the past and, on the United States side, of assuming unacceptable risks of default on taxpayer-financed credits;

(8) the study of the Soviet economy prepared by the International Monetary Fund, the International Bank for Reconstruction

and Development, the Organization for Economic Cooperation and Development, and the European Bank for Reconstruction and Development concluded that without a major and comprehensive reform program additional financial transfers to the Soviet Union would be of little or no lasting value;

(9) given these views and concerns, no financial transfers should be provided to the Government of the Soviet Union by the Government of the United States nor should the United States support Soviet borrowing rights in any international financial institutions in excess of those to which the Soviet Union is already entitled until the Soviet Union has fundamentally changed its economic and political orientation and committed itself irrevocably to a major and comprehensive economic reform program.

(b) SOVIET ACCESS TO THE RESOURCES OF THE INTERNATIONAL MONETARY FUND.—The Secretary of the Treasury shall instruct the United States Executive Director to the International Monetary Fund to use the voice and vote of the United States to oppose Soviet membership in the Fund, and the United States shall support no future expansion of Fund quotas in which the Soviet Union would participate, until 30 days after the President certifies and reports to the Congress the following:

(1) ECONOMIC REFORM.—That, as an indication that the Government of the Soviet Union is implementing free market economic policies, the following actions have been taken:

(A) provision of all data necessary for the Fund and its members to accurately determine the size, composition, and creditworthiness of the Soviet economy;

(B) establishment of the right to own private property and engage freely in commerce, including progress towards the creation of a legal and administrative framework to permit the free exercise of such rights;

(C) implementation of effective procedures for privatization of government enterprises;

(D) significant progress in dismantling central planning mechanisms, in eliminating price controls, and in establishing a market-based pricing system; and

(E) Adherence to international rules regarding trade, protection of foreign investors, and protection of intellectual property rights.

(2) ROLE OF THE CENTRAL GOVERNMENT.—That, as an indication that the Soviet Union is reducing the size and scope of government expenditures, especially categories of expenditure that threaten world security and divert resources from market-based economic reform, the following actions have been taken:

(A) implementation of a defense budget that achieves significant reduction in the percentage of gross domestic product devoted to military purposes including, in particular, reduction of strategic nuclear weapons arsenals and other weapons of mass destruction, with the objective of reducing such percentage to levels approximating those of the Western democracies; and

(B) termination of economic subsidies and military assistance, including an end to transfers of destabilizing missiles, other sophisticated weapons systems and nuclear technology, to countries that have supported international terrorism, such as Syria, Libya, and Iraq, and that have participated in efforts to destabilize neighboring states, such as Cuba, North Korea, and Vietnam.

(3) POLITICAL REFORM.—That, as an indication that the Soviet Union has embraced democratic processes upon which successful economic development is predicated, the following actions have been taken:

(A) free and fair multiparty elections for the national parliament and leadership;

(B) good faith negotiations between the Government of the Soviet Union and leaders of the Baltic states and other republics that have elected to become independent of the Soviet Union; and

(C) demonstrated sustained commitment to peaceful resolution of disputes with republican governments and democratic movements.

(c) EXPANDED SOVIET ACCESS TO THE RESOURCES OF THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT.—The Secretary of the Treasury shall instruct the Executive Director to the European Bank for Reconstruction and Development to use the voice and vote of the United States to oppose expansion of access by the Soviet Union to the resources of the Bank pursuant to paragraph 4 of Article 8 of the Bank's articles of agreement unless the President has made the certification and report required under subsection (b).

(d) DEFINITION.—For purposes of this section—

(1) the term "Soviet membership" includes any association with the Fund involving contribution or borrowing of Fund resources, but excludes any association with the Fund as an observer or in an advisory status involving technical assistance; and

(2) the term "Soviet Union" includes all successor states (other than the Baltic states) to the Soviet Union.

Mr. MACK. Mr. President, first I want to thank both the Senator from Maryland and the Senator from Kentucky for working with me on fine-tuning this amendment. It is an amendment that I now understand is acceptable and will be accepted. I am offering this amendment on my behalf along with Senator GARN, Senator MCCAIN and Senator LIEBERMAN.

Mr. President, let me set the stage for this amendment. I did not realize when I began working on the amendment several weeks ago, that the Soviet Union would be formally requesting full membership to the IMF at the same time we would be dealing with this legislation. It was my intent to come up with a series of conditions that the Soviet Union would have to meet in order to become a full member.

What has occurred is that for several months there has been a discussion about what role the Soviet Union would play in the IMF and most of us, and the administration, certainly, has taken the lead to establish a position of something quite considerably less than full membership. In fact, the agreement by the G-7 was the establishment of what is called either special status or associate status, which is exactly where I think we should be.

But my concern, as we went through the hearings on the IMF—and certainly now that the Soviet Union has progressed to the point of formally requesting full membership, I think it is in fact appropriate that we establish conditions that must be met by the Soviet Union in order for them to become a full member.

It was my intention to go into a more lengthy explanation of the amendment, but I think that since we have had the opportunity to work on the various components, I do not feel the necessity to do that, even though I will touch on what I think, again, are the conditions that we have established. But I think it is, in fact, in the best interest of the United States and the entire world for the Soviet Union to continue its movement toward reform. I think it is important that I recognize that up front.

But I think it is equally important to recognize that we are still getting mixed signals. On one hand, we were all excited and elated about seeing the idea of democracy, of free elections. A popular election of the President of Russia is a very significant change. But within the last 6 or 7 months we have also seen the Soviet Union use force to hold back the forces of reform and independence in the Baltic States. So we are getting mixed signals and for that reason I think it is appropriate for us to state conditions that would have to be met by the Soviet Union in order for them to become a full member of IMF.

Basically, the conditions that we are talking about in this amendment fall into three categories: Economic reform, reform of the role of the central government, and political reform. Again, let me just touch on those and I will be very brief on them.

With respect to economic reform, we are talking about the right to private property, and I might just make an additional comment here.

If we are looking for something that signals that the Soviet Union has controlled the Rubicon with respect to reform, I would say that it is to say that each Soviet citizen has a right to own private property and with that right the right to sell it at some point in the future. I think at that point we can all kind of step back and say the most significant reforms have taken place within the Soviet Union.

In addition to the economic reform that I just mentioned, we talk about dismantling of central planning and price controls, provision of all data necessary to assess the Soviet economy, and abide by trade laws and protect intellectual property rights.

In the role of the central government reform, we are talking about defense budget significantly reduced; strategic nuclear weapons reduced; end economic subsidies, military aid, and nuclear technology transfers to Cuba, North Korea, and Vietnam.

I want to make one additional note here to say how much I appreciate my colleagues for raising, on a number of occasions today, the issue of Cuba. It is natural for an individual like myself, who lives in the State of Florida, who spends a great deal of time in south Florida with the Cuban community,

and who has been focused on trying to bring about freedom and democracy in Cuba now for 30-some years.

Again, to put it on a personal basis, I still remember the day that I offered a resolution that I believe all the Members of the Senate joined in, that had to do with releasing Alfredo Mustelier from political prison.

He was a political prisoner for over 20 years in Cuba. Two of his cellmates, if you will, the last of whom was just released within the last several months—and if you read the papers about what is happening in Cuba today you see two Cubans stowed away on an aircraft flying out of Cuba, and unfortunately, either were crushed by the landing gear or they were just killed as a result of the low temperatures that these planes fly at these high altitudes, 65 degrees below zero. Those two young men lost their lives in their quest for freedom.

So, again I compliment my colleagues for continuing to raise the issue of Cuba, the need to bring about freedom and democracy in Cuba.

We go on further to talk about political reform, again as part of the conditions: Free and fair and multiparty elections for national leadership; good faith negotiations with the Baltics and republics that elect independence and demonstrate commitment to nonuse of force against republic governments and democratic movements. I think these are all conditions that have been talked about by a number of Members of the Congress; that have been talked about in the administration.

So again I want to compliment the managers of the bill for their willingness to work with me to make some adjustments here to allow them to accept this amendment. One additional reason for offering the amendment is I think it is important for us to recognize that our well-intended economic assistance to the Soviets at the wrong time could, in fact, be counterproductive. We could end up providing economic assistance that would be used to keep in place the policies that do not work.

In closing, I would like to read a few comments from an op-ed piece that was in the New York Times on Sunday, July 14. It is by the President of Czechoslovakia, Vaclav Havel.

A number of us had an opportunity in February 1990 to listen to President Havel as he addressed a joint meeting of the Congress. I think it goes without saying we were all moved by what he had to say, and the commitment he made to bring freedom and democracy, justice and human rights to the people of Czechoslovakia. I want to read a part of this op-ed piece. He says:

> When I addressed the joint session of the Congress in February 1990 I made the following remark. 'I often hear the question, How can the United States of America help us today?'" His response was, "You can help us most of all if you help the Soviet Union on its irreversible but immensely complicated road to democracy.

Actually, that comment has caused some confusion as to what President Havel actually meant. So he goes on further in this article to indicate what it was he meant. He says:

> Too many people took for granted that I meant economic help, which I did not * * * I meant that it was in the interests of my country, of Europe, and of the whole world to help make the Soviet Union a more free, more democratic and more stable place, with the emphasis on democracy.
>
> The experience of the post-war period has shown us that no amount of economic assistance will make a totalitarian country more prosperous unless it is also made more Democratic.

He goes on further to say about why it is important we not provide aid before reform. He says:

> It also presents a risk. Should the antidemocratic forces in the Soviet Union prevail again and use whatever outside assistance might come to bolster that obsolete regime.

Again, I think this is a timely amendment. I think it is an amendment that should be accepted and, hopefully, it sets the parameters upon which we can now look towards the future as to how the Soviet Union can become a full member of the IMF.

Mr. MCCAIN. Mr. President, a struggle that has been waged for centuries between the forces of tyranny and the forces of freedom has recently turned unprecedentedly in favor of the forces of freedom. We have all witnessed the events of the last 2 years in Eastern Europe and are inspired by them. They reinforce our faith in the truths that our founding fathers expressed over 200 years ago.

In 1789, Thomas Jefferson looked across the Atlantic and was thrilled by the events of the French Revolution. The events, however, were to turn tragic through the reign of terror and the rise of Napoleon Bonaparte. Without a clear idea of what was happening in France, Mr. Jefferson gave moral sanction to one of the greatest tragedies in human history.

I rise today to support the amendment offered by my colleagues from Florida to see that before we offer assistance to the Soviet Union we have a clear idea of what we are supporting. Mr. Mack's amendment will ensure that before assistance is offered, the Soviet government guarantees its people their God-given rights.

At the recent G-7 meeting in London, it became clear that the Western industrialized democracies are hesitant to bail out the Soviet Union without a clear program of reform. The President himself has indicated that he will not support assistance to the Soviet Union beyond technical assistance until it is clear that the Soviet union is moving toward a democratic society and form of government.

Because direct assistance is no longer a possibility given the current extent of Soviet reforms, Senator MACK's amendment addresses the next logical source of funding for the Soviet Union, international lending institutions.

The United States should not give its consent to assistance from the international lending institutions unless the Soviets can give clear evidence that they have made substantial progress in democratic reforms. I think it is only fair that while denying aid to the Soviet Union we outline in law the specific reforms that are needed. Senator MACK's amendment to the bill before us will do precisely this.

Mr. GARN. Mr. President, I join my colleague Senator MACK in proposing an amendment to the International Security and Economic Cooperation Act of 1991 regarding Soviet borrowing from international financial institutions. The amendment would require the Secretary of the Treasury to instruct the United States representatives at the international institutions to oppose both Soviet membership in the International Monetary Fund and expanded Soviet access to the new European Bank for Reconstruction and Development until the President is able to certify and report to the Congress that substantial steps toward economic and political reform have been taken by the Soviet Government.

I have worked with Senator MACK on this amendment because I believe it is critical that the Soviet Union understand clearly that it cannot enjoy the benefits of financial assistance from Western institutions until and unless it embraces the political and economic principles to which the democracies that principally fund those institutions adhere. The Soviet Union's policies for 70 years have punished the Soviet people and threatened world peace and prosperity. The human potential wasted under communism, the human suffering caused by terrorist groups and antidemocratic governments funded by the Soviet Union, and the massive economic resources wasted on the cold war all represent debts owed to the world by the discredited Communist leadership of the Soviet Union.

Given the enormity of this debt, it would not be unreasonable to insist on compensation by the Soviets. However, Western governments have made clear that they are willing to move forward in expanding economic and political cooperation with the Soviet Union as long as its Government is willing to reform its bankrupt policies. While this is an exceedingly generous approach, I can live with it. But while I am not going to insist on restitution for the victims of Soviet crimes, I am certainly unwilling to support compensation for the perpetrators either.

The Soviet Union should get no United States foreign aid, no funds from the IMF or the World Bank, and no expanded access to the EBRD until real change takes place in the Soviet Union. I am not talking here about

pledges to change but real, demonstrated change. We have been hearing commitments to political liberalization and economic reform by the Gorbachev government for years, but fundamental change is nowhere in sight.

Internationally, the Soviet Union has adopted a more cooperative posture on a range of international political issues but it continues to support repressive political regimes and encourage regional instability through substantial economic support for Cuba, Vietnam, Afghanistan, and North Korea. Domestic politics has moved toward increased political pluralism as represented by the free election of Boris Yeltsin as President of the Russian Republic. At the same time, the Communist Party remains firmly in control of the Soviet economy and Government and instances of political repression continue, including armed intervention in the Baltic States.

On the economic front, the Soviet economy seems to be locked in reverse. Tentative movement toward economic liberalization has produced a breakdown of the former command economy but little tangible evidence of movement toward a market economy. While expanded economic ties with the West could advance the process of transformation in the Soviet Union, there is ample reason to believe that resources transferred to the Soviet Union would be resources wasted.

The study of the Soviet economy prepared by the International Monetary Fund, the International Bank for Reconstruction and Development, the Organization for Economic Co-operation and Development, and the European Bank for Reconstruction and Development concluded that without a major and comprehensive reform program, additional financial transfers to the Soviet Union would be of little or no lasting value. A study by Anders Aslund prepared for the World Bank's annual conference on development economics entitled "Prospects for Economic Reform in the USSR" makes similar findings. It concludes:

> As long as the Soviet Union does not have a regime that enjoys political legitimacy, there is little the outside world can do in order to assist it. Its demand for foreign credits is likely to be insatiable for the bad reason that the government uses these funds to mitigate popular dissatisfaction, but there is no good reason for others to provide such funds.

These experts believe that aid to the Soviet Union will be wasted until fundamental economic and political reform takes place. This amendment will ensure that, at least with respect to the international financial institutions, no Western aid will be provided until the Soviet Union has fundamentally changed its economic and political orientation and committed itself irrevocably to a major and comprehensive economic reform program.

I believe this is sound policy and I understand that the Treasury can accept it. In fact, now that the Soviet Government has made a formal application to join the IMF, there are indications that the administration may even take a formal position in support of it. I would welcome their support and I urge my colleagues to support adoption of the Mack amendment.

Mr. SARBANES. Mr. President, we have been in discussion with the distinguished Senator from Florida with respect to this amendment. Some modifications have been made to it. I appreciate what the Senator is seeking to accomplish. We are prepared to accept the amendment on this side.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. McCONNELL. Mr. President, we have reviewed the amendment of the Senator from Florida, and I, too, find it excellent.

Mr. MACK. Mr. President, I urge its adoption.

The PRESIDING OFFICER. Is there further debate? If there be no further debate, the question is on agreeing to the amendment of the Senator from Florida.

The amendment (No. 821) was agreed to.

Mr. MACK. Mr. President, I move to reconsider the vote.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SARBANES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

The PRESIDING OFFICER (Mr. CRANSTON). Without objection, it is so ordered.

The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, I will be sending an amendment to the desk shortly, and I would like to speak about this amendment right now.

I will rise to offer an amendment, along with the Presiding Officer and other Senators whom I will mention in a while, to the fiscal year 1992 foreign aid authorization bill. This amendment strengthens provisions for a multilateral moratorium on arms transfers to the Middle East included in both the fiscal year 1992 foreign aid authorization bill and the fiscal year 1992 State Department authorization bill.

The committee bill rightly recognizes that it is essential that the world not resume the Middle East arms bazaar as if nothing has changed. The gulf war demonstrated the immediate need to curb the worldwide arms trade and to prevent the spread of advanced conventional, chemical, biological, and nuclear weaponry.

The bill states the desirability of a multilateral arms moratorium on transfer of arms to the Middle East. This amendment would require the United States to take the next logical step and demonstrate that it is willing to lead other nations to achieve such a multilateral moratorium.

Specifically, this amendment prohibits the United States from exporting any new advanced conventional arms to the Middle East, as long as another major arms supplier nation does not export such equipment to the region.

The only unilateral action, Mr. President, called for in this amendment is U.S. leadership. The resulting moratorium is multilateral.

This amendment, offered by a number of Senators, would ensure that the United States lead the way in reducing the deadly arms bazaar, without sacrificing U.S. competitiveness in international trade. This amendment is carefully crafted, so as to ensure that U.S. companies will not be disadvantaged in relation to companies from the other major suppliers.

This amendment prohibits U.S. transfer of major weapons to the Middle East, as long as no other major supplier has agreed to such a transfer. It does not prohibit companies from discussing possible sales with Middle Eastern governments. If companies from other nations go ahead and conclude a sale, then United States companies can go ahead and conclude sales. I hope that does not happen, Mr. President, but I want to be clear about this again: We take the lead. If other nations do not follow, then all bets are off.

This amendment is virtually identical to provisions in the House foreign aid bill passed by the House of Representatives in June, after having been unanimously—I repeat, unanimously—agreed to by the House Foreign Affairs Committee on May 23, 1991. The principal difference between our amendment and the House language is that the effective date of the House bill's moratorium is May 21, 1991. The effective date of this amendment is the date of enactment.

The committee bill calls upon the President to "take good-faith efforts" to convene a conference of major supplier nations to negotiate controls on major weapon transfers.

This language was drafted before the President's Middle East arms control initiative. The committee reports concludes that good-faith efforts have been made. Indeed, a conference formally opened for a 2-day session in Paris on July 8, 1991. The next plenary is scheduled for October in London. The committee bill also contains sense-of-the-Congress language supportive of a multilateral moratorium and the notion of a "challenge moratorium."

Our amendment would strengthen this "challenge moratorium" to re-

quire the United States to demonstrate that it is willing to take the lead in this ongoing conference in order to achieve a temporary multilateral moratorium, followed by tight proliferation controls.

Now that the suppliers conference has begun, the United States should take the next step by challenging other nations to follow our example in suspending arms sales. This would demonstrate U.S. determination to control weapons proliferation and provide a pause in arms sales conducive to negotiating controls.

We are not demonstrating such determination if we are preaching restraint but practicing the same business-as-usual salesmanship. The administration continues to boost sales to the Middle East at the same time it talks of Middle East arms control. Within days of its Middle East arms control initiative, the administration had also announced its intent to provide F-15's to Israel and Apache helicopters to the United Arab Emirates and possibly Bahrain. The UAE is reportedly slated to receive M1A1 tanks and Bradley fighting vehicles also. A proposal to sell up to $14 billion in advanced conventional weapons to Saudi Arabia is expected to be sent to Congress as early as September.

Rather than saying "no" to individual arms sales—a difficult legislative effort to execute—the Congress should demand that the United States and the world should not return to business-as-usual in the Middle East. This amendment would prevent further arms sale to the Middle East until another major arms supplier sells to the region.

Mr. President, no one can doubt that the tremendous accumulation of weapons in the region has made Israel, as well as her antagonists, not more secure but less secure. In the long term, Israel cannot win an endless arms race in the Middle East, and in the short term, arms sales tend to benefit Arab countries at the expense of Israel. Throughout the region, shaky economies have been hurt by excessive military expenditures and domestic priorities have been egregiously warped.

I hope that a positive legacy of this war will be to focus world attention on the need for regional arms control to address all categories of weapons proliferation in the region—nuclear, chemical and biological, ballistic missiles and conventional.

Mr. President, in recent months we have heard a lot about the overmilitarized Middle East from our administration, from other governments and from the American people. It is time to stop talking and start doing something about it.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. WELLSTONE). Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I am joining with Senator WELLSTONE, who is presently presiding over the Senate, in offering this amendment because I believe we can and must do even more to stem the flow of arms to the Middle East. This amendment builds on the fine Middle East arms control language in the bill. Language very analogous that we are proposing in this amendment is now in the bill. It simply builds upon that and strengthens the challenge moratorium provision in response to the recent multilateral meeting on arms suppliers.

I emphasize this is not a unilateral moratorium on American arms sales to the Middle East. This is a challenge, a challenge to the multilateral group of nations which supply arms in one way or another, sometimes openly, sometimes secretly, in the Middle East or to the Middle East.

What is a challenge if we do not set some standard for the supplier nations to meet? Should they continue to proceed with arms sales in a business-as-usual fashion? That is, should a major arms supplier nation enter into an agreement to transfer major military equipment on or after the date of enactment, then the moratorium ceases, no moratorium? And then, of course, we would urge the administration to redouble U.S. efforts to negotiate such a multilateral moratorium.

The only way to start to end this spiraling arms free-for-all is to say stop, stop now. If we continue to sell weapons throughout the region, the major suppliers have no reason to take our efforts seriously. By setting an example, an American example, at the same time we attempt to negotiate a multilateral arms control regime, we are challenging the major suppliers to demonstrate their resolve.

I understand that the administrative has concerns about all the Middle East arms control language in the bill. They do not like what is in it now. I am afraid, however, that we cannot afford to be complacent about efforts now underway to limit Middle East arms sales. One 2-day meeting in Paris of major suppliers, a meeting which took place earlier this month, cannot reverse a billion-dollar trend overnight. The next meeting will not even take place until October.

We need to take action now, right now, to prevent some of the bigger sales looming down the road. I believe this amendment can prevent the transfer of sophisticated weaponry to the Middle East, a region already top-heavy with the instruments of death. And we are talking here about all sorts of weapons that are very deadly, longer and longer range, including nuclear weapons.

We all know how unstable the Middle East is. We have seen that in the course of recent events involving Iraq and American and allied troops and a lot of death, destruction, and disruption.

(Mr. WELLSTONE assumed the chair.)

Mr. CRANSTON. Had Saddam Hussein had nuclear weapons, we might have faced a very different situation. He sought them. Fortunately, thank God, he did not get them in time.

Others are seeking them. Others are making progress toward getting them. Apparently Pakistan now has them. The President was unable to certify that they did not, and so aid was cut off to Pakistan under the present law.

A nuclear explosion of weapons in the Middle East would be an absolute catastrophe and we should be doing all we can to prevent it. And if we can set an American example by stopping selling advanced weapons to the Middle East as long as others cease and desist, this could lead to a very important breakthrough on the road to a more stable Middle East and a more stable world.

I spoke yesterday in the course of the most-favored-nation debate about China, about what that nation is doing in spreading nuclear weapon technology in the Middle East and elsewhere. Senator BIDEN spoke on that subject also. Others expressed concern about that and their concern should be very, very deep indeed.

Let me review just what one nation, China, is doing. If we get a moratorium, that would have to affect China or the moratorium would not go on. We certainly have to find ways to restrain China when you look at the record of what China is doing. And this effort is designed to move us in that direction.

To review a bit of history, after World War II, the nations of the world banded together to form the United Nations. In so doing, every nation, including China, agreed to certain basic principles concerning human rights, security, and trade. Gradually, all nations have agreed to expand upon those principles and make them operational in a number of international organizations. One of the key principles concerns the safeguarding of international peace and stability.

China, through its actions, is now undermining international peace. China is now destroying world order. China is now doing things that make more likely the fulfillment of the grave danger that nuclear weapons may be used in the Middle East.

Reasonable people could argue whether or not this is a deliberate intent of the Chinese leadership. Perhaps they just want to make money by exporting weapons of mass destruction. But the effect of their actions, whether

deliberate or not, is very, very tragically clear.

The American people should be awakened to the dark cloud China is now spreading in the Middle East and elsewhere around the world.

China is the fifth largest supplier of arms to the Third World. Throughout the 1980's, China secretly provided weapons to South Asia, South Africa, South America, and the Middle East. This includes the transfer of nuclear and chemical technologies.

During the last year, Chinese sales of ballistic missiles and their launchers to Syria, Pakistan, and Iran have been reported. China has reportedly arranged sales of M-9 and M-11 missiles to Syria and Pakistan. Both are capable of delivering nuclear warheads at distances ranging approximately 200 to 400 miles. China has also transferred to Saudi Arabia CSS-2 missiles with a 1,500-mile range and with a nuclear payload capacity.

China has systematically and secretly helped nations develop a nuclear capacity in conjunction with its sale of delivery systems.

A few months ago it was reported that China had been secretly aiding Algeria develop a nuclear facility.

China has also been active in assisting Iraq to develop a nuclear weapons facility, providing it with lithium hydride, a chemical used in the production of nerve gas, missile fuel, and various types of nuclear weapons.

China secretly sold tons of heavy water to India through a West German nuclear materials broker, according to testimony in my Foreign Relations Subcommittee.

Here they are arming both sides in the perennial dispute between Pakistan and India. Help Pakistan get a bomb; help India get a bomb.

In the early 1980's China reportedly gave Pakistan plans for a nuclear bomb. Our concern was so great here in our country that last October, as I noted a bit ago, President Bush suspended military aid to Pakistan because the administration could no longer assure Congress that Pakistan did not have nuclear weapons. In April, the President barred the sale of American components to a Chinese satellite because of his concern about China's involvement in the export of weapons of mass destruction.

On June 20, just very recently, the Chinese denied reports that they have sold medium-range missiles to Pakistan. On June 27, they confirmed that they were selling M-11 missiles to Pakistan. The M-11, we believe, is in violation of the missile technology control regime.

On July 7, even more recently, the Associated Press reported that Iran—Iran—was determined to develop nuclear weapons and was looking to China for help, even though Deputy Secretary Eagleburger had assured the Foreign Relations Committee on June 27 that China was not trying to sell nuclear weapons technology and/or nuclear technology to Iran.

The Nuclear Control Institute recently released a partially declassified Defense Intelligence Agency cable, dated May 12, 1986, which states that China had completed a feasibility study in 1986 to construct a nuclear powerplant in Iraq by 1990. A nuclear powerplant in Iraq by 1990. One of the plant's specifications was that it should have the "ability to [be] camouflag[ed] from satellites." Why camouflage it? Well, I think the answer is rather obvious.

Given what apparently we did not know about Iraq's nuclear capacity, I suggest that the administration reassess what assistance China could be providing to other countries in that region.

Mr. President, I wish that I could say more about this matter of what China is doing in respect to exporting nuclear technology to the Middle East and elsewhere. I know more. I cannot say it because it is classified. I would like to urge every Senator who realizes the seriousness of the spreading of nuclear weapon technology around the world to ask for and gain access to the classified documents that are very illuminating on this subject. We will have a more informed Senate on these matters if all or most Senators go and learn the very forboding facts on this subject.

Mr. President, the amendment that Senator WELLSTONE and I and others have offered is consistent, I repeat, with the language in the bill. It just makes it stronger. The language was developed very carefully by a bipartisan group of our colleagues in the House of Representatives—including Chairman FASCELL, of the Foreign Affairs Committee of the House: Representatives HAMILTON, BERMAN, SOLARZ, LEVINE, and HYDE—and the amendment is included in the House version of the foreign aid bill. The other body has already acted to do what we are seeking to have acted upon favorably in the Senate.

This approach can lead to greater stability in the Middle East, for all the people there—for the people of Israel, whose enemies would not then be armed and armed and armed, causing Israel to have to arm and arm and arm; endangering the economies of all the countries there; endangering the security of all the people and the nations there; and diverting time, attention, resources, wealth and activity from lifting the living standards of the many people there who suffer from a very low living standard that creates instability in that part of the world. Substituting for expenditures on arms expenditures to lift the living standards of the people will help bring stability and peace to the Middle East, to our friend, Israel, and to the world.

This challenge moratorium is not intended to replace a permanent negotiated moratorium. Rather, this action will strengthen the administration's hand in these negotiations. It certainly should do that. I urge my colleagues to study this provision very carefully and to decide it merits their support.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DIXON. Mr. President, what is the order of business at this time?

The PRESIDING OFFICER. The pending business is S. 1435.

AMENDMENT NO. 822

(Purpose: To strike section 305, relating to purchases of United States goods and services)

Mr. DIXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. DIXON], for himself Mr. DOLE, Mr. KOHL, Mr. MCCONNELL, Mr. GRASSLEY, Mr. LUGAR, Mr. SYMMS, Mr. DANFORTH, Mr. CRAIG, Mr. COATS, Mr. DURENBERGER, and Mr. PRESSLER, proposes an amendment numbered 822.

Strike out section 305 of the bill.

Mr. DIXON. Mr. President, I would like the attention of my colleagues wherever they may be in their respective offices right now because I am informed by the majority leader and managers and others that they would like to dispose of this amendment in a decent timeframe. The managers have indicated that in an hour or so they are compelled to offer, probably, a motion to table this amendment.

So I urge my colleagues who are interested in this subject matter to come to the floor as soon as they can, to be involved in this debate. The old question of cargo preference has been before us many times.

I see my good friend the Republican leader on the floor and I am delighted to yield to him.

Mr. DOLE. I agree with the amendment and I would like to vote for it. The Senator said an hour or so. I wonder, did he mean an hour?

Mr. DIXON. May I say to the Republican leader, I have not asked for a unanimous consent agreement for time limit. This Senator would be prepared to vote almost momentarily. However, I am joined by cosponsors on both sides of the aisle. As usual, about this time in the evening, we are scattered a little bit around the building and I just wanted everybody to know that in short order we would like to dispose of this amendment. We do not intend to spend the night on it, the managers tell me, and I acquiesce in that wish and the wish of the majority leader which I suspect is supported by the Republican leader as well.

I am prepared to go forward with this amendment. I would like to speak on it just now.

I would like my colleagues of all political persuasions, and there are many, to know this is the cargo preference question. I believe the administration supports my view that this section should be stricken from the bill and this insidious practice of continuing to extend cargo preference and requiring shipment on American bottoms at all times is a bad practice. That is what I intend to talk about here.

I am delighted to be joined by my colleague, the distinguished Republican leader, and I am willing to dispose of it in whatever order is reasonable.

Mr. DOLE. Will the Senator yield just one further moment?

Mr. DIXON. Yes, of course.

Mr. DOLE. The Senator is right as far as the administration is concerned. In fact, when it finally gets to the President, I would guess he would veto it. He has indicated he would veto it. He indicated in a letter I put in the RECORD last evening this is one area where a veto would be correct.

So, the Senator is correct. I think there are a number of us who support his position. We would be prepared to debate it and vote in a reasonable time, but my colleague is exactly correct. It is a very important amendment, and I am glad to join the Senator from Illinois.

Mr. DIXON. The distinguished Republican leader will recall that throughout my service here I have held a similar view to that of the Republican leader, that this is a insidious and bad practice. I have been involved in every debate about it over the years. At one time I think the distinguished Republican leader will recall I was involved in a filibuster with my then colleague who was then senior Senator from Illinois, Senator Percy, and Senator Boschwitz and others.

I do not want to revisit that filibuster tonight. I want to dispose of this. I am just trying to see whether my colleagues around the building will understand that the managers have in good faith suggested they would like to dispose of it in a reasonable period of time.

So I have not agreed to a time limit because some of my colleagues want to speak on this. I urge them to come to the floor to do that because the manager has indicated that in about an hour or so he is tempted to offer a motion to table.

Mr. President, section 305 of the bill before us will require that any country receiving more than $10 million in U.S. cash transfer assistance under the economic support fund, purchase an equivalent amount in U.S. goods and services. I do not have any problem with that.

And that 50 percent of those goods be shipped on U.S.-flag vessels. I have a big problem with that. The amendment I have offered will strike that provision from the bill. The bill without that provision is entirely satisfactory to my colleagues, and this Senator, with respect to requiring an equivalent amount of purchase in U.S. goods and services.

I am pleased to be joined in this amendment by the following Senators: Senator KOHL, Senator MCCONNELL, Senator GRASSLEY, Senator LUGAR, Senator SYMMS, Senator DANFORTH, Senator CRAIG, Senator COATS, Senator DURENBERGER, and Senator PRESSLER.

Mr. President, may I have unanimous consent for the amendment to show those distinguished Members of this body as cosponsors of this amendment.

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

Mr. DIXON. I am advised the distinguished Republican leader, whom I am honored to have join me, Senator DOLE, would like to be added as a cosponsor. I thank him for his support.

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

Mr. DIXON. Mr. President, proponents of section 305 argue that if ESF cash transfers are going to be given to other countries, these countries should purchase U.S. goods. No problem with that. That makes sense. I agree with that. The truth of the matter is that cash transfer recipient countries already buy far more in U.S. goods and services than they receive in cash transfer. That is already the case.

While the United States expects to contribute about $2 billion in ESF cash transfers to 17 countries in fiscal year 1992, those same 17 countries bought more than $20 billion in U.S. goods and services in 1990. I repeat, this contemplates about $2 billion in transfers to 17 countries, and we want to say in this bill "Buy back $2 billion worth from us?" They already buy $20 billion from us, 10 times what we are talking about.

So let us not kid one another. The object of this section of this bill is to require the shipping of 50 percent of these commodities and goods on U.S. bottoms.

The purpose of this provision, I repeat, is not to increase U.S. exports but to impose cargo preference requirements on commercial exports of U.S. goods already going to these countries. They are already going to these countries.

The Great Lakes region of this country is especially hard hit by the expansion of cargo preference requirements.

Because there is no regularly scheduled U.S. flag oceangoing service in the Great Lakes, increased cargo preference virtually eliminates Great Lakes ports from participating in the shipment of any goods to which it applies. Lost maritime exports out of the Great Lakes ports means lost jobs and lost business to my region of the United States, just as it would at saltwater ports. So in an effort to destory competition, we are destroying the economic marketplace in the breadbasket area of our great Nation.

In addition to agricultural commodities, cash transfer countries purchase coal, chemicals, forest products, machinery, and many other industrial products shipped from our country. Section 305 would provide for U.S.-flag carrier rates up to 30 percent higher, Mr. President, than the average competitive international rate.

How does that make sense in the long term? These increased costs would result in countries purchasing waterborne commodities from our competitors, from American competitors, and fulfilling their obligations to the United States by purchasing other U.S. goods not requiring ocean transport.

Let us talk about coal. I see my friend, the distinguished Senator from Kentucky, sitting there, who joined me in the struggle on the clean air question some years ago. The question of coal is a very important commodity to my great State of Illinois and to the rest of the Midwest and to the State of my friend from Kentucky.

The Energy Information Administration has told us that U.S. coal exports are expected to increase by almost 150 percent by the end of the decade, due in large part to the elimination of coal production subsidies in Western Europe. In other words, Western Europe is going to discontinue these subsidies so our country can become competitive, and Kentucky, Illinois, Pennsylvania, and States that have been so severely hurt by the Clean Air Act have a new chance to sell coal, a great new opportunity to sell coal, a great new piece of information for an industry struggling with the anticipated decline in domestic consumption of some U.S. coals due to the implementation of the Clean Air Act Amendments of 1990.

Mr. President, to impose this additional cost through cargo preference will result in affected countries purchasing their coal from American competitors. How does that make sense? We passed a Clean Air Act. When we passed that act, we did terrible damage to the American coal industry, and particularly the soft coal industry with high sulfur content.

We came along and defeated all the amendments requiring similar standards for other countries. My friend from Kentucky remembers that. We even defeated an amendment that said that Canada had to comply by our standards because they were the ones that demanded all this acid rain protection. We did all that. Now we shot off one foot and here we come striding in again with a bill like this and we are going to shoot off the other foot.

Mr. President, the administration opposes this provision, and I agree with the administration. The administration is right, because it undermines the effectiveness of the taxpayer-financed

cash transfer program as a foreign policy instrument; it adds to the expense of shipping American foods and other goods to recipient countries and it contradicts U.S. policy to reduce foreign government controls and stimulate private enterprise.

The USDA has indicated that section 305 threatens the compromise reached between agriculture and maritime in the 1985 farm bill. That compromise increased the cargo preference requirements for USDA's consessional and donation programs to 75 percent. Everybody remembers that struggle a few years ago when we went through that terrible struggle and had that very contentious battle on the floor. This is going to do violence to that. This is just another bite out of the apple for those who want to have stronger and stronger cargo preference laws to do damage to our competitive opportunities.

In exchange, USDA's commercial and agricultural exports financed under the export credit guarantee programs were exempted from cargo preference. USDA has also indicated that further expanding cargo preference will make it more difficult to meet their existing cargo preference requirements due to the scarcity of American-flag vessels. And there is a scarcity, Mr. President. Just call upon our experience of a few months ago. Every Senator knows when we had the Persian Gulf experience, we did not have enough American bottoms, and we waived cargo preference laws.

In addition, 14 governments joined in a demarche to the State Department on July 11 to express concern about this provision in this bill. Fourteen governments joined in a demarche to the State Department July 11 expressing their grave concern about this provision.

What did they say? They said that the amendment would conflict with the recommendation adopted in 1987 by the OECD council concerning common principles of shipping policy; that no government of a member country should introduce new and/or additional measures restricting competitive access to international trade and cargoes. And here we come, Mr. President, the great United States, king of the hill, top dog, coming in wanting to destroy competition once again. Why can we not go out there and compete? We have the ability to do it.

Finally, Mr. President, humanitarian organizations—humanitarian organizations, may I say—involved in hunger relief, folks serving the hungry, folks serving the starving people of the world oppose this provision because it reduces the funds which poor countries receiving cash transfers need to buy needed goods.

All my friends come in here crying for the hungry. They come in here and cry for the hungry. Will you cry for them with your mouth and you take away their money with your bill?

As AID has pointed out, each dollar spent by the cash transfer recipient country to pay for the more expensive U.S.-flag transportation is $1 less available to be spent on actual American goods.

Mr. President, I have been here now a little over a decade. I suppose these folks who listen have heard this argument before. I have been involved in every cargo preference fight since I came here. It is an insidious, bad, wrong, wrongheaded practice. It is anticompetitive. It does damage to every decent instinct of Americans.

We are taking foods out of the mouths of hungry people when we do this. We are encouraging laziness in our own industrial community to meet the challenge of competitiveness in the world market. We are killing the Great Lakes, a great region of this Nation, and its shipping industry, and throwing thousands of people out of work and destroying major business houses. We are doing injury to the American farmer and the entire agricultural community of this Nation. It is a wrongheaded practice. We ought to stop it.

I have seen the votes before. I am not persuaded that what is said here matters that much, but I just want to say one last thing before I sit down. I came here once for it, and I fought for my State on the clean air bill. I got a lot of heat for that. I fought for the coal industry in my State and the coal miners in the riskiest work man undertakes, and we lost.

Thousands of people are going to go out of work, and billions of dollars are going to be spent in connection with what we did, but I live with that. That is a law of my Nation, and I live with it.

Now we come along again just when Europe has decided to no longer subsidize the coal interests in their countries, in the European Common Market, where we can become competitive and we can sell coal and then we pass a bill like this with a section in it that will destroy our opportunity to sell that coal. I want to know how that makes sense?

Take the American farmer who faces the drought that he is going to see this year. I see my friend from Iowa across the aisle who knows what we are going through in my State and his and other places in the country. The weather is against them. Take the coal miner. The acid rain legislation killed his job. And then we come along with a bill like this and say whatever is left, we want to kill that, too. I think it is a mistake, Mr. President.

I ask unanimous consent that the distinguished Senator from Wisconsin [Mr. KASTEN] be added as a cosponsor.

I wish my friends would reconsider what they do. This will be the fourth time, I think, since I have been a Senator that we have further broadened and liberalized this terrible law that we ought to get rid of altogether. This will be the fourth time, I believe. I stand corrected on that if my count is wrong.

We have a bad law. We keep making it worse. It is a very bad idea. I hope some of my friends come over here and express their views, as I have.

I want to say to the administration, they are right. I am delighted to vote with the administration. The administration is on the right course in wanting to take this section out of this bill.

I yield the floor.

Mr. BREAUX addressed the Chair.

The PRESIDING OFFICER. Without objection, the Senator from Wisconsin will be added as a cosponsor.

The Senator from Louisiana is recognized.

Mr. BREAUX. I thank the Chair.

I rise in strong opposition, Mr. President, to the amendment of the Senator from Illinois, Mr. DIXON.

Let me make two points which I think are in direct response to the points that the Senator from Illinois made.

No. 1, with regard to coal, the Senator from Illinois is trying to strike the only provision in this bill which requires that if any nation gets any money from the United States under this program and wants to buy coal, they have to buy it from the United States. They cannot buy it from China; they cannot buy it from Russia; they cannot buy it from any other state under the provision of the bill. He is trying to eliminate them from buying it other than from the United States of America.

Mr. DIXON. Will my colleague yield?

Mr. BREAUX. Let me finish my statement. That is what the requirement says in the bill in section 305, which he is trying to eliminate. It says:

> Assistance may be provided to a country under this chapter as a cash transfer only pursuant to an agreement requiring that the country spend an amount equal to the amount of the cash transfer to purchase United States goods and services.

Mr. President and my colleagues, that simply means a country that gets $1 or a country that gets $12 million or $100 million from the United States and needs to buy coal, without this provision, which is to be eliminated by this amendment, they could buy it anywhere. With the language in the bill, there is an absolute requirement that if they buy coal with any of the money that we give them, it has to be bought in the United States of America.

The second point. We are talking about coal workers and people who work in coals mines. I ask unanimous consent to have printed in the RECORD a letter from the United Mine Workers president, which says:

> The cash transfer reform provision will ensure that foreign recipients of U.S. cash aid

purchase American goods and agricultural commodities and transfer a portion of these purchases on American flag vessels.

The United Mine Workers of America, which represents, I would argue, almost all of the coal miners working in this country, continues by saying:

We urge you to reject any amendments to S. 1435 that would weaken the cash transfer provisions contained in the Committee-reported bill.

So when the Senator is talking about coal, I think it is clear this is the only provision in the bill which guarantees any money in the bill that is going to be used to purchase coal would require it be bought from the United States of America. Without that provision, they would be free to take that money and buy coal from any part of the world that has coal. It is just that simple.

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

UNITED MINE WORKERS OF AMERICA,
Washington, DC, July 24, 1991.

DEAR SENATOR: On behalf of the United Mine Workers of America, I urge you to support the retention of the cash transfer reform amendment incorporated by the Committee on Foreign Relations into S. 1435, the FY 1992 foreign aid authorization bill, during floor consideration.

The cash transfer reform provision will ensure that foreign recipients of U.S. cash aid purchase American goods and agricultural commodities, and transfer a portion of these purchases on American flag vessels. U.S. cash aid, provided by American taxpayers, should be used to purchase American products and American services, and not to subsidize foreign jobs and the purchase of foreign products.

We urge you to reject any amendments to S. 1435 that would weaken the cash transfer provision contained in the Committee-reported bill.

Sincerely,

RICHARD L. TRUMKA,
President.

Mr. BREAUX. The second point I would address, and I will try to do it very directly, is the question of the compromise that was reached in last year's agriculture bill, which was referred to by the previous speaker.

The legislation that is now before the Senate does not in any way touch the provisions in the farm bill of last year. We reached an agreement dealing with commodities and how much money was to be used and what commodities were to be carried on U.S. vessels. That was a commodity program.

This legislation deals only with any transfers of cash to a foreign country. It does not affect the compromise that was reached in the farm bill, which dealt with commodities. This legislation only says that a country which is going to get millions of dollars from the United States, No. 1, should purchase United States products; and No. 2, should use at least half of those dollars not to hire a Chinese vessel, a Chinese junk, or a Liberian vessel, but that they should also carry that United States product, at least half of it, in an American vessel.

If we say to these countries that we are going to help you, by golly, we ought to get something out of it. No. 1, we ought to get them to look to the United States for the products they are going to spend the money to buy, whether it is coal or whether it is wheat or whether it is any other type of grain.

Do we want them to say they are going to go to Argentina and buy Argentina's wheat because it is cheaper? Do we want them to go to Brazil and say we will buy soybeans produced in Brazil because they are cheaper? Of course not.

This is a program in which American taxpayers are putting up their good dollars to help other countries succeed in this world. We ought to be able to say, if you are using our money, look to us for providing those products.

Also, while we are helping grain farmers and coal miners and everybody who produces any other product, is it not appropriate to also say, when we ship the products, we are going to try to help the U.S. merchant marine, which is incredibly important to the defense and security interests of the United States? Of course it is appropriate. Will it cost any more? It probably will. But so does that wheat, and so do those soybeans, and so do all these other products that we are saying in this bill they should look to the United States to purchase.

Mr. President, we have voted in this Chamber in the last 10 years at least six times on the very issue of setting aside a percentage of cargo to be carried in U.S. vessels. Every time we voted on it in the Senate, we carried it by an overwhelming margin to preserve and protect that small piece of assistance to the U.S. maritime industry, as well as to the farmers of the United States.

We have done that because it was good policy. It was good policy 10 years ago. I would submit that it is still good policy in 1991.

In conclusion, Mr. President, I say to my colleagues virtually all nations that have maritime industries have cargo preference programs for their maritime industries. Out of the 55 maritime nations of the world, 52 of them have programs that provide for some type of preferential assistance to their maritime industry. Of course, the United States obviously is one of those. It makes sense. It is good policy.

I commend the chairman and the members of the committee who have brought this measure to the Senate.

I yield. If my friend has a question he would like to ask, I will be happy to respond to the Senator from Illinois.

Mr. DIXON. I just wanted to say to my colleague, who is a good friend, that his statement about the sales did not take into consideration a statement I made in my opening remarks about the fact hat these involve countries already buying 10 times the amount of money contemplated in this cash assistance program.

So I would suggest that it has very little to do with cargo preference, that it has very little to do with those purchases.

Mr. BREAUX. The point I was making is that this is the only part of the legislation which guarantees that recipient countries will buy U.S. products with U.S. dollars that are sent overseas. If they get $12 million, $20 million, and see they can get a lot cheaper coal or a lot cheaper wheat without the provision in the bill, they could go shop around and buy the best-priced product they want. That is not right.

This provision in the bill, which this amendment takes out, would in fact allow them to do just that. They may not, but they certainly may buy products elsewhere. They certainly could legally, without any ability for us to say do not buy Argentine wheat; do not buy soybeans in Brazil.

This legislation guarantees that if they are going to use our dollars, they are going to buy our products. What is wrong with saying, if you are going to buy our products, is it not appropriate to buy and ship those products in U.S. vessels? There is ample protection in this legislation if it does not work. No. 1, if it is a 30-percent or greater differential, the measures do not apply. No. 2, if the President determines that it is not in the national interest to allow it to apply, the President has the ability to say so and revoke the provisions of the legislation. There is more than ample protection for any type of problems that may occur.

Mr. DIXON. The second point I wanted to make to my colleague from Louisiana was, when I referred to the compromise, I meant that section 305 threatens the compromise reached between agriculture and maritime in the 1985 farm bill. That compromise increased the cargo preference requirement for USDA concessional and donation programs 75 percent, but in exchange, USDA's commerical agriculture exports financed under the export credit guarantee programs were exempted from cargo preference.

Mr. BREAUX. The point I make in response to that is that all of the agricultural programs in the farm bill dealt with commodities. This section of the bill does not deal with commodities. The farm bill does not provide for direct cash grants to any country. This legislation only deals with actual dollar cash transfers to a foreign nation. It does not affect commodity programs, it does not affect Public Law 480 programs, and it does not affect loan guarantee programs. It only affects direct cash transfers. This is different from any language in any farm bill any-

where that has ever been written in this Congress.

Mr. SARBANES. I would like to make an observation, if the Senator will yield. One of the things that has precipitated this issue is that much of the ESF [economic support fund] which was provided to countries previously under the commodity import program, is now being provided in the form of cash transfers. A cash transfer means simply to give the country the cash. We have no guarantee what the country is going to do with the cash. They may spend the cash to buy American products and ship in American-flag vessels, or they may take the cash and spend it somewhere else.

The figures the Senator is quoting that show that some of these countries have a favorable balance of trade with the United States does not really address the question of what the recipient government is doing with the cash transfer. Those figures show the total volume of trade. There may be a tremendous amount of trade going on the private sector that is reflected in that balance. That does not address what the recipient government is doing with this cash transfer.

What used to happen is that ESF was largely a commodity import program. That was the more predominant section, not cash transfers. But recently there has been a shift to cash transfers, which go directly to the government's bank account, and they go ahead and use it as they wish. Under the commodity import program, recipients had to import American commodities. And with that went the requirement that a certain percentage be transported in American ships.

The commodity import program thus had many more standard control features than do cash transfers. With a cash transfer, you open up the possibility of countries taking that money and doing with it as they please. This amendment says simply, if the American taxpayers are going to provide this money, then they should receive some of the benefits from it. Whereas we previously had a whole system of ensuring an American recompense for this commitment by the American taxpayer, now we are financing purchases from our competitors. We ought not to allow these countries to come out from under the responsibility to buy and ship American.

So I support the provision that is in the committee bill and oppose the amendment to strike it. It seems to me that American taxpayers have the right to expect their money to be used to support domestic jobs, and that these cash transfers ought to be used in order to purchase American goods.

I very much hope that the amendment the Senator has offered will not be accepted by this body.

There are, as you know, in the amendment certain ceilings and waiver provisions in order to ease its application if in fact it proves to be a particularly onerous situation. The President has the authority to waive this provision if it is important to the national interest, which is a significant authority. We assume it would not be abused simply to render the provision a nullity. But the authority is there.

Many of the goods that we ship receive a subsidy from the taxpayer of some sort under our own domestic arrangements. I know the argument is made that if countries have to carry their purchases in American bottoms, it will be a little more expensive and we will not be able to send as many goods. But you know, the goods are being sent in part because they are getting the taxpayer underwrite. It does not seem to me unreasonable that the taxpayer underwrite should reach to the maritime industry as well. I think this is fair. I think this is an instance in which we need to have fairness.

We ought not to fall into fighting amongst ourselves. We really ought to be trying to ensure that the countries receiving these cash transfers spend it such that a significant part of it redounds back to our advantage.

Mr. CONRAD. Will the Senator yield for a question? Might I just ask the Senator from Maryland. I have been trying to understand reading the papers that have come from both sides on this issue. One argument that I have read is that we are providing some $2 billion in aid to some of these countries but they are already buying $20 billion of American goods. And therefore the notion that we are compelling them to buy America is a nullity with respect to that part of it, and in effect what we are really doing is requiring cargo preference on commercial sales.

I would just be interested in hearing what is the view of the Senator from Maryland or anyone else that can answer the question.

Mr. SARBANES. The entity to which we are providing the aid is different from the entities that are making these purchases. The entity to which we are providing the cash transfer is the recipient government. There is no guarantee that these governments are making their purchases here. There may be private businesses in their countries that make purchases in America. But presumably those businesses would make them anyhow for whatever economic reasons they are now doing it. So what you are doing is comparing apples and oranges. We are giving the money to the recipient government. We have no guarantee that that recipient government will expend that money to support American jobs.

The fact that other entities in a foreign country are purchasing American goods, I think is relevant to mention, but it does not affect how the recipient governments use the money. There is no guarantee that the purchases to which the Senator is referring are the purchases of the recipient government.

Mr. BREAUX. Let me respond to the Senator further. I know his concern. I understand it. I appreciate it. Absolutely in no way does the language in the committee bill affect or apply to commercial service. It only applies to the very narrow provisions where we give them a dollar or an amount of money, and this applies only to how they spend that limited amount of money. Any other commercial transactions involving that country, or any other country for that matter, are not affected by the requirement that they be bought from American companies, or that they be shipped by any percentage in any American bottom ships.

Mr. CONRAD. Might I ask this question then: Would I be correct in understanding that if we gave $100 million to a country, that country would then be expected to spend that money buying American goods and services, and to whatever extent they bought goods from the United States, that half of the shipment of those goods would occur in American bottoms? Is that a correct understanding of what would occur?

Mr. BREAUX. Let me respond, and maybe the managers can elaborate. My understanding is that the legislation allows them to use the moneys that we give them to buy goods produced in their own country, and they are not subject to restriction if they do that.

If they do not buy it in their own country they cannot buy it from any other country with our dollars. They have to buy 100 percent of it in U.S. goods and services, or goods or services of their own whether it is grain or anything else. And of that portion that they buy in America, there is a requirement that half of it be shipped in American vessels.

Mr. CONRAD. I thank the Senator from Maryland and the Senator from Louisiana.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, as I understand it, section 305 requires countries receiving cash transfers to ship a fair portion of the goods and services purchased in the United States on U.S.-flag vessels. Lord knows this is important to the U.S.-flag merchant marine.

Those of us who live in coastal areas, and those of us who have followed the merchant marine through the years and saw how it sacrificed itself during World War II in the North Atlantic, realize the dire straits in which the flag merchant marine industry is. For that reason, I oppose the amendment.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I rise in support of the amendment by my friend from Illinois. I very definitely think that this cargo preference provi-

sion ought to be considered by this body as totally unacceptable.

Points are trying to be made here that this is just a small expansion, just a small expansion. It is kind of a case of: how do you eat 10,000 marshmallows? You eat one at a time, but when you are done, you have eaten a lot of marshmallows.

There may just be a small expansion of cargo preference here or there, but pretty soon it is going to eat us all totally. The really sad commentary about it is that cargo preference was meant to strengthen the maritime industry, to strengthen our economy, and it has not done that. It has not accomplished what it is supposed to accomplish for our national defense. We have fewer ships and fewer jobs since we have had this cargo preference legislation passed in the 1950's than at any time.

So if you want to help the maritime industry, I say to the opponents of this legislation, come up with something that works, not something that tends to lose jobs, lose ships, and, consequently, neither our national defense nor economy is strengthened. It is apparently no longer enough, Mr. President, that our undisciplined, uncompetitive U.S.-flag merchant marine enjoy Uncle Sam's open checkbook that allows them to charge the Government virtually whatever they please to ship Government-impelled cargoes which could otherwise be shipped at a fraction of the cost, if they were forced to charge world competitive rates. And that is the situation under present cargo preference legislation. That is not good enough.

It is no longer enough that they enjoy unfettered access to the U.S. Treasury through a back-door, hidden subsidy called cargo preference. Now, through this legislation, they want our commercial trade to subsidize them as well, and the result is going to be no different: continue to lose jobs, continue to haul a smaller percentage of the world trade, and have fewer ships.

Yesterday, Senators received an incredibly misleading letter from one of the maritime labor unions which, among other things, claims that this provision in S. 1435 is good for America's economy, good for the American farmers and, frankly, it even suggests that it is good for recipient nations.

These claims, at best, are laughable. If this is so good for America, why are nearly 30 major American organizations so opposed to this section? The U.S. Chamber of Commerce, the National Coal Association, the National Forest Products Association, the Shippers for Competitive Ocean Transportation, the Association of American Railroads, the American Farm Bureau, the American Soybean Association, the North American Export Grain Association, the American Great Lakes Ports, and many, many others, Mr. President, all opposed to this expansion of cargo perference into commercial trade.

Furthermore, the American organization, CARE, strongly objects because this provision directly undercuts the amount of food that can be delivered to the world's poorest countries and their needy people.

Mr. President, our colleagues must be warned that, except for those handful of Senators who might have a few U.S.-flag companies and maritime union members, this legislation represents a total loss to their State's economy, with no up side at all.

I strongly recommend that each Senator get his or her hands on a report by the Agency for International Development, entitled: "Procurement of Goods and Services from U.S. Suppliers."

This report will tell you what companies in your States supplied goods and services to the Agency for International Development for their foreign assistance programs, including the economic support fund.

I have seen this report for my State of Iowa, and I can tell you that this legislation is going to adversely effect and impact millions of dollars of business for Iowa companies, which have sold goods and services to AID, including: John Deere of Waterloo; the Koehring International Marketing Co. of Waverly; the Alexander Manufacturing Co. of Mason City; the Thermolyne Corp. of Dubuque; Amana Refrigeration of Amana; Insta-pro International of Des Moines, and several other companies from all over the State of Iowa.

Even Senators who have traditionally supported cargo preference should want to oppose this legislation because it is going to directly undermine businesses in their home States.

So, who benefits from this controversial provision? Simply stated it is a few thousand well-paid maritime union members and a handful of uncompetitive U.S.-flag maritime companies.

Based upon information I received from the Maritime Administration and from the Congressional Budget Office last year, cargo preference already provides over $400,000 each year in taxpayer subsidies for each billet, or oceangoing job that it supports. For those billets supported by operating differential subsidies which are supposed to cover the difference between our high-priced maritime labor and foreign maritime labor, the taxpayers subsidy runs around $100,000 per job.

We should remember why we are supposedly subsidizing our maritime in the first place. The most overused, worn out argument is that we need them for national defense sealift needs. What did the recent Persian Gulf sealift effort reveal? It revealed that only a fraction of our sealift needs were met by U.S.-flag commercial vessels and their maritime union crews.

Furthermore, the U.S. Government was forced to pay these patriotic U.S. seafarers double their normal salary for the period that they worked in the Persian Gulf during Desert Storm.

Last year I shared with my colleagues Maritime Administration data on maritime union crew wages. For instance, a captain of a U.S.-flag A-3 class vessel was paid, thanks to Uncle Sam's generous cargo preference and other maritime subsidies, over $26,000 per month in wages and benefits. If this captain spent a month in the Persian Gulf he got twice that amount of money.

Now, we hear much about how these people responded to the challenge that was put before our country, and anybody that contributed toward the effort of freedom, anybody who contributed toward the effort of our national security interests in that region of the country obviously must be complimented. But we must ask, do we really have to pay this amount of money for this kind of patriotism?

From the looks of this bill, some apparently believe that Uncle Sam cannot pay enough for this kind of patriotism and believe that Senators should be willing to sacrifice the economic interests of their constituents to subsidize these high-priced maritime union jobs even more.

I notice my friend from Illinois was standing. Did he want to ask me a question or did he want to interrupt me, because I would be glad to let the Senator do that at this point?

Mr. DIXON. Mr. President, if my colleague will yield, I appreciate the facts that he pointed out as well as he did the facts that our colleague should understand. May I say, as Senators come up to me on the floor, incidentally—and this is the reason why I want to make that remark—who looked at the last vote, which some of our colleagues are suggesting should persuade us to vote the same way again as when we did the Public Law 480 vote, I see a distinction here from what my friend from Iowa is saying that this is not one of those kinds of programs. This is on these cash purchases. We are changing the whole concept now to any kind of commercial purchases for cash where you are now going to impose this cargo preference law.

And so I think my colleague's remarks to that extent are very appropriate, and Senators should understand that how they voted on this in the past is not necessarily persuasive this time.

This is a question, I think my colleague will agree, of whether you want to broaden this even more and reach out now into these cash purchases and apply the cargo preference law there. And I just wanted to point out in connection with my colleague what he is saying about how much more it costs. If you look at page 63 of the bill, I would urge my colleagues to do that because on page 63 of this bill the folks that advocate this cargo preference law admitted it cost more.

I just want to read something to you. Line 26 on page 62 going up on page 63 through line 6, "*Provided*, that no United States flag carrier shall be reimbursed for more than 30 percent above the average competitive international rate for international ship transportation. The Secretary of Commerce shall establish regulations," and so forth.

They actually concede in this bill that it is costing more. And they say do not let it cost more than 30 percent more. So the whole point is we are imposing exactly as my friend, the Senator from Iowa, says, on the marketplace in cash sales a noncompetitive situation that is going to cost more.

This is a further broadening. When Senators go down there, may I say to my friend from Iowa, and they look at the vote they cast, they are not bound by that vote, it is not exactly the same kind of vote. This is again a cargo preference vote, yes, but this is a further broadening to go out into the commercial marketplace, aside from Public Law 480 and other things. I think my colleague would agree that that is a distinction.

Mr. GRASSLEY. Absolutely. Mr. President, what the Senator from Illinois states ought to made crystal clear to all 100 Members of this body, that most votes which have been brought up here recently have been attempts to put a restriction or maybe to cut back or to put some limit on cargo preference. But the issue before us right now is a massive expansion of cargo preference into a whole new area that cargo preference has never dealt with before.

I have never seen an issue that has so much mystery connected with it as cargo preference. The inability to get figures, the inability to get our colleagues to concentrate on what this is actually costing the taxpayers, and efforts to get information out in published documents have been very difficult because if the truth were known about this program, if the truth were known what this program cost the taxpayers of the United States of America, there would not be a cargo preference program as we know it now.

There may be a legitimate reason to have a cargo preference program, or maybe I should say it this way: There may be a legitimate reason for us to have a subsidy to our maritime industry and to promote American ships. But at the very least we ought to be able to budget that, and account for it, and know exactly what it is costing taxpayers of the United States.

And whether it is done this way through commercial sales or whether it is done through the traditional way we have had cargo preference, it is nothing but a back-door hidden subsidy. It creates a monopoly market for a handful of U.S.-flag operators to charge virtually what they please, to write out their own Government check. And I do not know of another subsidy program that leaves Congress, the administration, and most of all the taxpayers so much in the dark.

Every once in a while someone in Congress asks the CBO or the General Accounting Office to do a cost estimate, but in my review none seemed to do a thorough job of digging to the bottom of the heap to find out what these total costs are.

Therefore, Mr. President, I had an opportunity late last year to ask some questions along this line. I even had the help of Senator DOMENICI as a ranking Republican of the Senate Budget Committee to ask the Congressional Budget Office to give it their best shot at determining the cost of cargo preference and operating differential subsidies. And although this is not dealing with these commercial sales, I think my colleagues ought to know what is already going on before we expand this program. CBO spent over 2 months poring over the numbers. Mr. President, CBO found that the cost of the ODS and cargo preference for fiscal year 1991 is $1.55 billion CBO found that for the 5 years running from fiscal year 1991 through fiscal year 1995, the total cost will be $5.165 billion.

Mr. President, one of the biggest arguments we get in support of cargo preference is that it is necessary to maintain employment of U.S. seafarers for the day that they might have to haul military cargo in a war zone.

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

Mr. GRASSLEY. If the Senator has a short question and I can give a short answer to it, but not to have a long bit of dialog because there are a lot of people here waiting to speak.

I yield to the Senator from Louisiana.

Mr. BREAUX. The Senator said what the cost of the subsidies was. I was wondering if he also had the cost of the subsidies for the farm program during the same time period.

Mr. GRASSLEY. Mr. President, I do not have that at the tip of my tongue. I think the Senator from Louisiana makes a legitimate point. That is why I have already said that it is not just for a matter of equity, because it ought to be for some reason other than equity. If the Senator is saying that there is a reason to subsidize the maritime industry, I am not disputing that at all. All I am saying is, let us get out in the open so we know what it costs and be aboveboard and not use the back door way of doing it.

Mr. President, it seems to me that support for this subdidy has been emphasized on the grounds that it ought to be for national defense. I have already pointed out how I think that probably we have come up short there. It has not fulfilled its goal. I am suggesting that we ought to find some other way to do this. I think we ought to have a massive overhaul of it.

If there is a conclusion by this body that we ought to have that subsidy, we ought to continue to do that, but do it in a way that is open and aboveboard.

But for this moment—and I am going to yield the floor now—I conclude this way: For the moment, I am saying that my colleagues ought to know what it costs already, what little has been accomplished, how U.S.-flags have—instead lost a market share of the total percentage, gone down dramatically in the last 40 years of total world trade, and how we were not able to rely on U.S.-flags in Operation Desert Storm to accomplish what we thought they were going to accomplish. My colleagues ought to understand this before they support this massive expansion of cargo preference into commercial trade.

I yield the floor.

Ms. MIKULSKI. Mr. President, I congratulate Senator PELL and my fellow Senator from Maryland [Mr. SARBANES] on their work on this bill and particularly on the cash transfer provision. I think it is quite innovative, and it is.

Its requirements are good common sense. If the American taxpayer is going to send their hard-earned dollars to help out foreign countries, then dollars should be at least spent on U.S. goods and on helping U.S. workers.

I support that buy-American requirement. It is good for our trade balance, good for U.S. farmers, good for U.S. industry, and it is good for our friends around the world who are going to purchase high-quality American agriculture and industrial products.

But, Mr. President, not only do I support buy American, I support use American—use American—use American ships, and use American maritime workers. I support the requirement that at least a half of these goods should be shipped on U.S.-flag ships.

This is an agreement that we have had in effect with Israel since 1979. And guess what? It works.

I support helping our friends in other countries who need help, but I support American workers even more, and that means helping our friends in the U.S. merchant marine as well. We call upon them in wartime and we should be ready to provide them with our help in peacetime.

President Roosevelt called our U.S. merchant marine the heroes in dungarees because of their heroic efforts during World War II. We have called upon them in the Korean war and in the Vietnam war and most recently in Operation Desert Storm.

But because of the decline in both American shipyard facilities and the shrinking nature of the Merchant Marine Union, we had a tough time coming up with both.

And guess what, Mr. President? Only a few weeks ago when we were in the

Appropriations Committee of State, Justice, Commerce, I found out that the Maritime Administration that is touted in this debate wants to go out and buy 40 ships of the roll-on, roll-off category from foreign manufacturers, when I have my own guys and gals at Bethlehem Steel hustling around for every little bit of rivet or welding that they could get.

Now let us get serious. If we are going to use foreign aid as a dual track thing to help other people around the world, to essentially help our farmers—and I am going to do that—help our industrial workers, then we ought to help merchant marine.

We subsidize our farmers. There has not been one word of comment, other than the Senator from Louisiana about the subsidizing of farmers. Do we need to do that? You bet. I have farmers in Maryland, as I know the Presiding Officer has them in the great State of Wisconsin. But I think that while we are subsidizing our farmers and our industries with cash-transfer requirements, I see nothing wrong with subsidizing the maritime industry as well.

If we want to eliminate all subsidies, go totally free market, then do it, but then eliminate all the subsidies for every industry. But let us not single out the great heroes in dungarees and say it is wrong to subsidize them while we provide subsidies for farmers, the energy industry, and so many other sectors of our economy.

So I hope that we would oppose the Dixon amendment and make sure that we buy American and use American.

I am happy to yield back the floor.

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

Mr. SARBANES. Will the Senator yield for a moment so we might make an inquiry?

Mr. GLENN. Yes.

Mr. SARBANES. Mr. President, we are trying to get some sense of how many Members want to speak on this amendment and some idea of how long they may wish to speak. It would be very helpful to us in trying to plan our work if we could very quickly get some idea of that.

Mr. GLENN. Ten minutes.

Mr. SARBANES. Is there anyone else on this side?

Mr. DURENBERGER. Mr. President, I desire to take about 3 minutes to speak.

Mr. BROWN. Approximately 3 minutes.

Mr. SARBANES. Mr. President, I ask unanimous consent that the time for debate be limited to 40 minutes, equally divided, 20 minutes on each side on this amendment.

Mr. GLENN. Reserving the right to object. Who controls that on our side?

Mr. SARBANES. I saw two requests: your request for 10 minutes and the request from the holder of the Chair for 10 minutes, and both indicated they could do it in something less than that, which would leave a little time to give to someone else if someone should appear.

Mr. GLENN. It is fine with me, so long as I have 10 minutes.

Mr. LUGAR. Mr. President, reserving the right to object, I do not know whether my request is recorded. I would like to speak for 10 minutes. I do not know whether that can be accomplished with 20 minutes on our side.

Mr. DOLE. I think we are going to go on for a while. Why cannot those who want to speak, speak, and the rest of us go home and have this vote at 10 o'clock in the morning. That way, people would be here and could get an agreement on the next amendment from Senator DODD from Connecticut instead of waiting an hour in the morning to find somebody to offer an amendment.

Mr. SARBANES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

Mr. SARBANES. Reserving the right to object.

The PRESIDING OFFICER. Is there objection?

Mr. SARBANES. I object.

The PRESIDING OFFICER. Is there an objection?

Mr. SARBANES. Objection.

Mr. KENNEDY. Objection.

The PRESIDING OFFICER. Objection is heard.

The legislative clerk continued with the call of the roll.

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

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

Mr. SARBANES. Mr. President, I ask unanimous consent that there be 24 minutes remaining for debate on the Dixon amendment, No. 822, with the time equally divided between the proponents and the opponents, and that when the time is used or yielded back I be recognized to move to table the amendment that is now before us.

Mr. GLENN. Mr. President, reserving the right to object. Who controls time on this side, those in support of the position of Senator DIXON?

Mr. SARBANES. Mr. President, I amend that request because it is worded in terms of proponents and opponents, and we apparently have more proponents who want to speak. So I ask the time be allocated 12 minutes to the two managers and we will allocate it out on our respective sides.

I know the Senator from Ohio wishes time. The Senator from Wisconsin wishes time on our side. I would guarantee them both at least 5 minutes and hopefully 6 minutes. I may have to hold a couple of minutes, if that is agreeable.

Mr. STEVENS. Reserving the right to object. Did I understand the Senator said the complete time on the amendment will be this limited time? Or is this a motion to table?

Mr. SARBANES. At the conclusion of that time a motion to table will be offered on the amendment.

Mr. STEVENS. There would be no limit on time after that if it is not tabled; is that right?

Mr. SARBANES. That is right.

Mr. President, I renew the request.

The PRESIDING OFFICER. Is there objection to this request? Without objection, it is so ordered.

Who yields time? The Senator from Ohio?

Mr. SARBANES. Mr. President, I yield 5 minutes to the Senator from Ohio.

Mr. GLENN. Six?

Mr. SARBANES. Take 5. I will keep some time for others.

Mr. GLENN. Mr. President, I rise to express my strenuous objections to section 305 of the bill we are now considering. I rise in support of the position expressed by the distinguished Senator from Illinois [Mr. DIXON].

This section, which purports to be a "tied aid/buy America" provision, is simply an expansion of cargo preference to certain commercial cargoes. This measure will not increase the purchase of U.S. products by ESF cash transfer recipients. Those countries already spend many times over the amount of the cash transfers they receive on U.S. goods and services.

This provision will expand costly cargo preference requirements to commercial cargoes not now subject to those requirements. In other words, the aid that we believe we are giving to these countries they will not really get because they must use part of what we are giving them for increased shipping costs.

I stand here as one who has supported a strong merchant marine. But I would rather, if we are going to subsidize the merchant marine, let us do it very directly and not by cutting back the help we are trying to give needy countries.

The best way I found to understand the true impact of this provision is to look at a hypothetical example of how it would work. Let us take country X. Country X receives $100 million as a ESF cash transfer. Country X spends $500 million annually on U.S. goods and services. If section 305 becomes law, country X would not be required to spend any more on U.S. products, but they would be required to ship 50 million dollars' worth of those U.S. commercial purchases on U.S.-flag carriers. Because U.S.-flag carriers are substantially more expensive than their international competitors, in fact country X

will only buy $490 million in U.S. goods, being forced to spend the difference on the increased cost of transportation. Hence, Mr. President, rather than increase sales of U.S. products, this provision is much more likely to decrease the volume of such sales.

It is for this reason, Mr. President, that a very broad coalition of U.S. agriculture, business, transportation and private voluntary agencies is strongly opposed to section 305. As a Senator from Ohio, a State whose economic well-being is increasingly dependent year after year on exports, I will oppose anything that will function as a disincentive to exports, and that is what this does. As a Senator from the Great Lakes region in addition, I oppose any expansion of cargo preference which further disadvantagese the lake ports.

For an excellent summary of the many compelling arguments against this provision, I recommend to my colleagues, the dissenting views of the Honorable LEE HAMILTON and others which appeared in the Foreign Affairs Committee report on H.R. 2508, the House version of the foreign aid authorization bill. As Congressman HAMILTON points out, the House committee adopted an amendment similar to section 305 without any hearings and over the strong objections of the administration and many interested parties.

Similarly, the Senate held no hearings on this issue before adding its new mandated cargo preference requirement to the foreign aid bill. I think this is very important, Mr. President, because while the provision may seem innocuous on first reading, its flaws are readily apparent if one delves further into the substance. Yet, neither committee in the Senate nor the House chose to allow the airing of the arguments pro or con in an open hearing. Neither committee gave the agricultural interests, the mining products interests, the forest products interests, and others the opportunity to tell Members of Congress just exactly what effect this provision would have on their international sales, exports of the United States. I believe such a public hearing of the issues is the least we should do before taking an action which has the very real potential to erode the competitive position of the U.S. exports.

The dissenting House Members also rightly point out that monitoring compliance with this new requirement would be a bureaucratic and administrative nightmare. Let me quote from the statement made by dissenting House Members:

> In addition to expanding cargo preference, the amendment would impose an administrative monstrosity on hundreds of millions of dollars of private export transactions with purchases in ESF cash transfer countries. The amendment requires the President to track sales of U.S. goods, including purely private commercial sales, to countries receiving ESF cash assistance and to ensure that the price of the goods is fair and the geographic distribution of the location of the purchases and the ports of departure is equitable.

I continue to read from their statement:

> In FY 90 and 91, approximately $1 billion annually in sales of U.S. goods and services would have been directly affected (excluding Israel's cash transfer of $1.2 billion) and up to $12 billion indirectly affected. Taking such State intervention in private transactions even further, the recipient country must sign an agreement to give the U.S. GAO access to personnel and records in its country, presumably to ensure compliance by the importer.

Mr. President, I support a competitive, viable U.S. merchant marine. I have demonstrated that support many times in the past. I propose a means to enhance ocean-going U.S.-flag service on the Great Lakes. I worked hard with the U.S. military to make a U.S.-flagged roll-on, roll-off service competitive for cargo in the Great Lakes. However, I cannot support an expansion of cargo preference into commercial cargoes with the result that the competitiveness of U.S. products is degraded.

We hear a lot about U.S. competitiveness around here. Now it is time to do something about it. I urge my colleagues to support the amendment of the distinguished Senator from Illinois to strike section 305, and I ask unanimous consent that I be added as a cosponsor to the amendment. I yield the floor.

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

Mr. MCCONNELL. I yield 3 minutes to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, I rise in strong support of the amendment of the distinguished Senator from Illinois. His courageous amendment is one that takes head-on an issue that this Chamber must face. He spelled out, I think, in excellent detail, the fact that the Midwest of this country is going to be hit hard by this cargo preference. He has also spelled out, I believe, a clear indication of the industries that will be damaged by this amendment.

But I want to dwell on one other aspect. I think it is a legitimate question to ask what this amendment does to the men and women who earn their living through the merchant marine and the people who own their ships. Has cargo preference helped or hurt?

When our Olympic teams train for the distant runs, they do not have the runners go down to sea level to train where it is easy. They have them go up high so they can get into shape to compete. Our merchant marines have to compete in this world. What cargo preference says is you are going to have them compete on easier terms, not tougher terms, and when they come to the marketplace to compete, they are unable to compete.

If you have a child who comes home and asks you to do his or her homework, do you say, sure, I will be glad to do your homework? I doubt if there is a single parent in this Chamber who takes that attitude, and they do it for a very real reason. It is because their son or daughter is the one who has to take the test in school. If the parent does the homework for them, they are not prepared; they are not able to compete.

That this Nation is saying with cargo preference is pretty simple. They are saying they are going to keep this industry from being competitive and lean, and it sends a devastating message. It says Americans are not able to compete in this world, and that is wrong. It is wrong for what it has done to the merchant marine because it has meant fewer vessels, not more. It is wrong to the men and women who work in this industry because it has meant fewer jobs, not more. It is wrong for what it says about America because it says America cannot compete in the world market, and that is simply not true.

We ought to reject cargo preference not just because it damages the Midwest, not just because it damages industries. We ought to reject it because we care about the merchant marine and we care about the men and women who have to work in that industry or have an opportunity to work in that industry, and we ought to reject it because we want to make America competitive and strong again. I yield the floor, Mr. President.

The PRESIDING OFFICER. (Mr. DIXON). Who yields time?

Mr. MCCONNELL. I yield 3 minutes to the Senator from Minnesota.

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

Mr. DURENBERGER. Mr. President, I am pleased to be a cosponsor of this measure to strike the cargo preference provisions in the committee bill that require 50 percent of U.S. goods purchased through the foreign aid program be shipped on U.S.-flag vessels.

Cargo preference has a certain appeal on a superficial level—buy American, ship American. But the essence of these provisions is anti-American, antifarmer and antibusinessman, anticompetitive, and, as it has been pointed out, antiforeign assistance.

The committee provisions represent a substantial expansion of the cargo preference program, which is already problematic. The committee provisions require countries receiving cash transfers from the United States—ESF funds—to purchase goods of at least equal in value from the United States.

As I understand the situation, this particular part of the language would have virtually no impact at all. Why? Because virtually every country that

receives U.S. ESF funds already purchases U.S. goods and services in amounts well in excess of their ESF receipts. That is to say, they are already purchasing more than this language would require.

But the committee bill goes even further, Mr. President. It requires recipient countries to ship 50 percent of those goods on U.S.-flag vessels.

That translates into very direct losses for U.S. farmers and businessmen. The 21.6 million dollars' worth of goods were not purchased from suppliers in each and every one of our States. To put it as succinctly as possible, Mr. President, each dollar spent for the more expensive U.S.-flag carriers is one less dollar spent to purchase U.S.-made products.

Expanding the scope of cargo-preference will seriously inhibit U.S. commercial grain sales to ESF-recipient countries. The estimated $30 per ton additional costs of U.S.-flag vessels means an additional shipping cost of 75 cents per bushel for corn and 83 cents per bushel for wheat and soybeans.

Today's farmers are already struggling with problems—weather disasters, reduced Government program payments, sagging commodity prices—that are threatening to sharply reduce farm income this year. Putting an additional burden on U.S. agriculture producers and their commodity sales through these extra shipping costs just does not make sense.

So, Mr. President, this new expansion of cargo preference will not promote increased U.S. exports to the Third World. It will contract U.S. exports, not expand them. Countries will buy fewer goods from because they have to pay more to ship on U.S. carriers. There is no corresponding increase in the funds available to transport on expensive U.S. ships. So, quite clearly, Mr. President, less of the finite funds available will go toward buying U.S. goods.

There is nothing buy American about the committee language. It would be more accurate to call it buy less American. Mr. President, I urge my colleagues to support the measure before us, vote against the motion to table and agree to this amendment. I yield the floor.

Mr. SARBANES. Mr. President, I yield 4½ minutes to the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 4½ minutes.

Mr. KOHL. Mr. President, I rise as a cosponsor and strong supporter of this amendment.

My distinguished friend and colleague from Illinois, Senator DIXON, has made several eloquent and compelling arguments against section 305. But I would like to expand on a few points made by the Senator from Illinois.

Section 305 requires that a country receiving more than $10 million in U.S. cash transfer assistance under the Economic Support Fund purchase an equivalent amount in U.S. goods and services as it receives in cash transfer funds and, further, that 50 percent of those goods be shipped on U.S.-flag vessels.

Proponents of section 305 contend that the provision would encourage foreign aid recipients to buy American goods. They contend that the provision would increase American exports. But, in fact, just the opposite is true.

Every single country to which this section would apply currently buys more in U.S. goods and services than they receive in U.S. aid. Let me offer a few examples. Israel will receive approximately $1.2 billion in cash transfers in fiscal year 1992. Yet the total value of United States exports to Israel in 1990 was $3.2 billion. The Philippines will receive about $83 million in cash transfers in fiscal year 1992. Yet the value of United States exports to the Philippines in 1990 was $2.4 billion. All told, the U.S. expects to contribute about $2 billion in cash transfers to 17 countries in fiscal year 1992. These 17 countries bought more than $20 billion of U.S. goods in 1990.

What, then, is the real purpose of this provision if cash transfer recipient countries are already buying in U.S. goods more than 10 times the value of what we send them in aid? Unfortunately, the answer is all too clear. It is a thinly veiled effort on the part of the U.S. maritime industry to expand cargo preference requirements to commercial cargo.

Now I have several problems with that, Mr. President, first, let me remind my colleagues that any expansion of cargo preference requirements puts the Great Lakes region at an economic disadvantage. The reason for this is that the Great Lakes cannot compete for U.S.-flag service—simply because ocean-going U.S.-flag ships are too large to come through the St. Lawrence Seaway. Expanding cargo preference requirements to commercial cargo—as section 305 would do—would have devastating effect not only on the ports of my State of Wisconsin, but on businesses throughout my State that rely on exports to cash transfer recipient countries.

Second, in expanding cargo preference requirements to commercial cargo, section 305 expands the application of cargo preference well beyond the compromise reached between maritime and agricultural interests in 1985. That compromise, enacted as part of the 1985 farm bill, provided for the continued use of cargo preference for Government cargo while prohibiting the application of cargo preference on commercial exports. I find it somewhat amazing that—while the maritime industry accused many of us of trying to abrogate this compromise during last year's farm bill debate—the industry is suggesting that very thing right now.

Mr. President, let us not kid ourselves. Section 305 will not only damage our export competitiveness but will reduce the amount of foreign assistance available to U.S. aid recipients. It does so because, in forcing countries to ship via U.S. flags, we are forcing countries to pay two or three times what it costs them to ship via foreign flags.

Mr. President, Members of this body need to be very aware of the consequences of this provision. This provision will cause a loss in aid to Israel, Egypt, the Philippines, Boliva, Colombia, and 12 other countries. In addition, section 305 will reduce the purchasing power of these countries—not increase it.

Many national organizations oppose section 305 for these very reasons. Let me take a minute to list some of these groups: the American Farm Bureau; the American Paper Institute; the National Coal Association; the U.S. Chamber of Commerce; and CARE—a private voluntary organization involved in world hunger efforts.

These groups represent a wide range of interests and perspectives. But their concerns are genuine. They understand that section 305 will reduce our export competitiveness. They understand that section 305 will reduce the amount of foreign assistance we are providing to cash transfer recipients. They understand that section 305 is really only an effort to protect the interests of our maritime industry.

I hope that my colleagues will understand their concerns as well. I urge my colleagues to support this amendment, and I yield the floor.

The PRESIDING OFFICER. The distinguished Senator from Wisconsin yields the floor. Who yields time?

Mr. MCCONNELL. Mr. President, I yield 3 minutes to the Senator from Indiana.

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

Mr. LUGAR. Mr. President, I join Senator DIXON in opposing the cargo preference provisions in section 305 of this bill and am pleased to join as a cosponsor of the amendment to strike this section from the legislation.

Poorly disguised as a buy American provision, section 305 is nothing more that an unprecedented expansion of our cargo preference laws. The provision would benefit the U.S. maritime industry at the expense of American agriculture, the U.S. coal industry, our forest products industry, our railroads, our textile industry, our steel industry, our automotive sector, and many others.

Section 305 of this bill requires countries receiving cash assistance from the United States to buy American goods and ship 50 percent of those goods on U.S.-flag ships. While this is billed as a

buy America provision, the countries already buy 20 times more U.S. goods than they get in cash assistance. It is purely an attempt to further the reach of cargo preference laws.

The provision is an attempt to raid the foreign assistance account and burden other important U.S. industries in order to further subsidize our merchant marine. The foreign assistance bill is not the appropriate place to be subsidizing our shipping industry.

Mr. President, we all wear many hats. Interestingly, I find myself opposing this provision no matter which hat I wear. As a member of the Senate Foreign Relations Committee, I oppose this provision because of its negative impact on foreign assistance programs.

The provision is fundamentally at odds with the purpose of ESF cash transfer program, which is intended to provide flexible assistance to friendly countries. Section 531 of the Foreign Assistance Act states:

> Under special economic, political, or security conditions, the national interests of the United States may require economic support for countries in amounts which could not be justified under [the development assistance provisions]. * * * In such cases the President is authorized to furnish assistance to countries and organizations in order to promote economic and political stability.

The provision would also impose difficult bureaucratic restrictions on nongovernmental foreign assistance and development organizations. I ask unanimous consent to insert in the RECORD a letter from CARE which further explains how the provision would effect such organizations.

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

CARE,
Washington, DC, July 15, 1991.

Hon. GEORGE J. MITCHELL,
Majority Leader, Washington, DC.
Hon. BOB DOLE,
Minority Leader, Washington, DC.

DEAR SENATORS MITCHELL AND DOLE: We wish to register our deep concern over Section 305 of the International Security and Economic Cooperation Act of 1991 (S. 1435), the foreign aid authorization bill which has been approved by the Foreign Relations Committee for floor action. Section 305 mandates that U.S. flag cargo preference be applied to purchases of American goods by countries receiving U.S. cash grant aid, up to the amount of the cash transfer.

Applying cargo preference to U.S. shipments to these developing countries is objectionable for various reasons. It directly undercuts the purpose of our aid: to help the recipients. Cash transfer recipients include some of the world's poorest countries. Under Section 305 they would have to pay the high cost of U.S. flag shipping.

As a major private voluntary organization programming food aid and other assistance to needy peoples abroad for more than 40 years, CARE knows the importance of getting assistance to those who need it, on time and in good condition. We have a long standing policy of U.S. flags first in booking our cargoes, provided the vessels give good timely service at competitive rates.

Unfortunately, we have encountered serious and growing problems in recent years with substandard, inappropriate, tardy and excessively costly ocean freight carriage due to cargo preference. The difficulties have been exacerbated with the progressive increases in cargo preference requirements for food aid imposed under the 1985 farm bill. The imposition of further cargo preference under Section 305 would only add to the damage, not reduce it.

Finally, while we favor a healthy U.S. trade balance and a competitive U.S. merchant marine, Section 305 accomplishes neither. It would also hurt the poor countries we are trying to help and reduce the effectiveness and efficiency of our international assistance program. We strongly urge you to support the removal of this provision (Section 305) from the bill.

Yours sincerely,

CHARLES L. SYKES,
Vice-President of CARE.

Mr. LUGAR. A disturbing aspect of section 305 is that it would encourage State intervention in the private sector. While every country involved, except Nicaragua, buys more from the United States than we provide in ESF cash transfers, these cash transfer funds seldom go directly to buying United States goods. Cash transfer dollars are often intended to provide funds to address balance of payment problems and inflation in recipient countries. It is usually the private sector in these countries, not the government itself, which buys much of these U.S. goods. Section 305 would, therefore, require foreign governments to intervene in their private sector's business transactions. This is hardly something we should be encouraging as a country committed to free market enterprise.

As I change hats and review this provision as the ranking member of the Senate Agriculture Committee, I find it equally objectionable. The provisions of section 305 will make American agricultural commodities more expensive and will damage the competitiveness of our agricultural sector. Growing cargo preference requirements have the potential to wipe out billions in commercial export sales from agricultural producers with a corresponding loss of income for American farmers.

The U.S. Department of Agriculture notes that the provision "breaches the cargo preference compromise between agriculture and maritime interests reached in the 1985 farm bill." The Department and the agricultural groups which oppose this provision also worry that it will make American commodities more expensive leading to decisions by foreign purchasers to buy from other sources.

Let me provide an example to illustrate:

The Agriculture Department has calculated that the $1 billion in goods required to be shipped on U.S.-flag carriers, under the provisions of section 305, would buy about 8.3 million metric tons of wheat.

We all know that U.S. ships are more expensive. Let's assume a higher freight rate of $20 per metric ton. In this example, the increased costs to foreign buyers would be about $166 million, reducing wheat imports by almost 1.4 million metric tons.

This problem will exist to some degree for any agricultural commodity which could be sold under this program.

In light of its negative impact, this provision is opposed by the American Farm Bureau Federation, the American Soybean Association, the Fertilizer Institute, the Millers National Federation, the National Forest Products Association, the National Grain and Feed Association, the National Grain Trade Council, the National Grange, the National Oilseeds Processors Association, the North American Export Grain Association, Protein Grain Products International, and the Terminal Elevator Grain Merchants Association.

Mr. President, I would like to submit for the RECORD a letter in opposition to section 305 of this bill by the above mentioned groups as well as other well known organizations.

Finally, Mr. President, as I remove my Agriculture hat and replace it with my Great Lakes hat, I must once again stand in opposition to this expansion of cargo preference. Great Lakes ports are not called upon by U.S.-flag vessels and therefore, cannot handle cargoes shipped under cargo preference requirements. Therefore, any expansion of cargo preference also expands the volume of exports no longer available to Great Lakes ports. This has a damaging effect on our longshore labor and the continued health of the Nation's fourth seacoast, the Great Lakes/St. Lawrence Seaway System.

These are important goals which should not be watered down by adding another purpose to the ESF program. Doing so would reduce the program's flexibility and detract from its important foreign policy purposes.

A large percentage of the ESF cash transfer program is used to support the Middle East peace process. Israel is scheduled to receive $1.2 billion and Egypt is scheduled to receive $115 million in cash transfer funds. Additional funds are used to encourage drug control efforts in several Andean nations. Of the remaining countries scheduled to receive these moneys, many are extremely poor and are least able to pay higher U.S.-flag shipping rates. Haiti, Jamaica, Costa Rica, and the Philippines, to name a few, would all be hurt under this provision.

Section 305 would be difficult, if not impossible, to administer. It requires the administration to undertake the difficult task of tracking the sales of U.S. goods, including private commercial sales. The administration would have to verify that all countries which

receive cash transfer under the ESF program buy a sufficient amount of American goods and transport these goods on U.S.-flag ships. The General Accounting Office would also have to access and audit foreign governments' records.

Mr. President, I ask unanimous consent that a letter from Mr. Jim Hartung, director of the Port of Indiana at Burns Harbor, be printed in the RECORD. In this letter, Mr. Hartung stresses the damaging effect any expansion of cargo preference has on the Port of Indiana and other Great Lakes ports.

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

INDIANA PORT COMMISSION,
BURNS INTERNATIONAL HARBOR,
Portage, IN, July 3, 1991.

Hon. RICHARD G. LUGAR,
U.S. Senate, Washington, DC.

DEAR SENATOR LUGAR: May I once again express appreciation for your many fine efforts on behalf of Indiana's international trade interests. Most recently, I thank you for your opposition in the Foreign Relations Committee markup of the new foreign aid bill to the cash transfer/cargo preference amendment offered by Senator Pell.

The Pell cash transfer/cargo preference provision is a prime example of a counterproductive amendment. While it purports to apply a "Buy America" policy, in fact, the countries which receive U.S. cash transfer already buy $billions more of U.S. goods than the amount of the cash transfer. So all the provision really does is to apply high-cost cargo preferenece to existing U.S. exports, thus reducing the volume of our waterborne shipments or losing our sales to competitors not captive to U.S. flag rates.

The unprecedented imposition of cargo preference on U.S. commercial exports in this case is of multiple concern to us in the Great Lakes. Not only do we face head-to-head competition with suppliers in Canada and elsewhere, but we also lack U.S. ocean-going ship service. If an Indiana supplier is bidding for a sale to a cash transfer country, how can he export through Burns International Harbor when there is no U.S. seagoing vessel calling here?

You undoubtedly have heard from farm groups on how this new cargo preference requirement would disadvantage them. The Administration strongly opposes this provision. Humanitarian aid groups such as CARE object to it because of its negative impact on poor countries.

We very much appreciate your past leadership on this issue and hope you will continue to play a vigorous role in opposing the new cargo preference requirement when the foreign aid bill comes to the Senate floor.

Appreciatively yours,

JAMES H. HARTUNG,
Port Director.

Mr. LUGAR. Today, I have tried to outline, from three different points of view, the objectionable nature of section 305. The provision has drawn strong opposition including a veto threat from the administration. I will work to ensure that this expansion of cargo preference does not become law. I urge Senators to vote to delete it.

Indeed, Mr. President, I do support the provision for the reasons that CARE has so succinctly and so accurately described. We are talking about foreign assistance. We are talking about helping needy people. We are talking about Israel and the countries of the Middle East. To negate the purposes of the bill and mandate a transfer payment from American farmers and other suppliers to the merchant marine is inappropriate in a foreign aid bill.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Indiana yields the floor.

Mr. McCONNELL. I yield 2 minutes to the Senator from Mississippi.

The PRESIDING OFFICER. The distinguished Senator from Mississippi.

Mr. STEVENS. Parliamentary inquiry. How much time remains?

The PRESIDING OFFICER. The Senator from Kentucky has 4 minutes and 45 seconds. The Senator from Maryland has 2 minutes and something.

The Senator from Mississippi.

Mr. LOTT. Mr. President, first I would like to point out to my colleagues tonight what this amendment does. It strikes the entire section 305, which means we strike out the provision which allows for the purchase of U.S. goods as well as a way to ship those goods.

Without this provision, where are we going to get the grain? Are we going to buy it from Brazil? This is the only provision in the bill which requires that we buy American goods and American services to supply those goods. So you need to be aware on what you are voting. It strikes the entire section 305.

Now, second, my question is, do we want a merchant marine American fleet or not? I live on a port in the Gulf of Mexico. I go down to the grain elevator; I go down to the docks; I see Russian ships; Greek ships, all kinds of flags, Panamanian, Nigerian, no U.S.-flag vessels.

This is one small effort for us to use American ships. It makes no sense for us to provide money and assistance, require that it be spent on U.S. goods but not require that it be transported on U.S. ships.

Our merchant marine, our shipbuilding industry in America is being devastated. So if we are going to support the U.S. goods industry through U.S. aid and assistance, we should also require that the goods be transported on U.S. ships.

What did we learn in Desert Shield and Desert Storm? One of the things we learned was that we have a big problem in providing the merchant fleet to ship our American goods even in wartime. In the gulf war, U.S. flagships came to our aid very quickly. In fact, I think some 130 ships got involved. But we still had to go get other foreign flags to help us in Desert Shield/Desert Storm. Remember, that was under the best of circumstances. Under other circumstances we may not have been able to get foreign flagships to come to our aid when we really needed it.

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

Mr. LOTT. We should support American industry and oppose this amendment.

The PRESIDING OFFICER. The Senator from Kentucky has 2 minutes 33 seconds.

Mr. McCONNELL. I yield the remainder of my time to the Senator from Alaska.

Mr. STEVENS. I share the opinion of the Senator from Mississippi. I do not need the time.

The PRESIDING OFFICER. The Senator from Kentucky has 2 minutes.

Mr. McCONNELL. Mr. President, I am unaware of any other Senators who wish to speak.

The PRESIDING OFFICER. The Senator from Maryland has 2 minutes 20 seconds.

Mr. SARBANES. I do not think I have any requests. If so, I am prepared to yield back my time.

Mr. McCONNELL. Mr. President, the administration strongly opposes any change in cargo preference laws. While its advocates market this provision as a buy America plan, it is exactly the opposite. Cargo preference is bad for American business, bad for labor and bad for the U.S. balance-of-trade deficit.

The direct effect of cargo preference is to reduce the amount of American goods and services a government must purchase when receiving cash transfers. At the same time that we are demanding a country buy American goods or services in an amount equal to their cash transfer, we are also insisting they ship on more expensive American-flagged carriers. This is no more and no less than a cash subsidy to American shipping interests.

In 1990 AID funded commodities—including soybean meal and corn—which were shipped on American hulls cost $21.6 million more than any competitive international options. That is $21 million which could have been buying American grain, machinery, tools, or other supplies.

American shipping usually runs double the price of any foreign competitor. In 1990 AID paid roughly $59 per ton for American shipping compared with $30 on non-American carriers. The fact that the Senate is financing noncompetition is inconsistent and counterproductive.

There is an extensive list of products from every one of our States which are eligible for purchase under the cash transfer program. These are all products made in the United States by American labor which will lose sales volume because of cargo preference. We are putting at risk dairy products, coal, fertilizers, tires, tobacco, iron, steel, ships, boats, industrial equipment, cars, and manmade fibers and

woven fabrics. The list represents the backbone of the American economy and export market.

Finally, the countries most adversely affected by cargo preference are those least able to bear the burden. Cargo preference requirements will cut into the buying power of Egypt, Israel, the Philippines, Haiti, and Honduras, to name just a few. These are not countries with the unlimited resources to spend on the most expensive shipping available.

I strongly urge my colleagues to vote to strike any such restriction subsidizing American shipping.

Mr. HELMS. Mr. President, one of the many defects in this bill is the provision requiring countries that receive cash transfer assistance [ESF] to spend an equivalent amount of resources on goods and services in the United States. I have no problem with that, but there is a further provison that recipients must ship at least 50 percent of those goods on U.S.-flag carriers, an obvious subsidy for maritime unions and shipowners, which will diminish the amount of grain delivered to the starving people in many countries.

To be specific, Mr. President, the committee accepted an amendment requiring U.S.-flag carriers to be no more than 30 percent above the average competitive international rate for international ship transportation. This so-called improvement, cargo preference, is still another obviously unacceptable provision which the administration opposes and which will assure a veto by the President.

The Agency for International Development reported, in a memo from May 22, that—

> In calendar year 1990, United States flag vessels were, on average, $29.25 a ton more expensive than foreign vessels. AID-funded commodities, including bulk corn and soybean meal, shipped on U.S.-flag carriers in calendar year 1990 cost $21.6 million more than internationally competitively bid transport would have cost.

The memo states further:

> The value and utility of cash transfers as a tool for achieving our overall foreign assistance and foreign policy objectives would be reduced significantly, since no additional funds are to be provided to meet the additional cost of U.S.-flag shipping.

In North Carolina alone, AID purchased more than $13 million worth of goods and services in fiscal 1990. This is a small amount compared to most States. Products ranged from office furniture to computer software. If this amendment is not accepted, that figure will be much lower in the future.

Mr. President, Congress owes the American taxpayer honesty in the allocation of resources. Unless Congress accepts this amendment, the cargo preference provision will indirectly subsidize the U.S. merchant marine—at the expense of the U.S. taxpayer. If Congress intends to provide an additional subsidy to the merchant marine, it should be debated and approved as such. I urge Senators to support the motion to strike this unwise and unfair provision which the committee should never have accepted in the first place.

Mr. DOLE. Mr. President, history has an uncanny knack for repeating itself in this body. So I guess it comes as no surprise that we again find a new, important and—in my view—unfair and unwise cargo preference provision in the foreign aid authorization bill.

I rise as a cosponsor of the Dixon amendment to strike this new cargo preference language.

Let us be clear: This new provision will have a real and negative impact on our competitiveness. How cargo preference is defined and implemented is an issue which is central to the competitiveness and the economic well-being of the agriculture and business communities in the United States. So we must think about and debate this issue very carefully, before assenting to a significant change in our cargo preference laws.

In earlier forms, this issue has been debated at great length on the floor and in various committees in the past. But the bottom line remains the same—cargo preference is an indirect subsidy which undermines our competitive position in the world market, and puts at risk valuable foreign markets which have taken decades to establish. Under the current and immediate past administrations, the United States has aggressively sought new and expanded foreign markets, and we have made significant gains. I hope that my colleagues will choose not to throw those gains away by building in a self-imposed penalty undermining our competitiveness.

Specifically, this new language is tied to a provision in the bill which restricts economic support fund cash transfers to countries if they do not agree to spend an amount equivalent to the cash transfer on the purchase of U.S. goods and services. As far as that goes, it probably makes some sense. Aid-recipient countries should spend our aid dollars on American goods and services which are competitive in world markets.

The word "competitive" is the key. Aid programs are not the vehicle to subsidize uncompetitive industries. If we want to subsidize them, let us do it up front and honestly—not through back-door provisions like cargo preference.

So what does not make sense is to force the recipient nation to utilize a fixed percentage of their ESF, 50 percent, on American goods shipped only on our flag vessels. Given the significant difference between rates charged by the U.S. merchant marine and the going rates in foreign markets, this requirement would divert useful funds that could be used to purchase our commodities in order to pick up this excessive, uncompetitive freight tab.

Again, if we want to subsidize our merchant marine, so that it can be competitive, then let us just vote to do that, and pay for the subsidy out of the appropriate account. It is just unfair, and irrational, to subsidize the merchant marine out of the foreign aid or agriculture budget.

Mr. President, this is a complex issue. I can understand that many of my colleagues may not follow our export markets closely, and may not realize that a minor difference in freight rates can make or break a major sale of commodities. It is for that very reason that we must look before we leap; that we ought to consider this fully before assenting to this kind of basic change in our cargo preference policy.

Mr. President, I hope that my colleagues will join me in voting to strike this provision. It is the wrong provision, at the wrong time, in the wrong bill.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. MCCONNELL. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Have the yeas and nays been requested?

Mr. SARBANES. Mr. President, I move to table the Dixon amendment. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Maryland to table the Dixon amendment. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Arkansas [Mr. PRYOR] is absent because of illness.

Mr. SIMPSON. I announce that the Senator from Missouri [Mr. BOND] and the Senator from Rhode Island [Mr. CHAFEE] are necessarily absent.

The PRESIDING OFFICER (Mr. ROCKEFELLER). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 55, nays 42, as follows:

[Rollcall Vote No. 146 Leg.]

YEAS—55

Adams	Ford	Murkowski
Akaka	Gore	Nunn
Bentsen	Graham	Packwood
Biden	Harkin	Pell
Bingaman	Hatfield	Reid
Bradley	Heflin	Robb
Breaux	Hollings	Rockefeller
Bryan	Inouye	Sanford
Burdick	Johnston	Sarbanes
Byrd	Kennedy	Sasser
Cochran	Kerrey	Seymour
Cohen	Kerry	Shelby
Conrad	Leahy	Specter
Cranston	Lieberman	Stevens
D'Amato	Lott	Warner
Daschle	Mack	Wirth
DeConcini	Mikulski	Wofford
Dodd	Mitchell	
Exon	Moynihan	

NAYS—42

Baucus	Glenn	McConnell
Boren	Gorton	Metzenbaum
Brown	Gramm	Nickles
Bumpers	Grassley	Pressler
Burns	Hatch	Riegle
Coats	Helms	Roth
Craig	Jeffords	Rudman
Danforth	Kassebaum	Simon
Dixon	Kasten	Simpson
Dole	Kohl	Smith
Domenici	Lautenberg	Symms
Durenberger	Levin	Thurmond
Fowler	Lugar	Wallop
Garn	McCain	Wellstone

NOT VOTING—3

Bond	Chafee	Pryor

So the motion to table the amendment (No. 822) was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 808

Mr. WOFFORD. Mr. President, with desperate human needs here at home, with our working families squeezed by higher taxes and declining incomes and with the Federal deficit still out of control, we need to cut wasteful and unnecessary foreign aid. But we must do it with well-aimed shears, not a sledge hammer.

The Helms amendment essentially says that Members of Congress refuse to take the responsibility to cut individual programs which waste taxpayer dollars. It says that thoughtful debate about specific programs is not possible.

The Helms amendment would not even allow us to cut the programs that waste the most taxpayer money. When we spend billions of dollars each year to subsidize the defense of our economic competitors who can then invest their own resources in health care and worker training, new infrastructure, and new technology, we are wasting American dollars.

When we spend billions of dollars to rent overseas military bases, which are of more use to the landlords than to the tenants, we are wasting American dollars.

I voted against the Helms amendment because it could not—and did not even attempt—to make reasonable cuts in our foreign aid budget. I believe we can do better, for our own taxpayers and for the people of the world who still look to America as their last, best chance for a better life. And I will work to see that we do better as the Senate continues to address the Foreign Aid Authorization Act.

Mr. SARBANES. Mr. President, I will support the absence of a quorum. But before I do that, because there are some Members on the floor, let me say that first of all I want to express my appreciation to my colleagues. Even though we did have some stretches today with quorum calls and we had difficulty in getting Members over to offer their amendments, we were able to make substantial progress in dealing with this bill, not as much as we would have hoped, but perhaps more than some expected.

We think there is a very good chance, in fact, a very, very, good chance that we can finish this bill tomorrow in a reasonable amount of time. But we hope the Members will come to the floor to offer their amendments, particularly those amendments that are regarded as noncontroversial, or that perhaps with some modification the managers can accept, so we can clear them.

There will be, we know, some highly controversial amendments on which there will be some debate, and I take it some fairly close votes. And we are trying now to arrange the time when that may happen. But we urge Members tomorrow to move forward promptly with their amendments.

I understand we will resume consideration of this bill at 10:30 a.m. and we hope that Senator WELLSTONE at that point will be prepared to offer his amendment. I assume that will be included in the request of the leader.

So, if we can just keep moving tommorrow, hopefully we can pass this legislation.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, I certainly agree with my friend from Maryland. It seems to me that the amendments of which we are aware are down to a precious few, and there is every reason to believe we should be able to finish this bill tomorrow.

APPOINTMENT BY THE REPUBLICAN LEADER

The PRESIDING OFFICER. The Chair, on behalf of the Republican leader, pursuant to Public Law 101-445, appoints Ms. Sue Greig, of Kansas, to the National Nutrition Monitoring Advisory Council.

Mr. SARBANES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection it is so ordered.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there be a period for morning business with Senators permitted to speak therein.

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

UNITED STATES AMBASSADOR-DESIGNATE TO BOLIVIA GIVES VIEWS ON LA PAZ' ROLE IN THE ANDEAN DRUG WAR

Mr. CRANSTON. Mr. President, recently the Senate Foreign Relations Committee had the opportunity to meet with Mr. Charles R. Bowers, the administration's nominee for ambassador to Bolivia.

His appearance before the committee comes at a time of increasing strains in the United States-Bolivian relationship. It also comes at a time that those of us who have warned about the potential dangers of the administration's antinarcotics strategy are, sadly being proven right by developments in Bolivia.

I believe the administration is headed down a wrong-headed path in its antinarcotics efforts in Bolivia.

I am worried about the effect of involving the Bolivian military—after considerable pressure from the United States—in what should be a civilianized law enforcement task.

I am also concerned about what the involvement will mean in terms of upsetting Bolivia's fragile civil-military relationship.

Yet, despite an increasing number of alarming critiques from La Paz about the administration's antinarcotics policy, the State Department appears determined to press ahead with a policy that is not working and, despite the growing outlays of money it is willing to spend, probably cannot work.

For that reason, I would like to share with my colleagues the written responses Mr. Bowers offered to my questions. I think they are illustrative of what is wrong with the administration's approach and bode badly for the future, not only of United States-Bolivian relations, but the future of Bolivian democracy as well.

I ask unanimous consent that the text of my questions, and Mr. Bower's responses, be printed in the RECORD.

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

QUESTIONS FOR THE RECORD SUBMITTED TO CHARLES RICHARD BOWERS BY SENATOR ALAN CRANSTON, JULY 10, 1991

Question 1: As you know, the previous Ambassador has left a legacy of conflicting relationships with important sectors of Bolivian society and has been widely criticized for intervening in Bolivia's internal politics. How do you plan to improve relations with these important actors on Bolivia's democratic scene?

Every Ambassador has his or her own style. If confirmed, I intend to carry out my duties in a manner that reflects my way of getting things done. I anticipate doing a lot of listening to Bolivians in all sectors of their society and learning what they have to say. I plan to reach out to diverse groups in Bolivia's economic, cultural and educational areas. Naturally, I will spend a good deal of my time with the political leadership, those in power as well as out, those at the zenith of their careers and those just starting out.

I intend to be active in bringing to the Bolivian people and leadership a solid understanding of American values, traditions and beliefs. I have been working in the international affairs arena for over 25 years. One thing I am convinced of is that we have our best bilateral relationships with those countries where we share commitments to common values: to freedom and democracy, to economic justice, to the worth of the individual and the rule of law. The current government of Bolivia is, I believe, committed to those noble values, and I look forward to lending my help to democratic elements in Bolivia in their efforts to strengthen and deepen the roots of democracy.

Question 2: In the United States we have carefully and—in my judgment—wisely drawn a distinction between internal security and national defense, giving the former task almost entirely to civilian law enforcement. Unfortunately, this essential democratic safeguard has been absent in U.S. Andean anti-narcotics policy, and has had a serious corrosive effect on Bolivia's democracy. What is your view on the militarization of the drug war?

I believe the Bolivian government draws the same distinction between law enforcement and national defense requirements as we do. It is the police, not the military, that has the law enforcement responsibility to carry out the war against the illegal narcotic traffickers in Bolivia. The armed forces of Bolivia, however, have had for several years a supporting role in that battle, primarily in providing transportation and logistical support to the police. The Bolivian Air Force, for example, has been flying helicopters for the police for about three years, and the Bolivian Navy works with the police in providing "brown-water" boats so that the police can seek out narcotraffickers who use Bolivia's extensive river networks.

Recently, the Bolivian government decided to engage elements of the army to support the police in remote and isolated areas of Bolivia where the narcotraffickers have been operating with impunity. The Bolivian Government has limited the army's counter-narcotics role to those sparsely populated regions, and has designed that role to support the police in such areas as blocking escape routes, manning road checkpoints and, in rare instances, coming to the aid of engaged police forces who are in danger of being outgunned and overwhelmed by heavily armed narco-criminals.

Question 3: Following up on this, recent press reports—in the Washington Post, among others—suggest that not only civil-military relations, but also the delicate balance between the army and the police, have been damaged by U.S. anti-narcotics assistance. What plans do you have to remediate this damage?

There is indeed a tradition of rivalry between the police and the military in Bolivia that has historical roots. I believe that U.S. anti-narcotics assistance, however, has served to minimize rather than exacerbate that rivalry. The reason for that belief lies in the fact that, as a result of our anti-narcotics program, Bolivian police and military forces have received a great deal of training from highly qualified U.S. civilian and military trainers. Such training has improved markedly the professional capabilities of the Bolivian police and military forces. The Bolivian policemen and soldiers who have been trained emerge from that process as better, more committed and more competent policemen and soldiers. They gain, as part of that training, a better understanding of their role in a democratically governed country and for their part in protecting the rule of law. This is not to say that rivalries no longer exist. But the premise that U.S. anti-narcotics assistance has made them worse is simply not supported by the facts.

Question 4: I note you have extensive administrative experience and skills. I have heard reports of late of serious mismanagement by our embassy in La Paz of our anti-narcotics efforts in Bolivia, problems that are currently under in-house review at State. What plans do you have to improve accountability in La Paz?

The May 1991 Inspection Report issued by the State Department's Office of the Inspector General (OIG) found the U.S. Embassy in La Paz to be "exceptionally well managed" and found "country team coordination thorough." That report goes on to state that "the mission has not neglected other U.S. interests in Bolivia but has framed the counternarcotics struggle within their context."

Concurrently with that general inspection of embassy operations, another OIG team undertook to audit the embassy's counter-narcotics program in Bolivia. To the best of my knowledge, that audit report has not yet been finalized or published. My general experience with audit reports is that they focus on what the auditors believe needs to be improved rather than on what has already been done properly and well. I assure you that I will personally review any recommendations made by the OIG auditors and will take all necessary steps to ensure that all of Embassy La Paz' programs—including the country-narcotic ones—are in compliance with law, regulation and sound management practices.

FOREIGN AID AUTHORIZATION BILL CLOTURE VOTE

Mr. DIXON. Mr. President, the Senate earlier today voted to invoke cloture on the motion to proceed to S. 1435, the foreign aid authorization bill. For the record, I cast my vote against cloture.

S. 1435 contains a provision that will extend cargo preference requirements to commercial sales of U.S. goods and services to countries receiving U.S. cash transfer assistance.

As I have stated many times before, any time cargo preference requirements are increased, the Great Lakes region suffers. In addition to the fact that many of the cash transfer recipients purchase Midwest agricultural and industrial products, the Great Lakes ports, which have no regularly scheduled U.S.-flag ocean-going service, are virtually shut out from participating in the shipment of goods to which cargo preference applies.

Mr. President, I support the need to maintain a strong merchant marine for national security and sealift capabilities. Cargo preference, however, does not achieve this goal.

Cargo preference has been extended time and time again, yet we continue to watch the size of the U.S. merchant fleet decline. I cannot support, therefore, yet another extension of cargo preference at the expense of American competitiveness in the international market, and of the ports around the Great Lakes.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 2,321st day that Terry Anderson has been held captive in Lebanon.

ILO LABOR CONVENTIONS

Mr. MOYNIHAN. Mr. President, I recently received a letter from Mr. Randolph Hale of the National Association of Manufacturers concerning the International Labor Organization and Senate ratification of ILO labor conventions. The active involvement of the National Association of Manufacturers on these issues and, in particular, its testimony before the Committee on Foreign Relations concerning ILO conventions has been most important. I believe that I can state for the chairman and the other members of the Committee on Foreign Relations in saying that the committee has very much valued having the association's views. Moreover, the cooperation among the administration, the business community, and labor in breaking the decades-old logjam on the ratification of these conventions has been a model of consultation and cooperation.

The National Association of Manufacturers has, however, come to have certain concerns about the ratification process. In sum, the association is concerned that the filing of complaints with the ILO might be used to change U.S. labor law without the Congress and the State legislatures being involved. While no single Senator can provide the clarification of the Senate's intentions that the association seeks, I can certainly provide you with my own views on the matter for the record. Under the ILO constitution, government, business, and labor representatives operate independently of each other. That is one of the things that makes the ILO unique among international organizations. As the U.S. labor representative to the ILO, the AFL-CIO is entitled to file complaints with the ILO. However, decisions by ILO bodies on such complaints are not binding in the United States. Changes to U.S. labor law will be made by the Congress and by State legislatures—not the ILO—based on the available evidence about U.S. needs and circumstances.

Indeed, the parties to this process have agreed to certain ground rules for ratification which insure that this will be the case. The second and third of the ground rules for ratification state that any differences between Federal law and practice will be dealt with through the normal legislative process and that there is no intention to change State

law and practice through ratification of ILO conventions. Pursuant to these ground rules, a recommendation by the Tripartite Advisory Panel on International Labor Standards [TAPILS] that the United States ratify an ILO convention represents an agreement by labor, business, and the administration that the United States is already in complete compliance with the convention or that any variations will be dealt with by the adoption of legislation by the Congress. When the Senate grants its consent to ratification it states its concurrence with that opinion.

Mr. President, I certainly hope that this provides the assurance that the National Association of Manufacturers understandably seeks on behalf of its members and I would ask unanimous consent that Mr. Hale's letter to me be printed in the RECORD at this point.

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

NATIONAL ASSOCIATION
OF MANUFACTURERS,
Washington, DC, May 9, 1991.

Hon. DANIEL P. MOYNIHAN,
U.S. Senate,
Washington, DC.

DEAR SENATOR MOYNIHAN: On April 10 NAM presented testimony before the Senate Foreign Relations Committee relative to ILO convention #105, Abolition of Forced Labor. Discussion of this testimony by NAM members uncovered a significant concern which I feel necessary to relay to you and ask your guidance in its satisfactory resolution.

Briefly stated, the concern is:

Does the U.S. Senate agree to and therefore have the ILO (and at times the OECD) to effectively become the potential arbiters of U.S. labor law and practice before, as well as after, conventions are ratified.

As you know, after long and careful discussion with the government and labor, the U.S. employers agreed to a well-articulated and well-working process to review ILO convention applicability and use in the United States. Precisely, the process insures that an individual convention does not conflict with existing U.S. federal or state labor laws. This process, under the tripartite review group called TAPILS, has and continues to examine various conventions. Their work has resulted in NAM not opposing ratification of conventions 144, 147, 160 and now 105.

The AFL-CIO has consistently maintained that ratification of ILO conventions 87 and 98, concerning freedom of association, would not require modification of any existing U.S. legislation.

The AFL-CIO, therefore, continues to file alleged U.S. violations of these conventions with the ILO's Committee on Freedom of Association (CFA), and at times with the OECD. The complaints filed involve individual and company situations as well as alleged violations of collective bargaining rights at the state and local levels questioning federal-state jurisdiction.

All of these complaints should be adjudicated under existing U.S. legislative and administrative practices, especially when full use of the U.S. system (e.g. NLRB elections) has been bypassed. They are all clearly internal domestic cases and have no place in any international arena particularly when any "decision" of these groups would be sterile under existing U.S. law. The implication is that similar bypassing of the U.S. system will occur even for conventions ratified by the Senate.

This seems to indicate an intent to influence U.S. labor law change and interpretation using international pressure in those areas they have been unable to influence through normal congressional debate or use of the established administrative and court procedures.

The result is that NAM must reconsider whether it should continue to support the TAPILS process. We oppose any attempt, through initiatives in international arenas, to change U.S. labor law through the treaty route rather than as a result of regular TAPILS, legislative, court or administrative processes.

We request clarification of the Senate's intentions regarding this concern and inclusion of this letter into the record. We also request your guidance in terms of the best interests of U.S. trade or foreign policy as well as labor law.

Please understand that these strong statements have been discussed at length with our membership. We take this step after careful deliberation and based on the fair and open way the Senate Foreign Relations Committee has handled ILO Conventions approval.

Thank you for your consideration of the concerns expressed in this letter.

Sincerely,

RANDOLPH M. HALE,
Vice President,
Industrial Relations.

RECOGNIZING SERVICE OF NANCY FLETCHER DEHLINGER

Mr. GARN. Mr. President, today I want to recognize the service of a member of my staff, Nancy Hope Fletcher Dehlinger, who is leaving my staff this week. Nancy has worked in my office for almost 16 years. Upon graduation from college, she decided to follow in her mother's footsteps and work in the Senate. Her mother, Ruth Fletcher, worked for former Senator Curtis, Republican of Nebraska, for 25 years, until his retirement. Nancy joined my staff during my first year in the Senate and has been a reliable member of my staff ever since.

During her tenure, Nancy has supervised the operations of our mailroom, assisted in the computer automation of the office, filled in for receptionists and worked as a legislative secretary. She also extended a warm hand of friendship to homesick interns. Her service as a legislative secretary, for my assistants dealing with public lands and national security, has given Nancy a working knowledge of how these issues affect Utahns. Although these tasks are not the high profile positions, any Senator in this Chamber can attest to the fact that the mailroom is the heartbeat of any office. Nancy's understanding of that operation is unparalleled.

When Nancy first came to work for me, she had never visited the State of Utah. Now, she can recite the Zip Code of almost every small hamlet in the State including: Tremonton, Birdseye, Wendover, and Beryl, UT. Nancy has visited Utah a number of times now. She understands the politics, culture, and history of the State. Even though she was raised in Maryland, Nancy is now so familiar with Utah, she is almost a native.

Nancy married James Dehlinger in May of this year and will be joining him in Arizona. Perhaps Nancy's understanding of the West will prepare her for her new home in Arizona and if she finds it too hot in the Arizona desert, she will always be welcome in Utah. I am grateful for her dedication and good work. Nancy's efforts will be missed. I want to take this opportunity to wish her luck and happiness in her new life.

WORLD REFUGEE SURVEY: 1991

Mr. KENNEDY. Mr. President, one of the most dedicated and longstanding agencies involved in chronicling the world's refugee problems have been the U.S. Committee for Refugees. Since 1958, when it was established to help America participate in the first World Refugee Year, the U.S. committee has been an advocate for refugee protection and assistance.

In recent years, it has grown in stature as the leading private agency recording and reporting on worldwide refugee problems. And one of its most important contributions is the publication of its annual World Refugee Survey.

A few weeks ago, the most recent survey for 1991 was released, and it provides as always a carefully prepared statistical survey of the world's current refugee populations—the who, where, and when questions—while also dispassionately addressing some of the "whys" behind the tragic flows of refugees.

Unfortunately, the optimism of the previous year's survey that there was new hope in finding durable solutions to some of the world's longstanding refugee problems with the end of the cold war, ended in dashed hopes.

As Roger Winter, the director of the U.S. committee, points out in his opening essay, new upheavals—such as the Persian Gulf refugee crisis—more than overshadowed what other progress was made in other regions of the world.

Mr. President, I commend to the attention of my colleagues the new World Refugee Survey, and urge that they obtain the complete 112-page published report.

But for the RECORD, I would like to ask that the report's section on "The Year in Review" be printed, since it provides a thoughtful overview of refugee issues over the past year—many of which still face us this year, as some will in the years ahead.

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

[From World Refugee Survey—1991]

THE YEAR IN REVIEW

(By Roger P. Winter)

The year 1990 was one of lost innocence, shedded naivete. As 1989 closed, for many of us there was boundless hope—essentially, knowledge—that, with the demise of the Cold War, the world could look forward to a rosier future. There would be opportunity to focus on improving the quality of life for all, international cooperation that would make multilateralism work, usher in peace, and perhaps even give rise to peace dividends. We believe that "liberty and glasnost for all" had set in motion democratizing and peacemaking trends that would never be reversed.

A year later, the world has engaged in a major war in the Persian Gulf that even before the outbreak of hostilities in 1991 had displaced more than a million people. In the aftermath of that war, the world has been forced to confront the hopelessness and helplessness of refugees and displaced people in new, high profile ways, with thousands dying in the process. In the Soviet Union, the architect of glasnost has in the Baltics countenanced the rise of violent militarism as an instrument of domestic policy, the Union itself appears to be rushing toward collapse, and perhaps millions are poised to leave at the first opportunity. Despite the apparent end of the Cold War, the world's refugees had increased to nearly seventeen million by the end of 1990 and were significantly higher immediately thereafter. The reality of war and conflict for much of humankind remains unchanged, the prospects for much more—in the Soviet Union, Yugoslavia, the Middle East, India, Sudan, Burma—portend even higher numbers of refugees and displaced people. We remain in a well-weaponed world.

This spiritual and emotional roller-coaster has implications on the largest of scales. In the refugee field, they are all-defining. Geopolitics has consistently dominated the international refugee machinery. Many have conceived of refugees exclusively in Cold War terms. Although that should never have been the case, in truth, the Cold War, including the third world proxy battles it spawned, was the major producer of refugees in the post-World War II era. We perceived its passing to mean that fewer refugees would be created and that millions who lost their homes and homelands would be able to return.

The past year has produced several developments, revelations, and trends that, at minimum, muddy the clarity of our earlier prognostications. For one, we are now aware of the post-Cold War lag factor. It has been more than two years since the Soviets left Afghanistan, but there is no peace, and the refugees have not gone home. While small progress has been made in some other regional conflicts, such as Angola, Mozambique, Cambodia, in almost all the dying and suffering go on. Only in Namibia and, less securely, in Nicaragua, is peace actually "on line." Extricating the world from passing conflicts is not at all simple or quick.

For another, the absence of the Cold War framework, perhaps properly, undermines the certitude with which too many of us approached the world. Robert J. Samuelson recently wrote that for the United States, "since the 1940s, communism has been the great simplifier * * * it has made our foreign policy a great morality tale of good versus evil * * * now, [with] communism's collapse * * * we are less sure of our foreign interests." Freed from the Cold War framework, ethnic hatred, nationalism, and other forces raise their negative sides unbridled, without the discipline inherent in the old framework. While many share a feeling that there will be less (simplistic) clarity on why new populations of refugees and displaced people emerge, it is increasingly clear that the forces unleashed by the world's changes will in fact produce new displacement in significant numbers.

There is increasing evidence that the apparent demise of the Cold War and the fear of collapse in the Soviet Union have combined to cost most refugees and displaced people whatever strategic value they may once have had. Several observers have suggested with respect to refugees and displaced people that, because the conceptual structure that defined "our interests" has changed, so too has our will to respond. It is increasingly clear that for many in the best-off nations of the world the humanitarian needs of the poorest of the poor, those of least strategic importance, are fading from the even miniscule view they were formerly afforded. For most of us, the plight of Africa's victims, for example, is just not an issue, just as the gassing of the Kurds was not when it first came to world attention in 1988. If anything, too much attention continues to be focused on walling others out so that they don't impinge on us. The UN High Commissioner for Refugees (UNHCR) respected Director of International Protection Michel Moussalli recently pointed out that "the budget of UNHCR for the 15 million refugees in the world amounted to roughly 500 million dollars in 1989. The financial resources devoted by the administrations of the Western countries handling their asylum procedures amounted for the same period to roughly 5 billion dollars." With respect to UNHCR, the abrupt departure of High Commissioner Stoltenberg in October further unsettled the institution that has suffered immensely during the last few years. Bureaucratically, it may seem that the worst of UNHCR's budget crunch has passed. But that would be a shallow view indeed. It may be more comfortable in Geneva because the substantial deficit carried forward from 1989 to 1990 has been liquidated, and staff who were going to be let go are gone. But at what a price! Refugees worldwide—but especially in the less visible spots—have seen their actual level of care degraded, education of their children eliminated, their dependency deepened.

It is critically important for those interested in humanitarian concerns generally, and humanitarian concerns in the third and fourth worlds specifically, to fight back, to organize to ensure that whatever "new world order" emerges from today's confusion and change adequately responds to the vulnerable uprooted victims of human conflict.

In that regard, I suggest that a five-point common agenda be pursued during the next several years:

1. Strengthen the multilateral humanitarian institutions. The UN High Commissioner for Refugees, the International Committee of the Red Cross, and other international entities that deal with refugees and displaced people have emerged from the last few years in a weakened state. In terms of their mandates, capabilities, financial resources, and available diplomatic support, that trend needs immediate reversing. While it is important that the UN system generally works better now, with fewer East versus West blockages to its peacekeeping and conflict resolution capacities, it is also critically important that these particular UN and international agencies actually work well. They are the institutions charged with protecting and assisting those who are already victims.

2. Advance and institutionalize international protection and assistance for internally displaced people. States are legal entities that often have no inherent validation by the people who live within them. Glenn Frankel has written that most nation-states are "jury-rigged contraptions that owe their existence to the twentieth century collapse of the Ottoman, Hapsburg, British, and French empires. * * * More than 90 of the UN General Assembly's 159 member states were born after World War II." He quotes Francois Heisbourg, director of the International Institute for Strategic Studies: "Will nation-states fade away? I don't think so. Will state sovereignty fade? My answer is yes."

One area in which sovereignty should fade is where a government's abuse of its own citizens is so onerous that it breaches some well-defined standard of international acceptability. We need a system that codifies an international interest in the people in such cases and legalizes an appropriate international protective response. To be politically feasible, such an approach would likely need to be limited to clearly aberrant or rogue governments and also limited in the responses that could be triggered. One example might be the provision of a legal umbrella for cross-border relief operations to civilians being starved out by their government in a civil war without that government's approval. Such victims would be of international concern and would be fed with international resources if they had been able to cross a border. Is it really logical to force them to do that to survive?

At the other end of the response continuum would be a mechanism that triggers UN Security Council consideration of a humanitarian disaster. When millions of a country's citizens are viciously abused by that country's government, Security Council consideration is justified and intervention may be warranted. Any "new world order" worth its salt would provide for this.

In any event, now is the time to move in the direction of institutionalizing improved international protection of internally displaced civilians; the tragedy of Kurdish and Shi'ite civilians in Iraq has shown for all to see the inadequacy of the world's current response to the internally displaced. The stage for improvement has been set. You can hear the possibilities in President Bush's own words:

Some might argue that this decision [of April 16 to field military forces to protect internally displaced Kurds] is an intervention into the internal affairs of Iraq, but I think the humanitarian concern, the refugee concern is so overwhelming that there will be a lot of understanding about this.

3. Promote successful repatriation and reintegration of refugees and internally displaced people. The combined numbers of refugees and displaced people uprooted by some conflicts, such as in Afghanistan and Mozambique, are so great that they could overwhelm such countries if and when they do achieve some semblance of peace. Because most repatriation is spontaneous, "repatriation emergencies" could occur as large numbers and internally displaced people surge towards home areas that are entirely devastated. There is a universal vested interest in assisting such countries to reconcile and develop in the hope that peace is sustained. Today, the international community is not addressing this need at all well.

4. Ensure that victims of human conflict in the poorest, least strategically important countries of the world don't continue to be ignored. All the signs are already in place

that they will be ignored unless NGOs and religious institutions collaborate to change the trend. One recent report indicated that charitable contributions in some European countries for humanitarian programs in Africa are down by more than 90 percent, while contributions to meet needs in the Soviet Union related to problems of food distribution there are flooding in. There will always be such strategic priorities that get a response, and not undeservedly so. However, religious bodies and NGOs are the natural constituency of those that have no other constituents. Recent developments indicate that many people will die or be permanently blighted if we are not up to the task. In the Horn of Africa, forty percent of the entire population are refugees or internally displaced people.

5. Fight the construction of Berlin Walls around the liberal, rich democracies of the West that attempt to cut themselves off from asylum seekers from the second and third world. As the West European nations move toward "harmonization" of their asylum policies and free movement among themselves, there is immense pressure to create barriers to prevent "nonmembers" from penetrating the "clubhouse" they are creating. But all too often, the consequences are a shirking of their responsibility to examine asylum claims and to protect deserving refugees. Instead, the tendency is to "pass the buck" to the frontline first asylum states, where protection is precarious and the resources are badly strained.

On the ground in 1990, the largest new population of refugees and displaced people in Africa was that of Liberians. In a hellacious blood-letting, 1.2 million people were uprooted. In the critical period, when massive numbers of refugees first arrived in poor, remote locations in Guinea, Cote d'Ivoire, and later Sierra Leone, the international community did not respond quickly or well to the refugees' needs. Without the generosity of local people, who opened their homes and shared their meagre resources with the refugees, there would certainly have been a major catastrophe. Months later, when the international community finally got its act together, those same local people found themselves frozen out of the assistance that arrived, even though they had depleted their own food reserves to assist the refugees.

Meanwhile, life remained horrific for those displaced inside Liberia. Some 125,000 people were trapped inside Monrovia, which turned into a battleground between government troops and various rebel and other armed forces. For months, there was no food or water. Killings and even massacres became commonplace. When a multi-national West African peace-keeping force restored some order, hundreds of thousands more displaced people flocked to the city in search of food and security. Once again, international response did not keep up with the explosion of need, and in December 1990, malnutrition and hunger were rife in the Liberian capital.

An uncanny similar scenario played out beginning in December in Somalia's capital, Mogadishu. There too government troops and rebels fought for control of the city. There too dead bodies lay on the street, and terror and mayhem ruled. As 1990 ended, Somali refugees—as well as Ethiopian refugees who had been living in Somalia—were fleeing to neighboring countries. Hundreds of thousands became internally displaced. And with the country still in chaos, help was nowhere on the horizon.

Besides these new emergencies, during 1990 there was substantial deterioration in already existing refugee and internal displacement situations in Africa. Most dramatic among those was in Sudan, where relief experts were forecasting that hundreds of thousands could begin to starve to death beginning in spring 1991. The government of Sudan's longterm denial that a large-scale famine was developing, its hindering of relief efforts by international and private organizations, and its undermining of Operation Lifeline Sudan all contributed to the potential for large-scale starvation in 1991.

In southern Africa, an average of 6,000 Mozambicans per month continued to flee to Malawi, bringing the total number of refugees in that tiny country to more than 900,000. While the dismantling of many of the laws that shaped the apartheid system in South Africa kindled hope for a more equitable South African society and for the repatriation of more than 40,000 South African refugees, it did not help the 250,000 Mozambican refugees whom South African authorities still view as illegal migrants subject to deportation.

A small-scale repatriation program through which several thousand Angolan and Zairean refugees returned home in 1990 was suspended due to the poor security situation in Angola, where war and drought have also put large numbers at risk and have thwarted relief efforts. Although peace talks in both the Angolan and Mozambican conflicts move forward, albeit slowly, repatriation of refugees from those countries is not imminent.

With the signing in June of the Schengen Supplementary Agreement by France, Germany, and the Benelux countries as well as the signing that same month by the EC states of the Dublin Convention on the state responsible for examining an asylum request, the European Community has moved significantly closer to a harmonized policy on asylum and entry as part of its overall plan to abolish internal customs and passport controls within the EC by the end of 1992. The effect of this on asylum seekers in Europe in 1990 was of diminished opportunity to register asylum claims and of a continuing downward trend in the number of asylum cases decided favorably. Harmonization, all too often, has meant that nations once more generous than their neighbors, now are introducing restrictive measures so that they may stand shoulder to shoulder with those European states that have sought to deter the entry of asylum seekers.

Western Europe's restrictive turn, while motivated in large part by the presence of asylum seekers from the Middle East, Africa, South Asia, and Europe's own southeastern region, also reveals a concern about the prospect of a new, large wave of asylum seekers from the Soviet Union.

The disintegration of the Soviet Union picked up speed during 1990, as nearly all Soviet republics declared their sovereignty or independence. Outbreaks of ethnic or nationality-based violence during the past two years have caused more than half a million people to become displaced within the USSR, the majority of whom are Armenians. Azerbaijanis, Meskhtian Turks, Tatars, other Caucasian nationalities, and ethnic Russians living as minority groups in outlying republics have joined the ranks of the displaced as well. Many of the displaced are returning to areas from which they had been forcibly moved during the Stalin era, as each of the nationality patches that comprise the Soviet quilt becomes more ethnically homogeneous.

A resurgence in anti-semitism and fears of political and ethnic violence compelled more than 200,000 Jews to exit the Soviet Union during 1990, most to Israel, but thousands were generously received in the United States and Germany as well. This was the first year of direct resettlement processing of 50,000 Soviets to the United States, who were processed out of the American embassy in Moscow, instead of Vienna and Rome. The new system had glitches, particularly for hundreds of Christian Evangelical families who still had Israel listed as the country of destination on their passports, the well-understood ruse that had once enabled them to reach Vienna.

Despite the added security threats from the Gulf conflict, the migration of Soviet Jews to Israel continued at the highest rate in decades. Israel's housing and social services were severely strained by the admission of about 184,000 Soviet Jews in 1990, and double that number are expected in 1991.

While welcoming the largest influx of Jews in decades, Israel's housing and social services were severely strained by the admission of about 184,000 Soviet Jews during the year, and the prospect that this number could double in the year ahead. The influx of Soviet Jews was a cause of increasing wariness among Palestinians in the occupied territories, including more than 900,000 UNRWA-registered refugees.

The most dramatic event in the Middle East in 1990 occurred with the invasion of Kuwait. The invasion and subsequent occupation touched off an exodus of more than 300,00 Kuwaitis and caused more than a million nationals of other countries to vacate the area. This put a tremendous strain on Jordan, which—due to the presence of 929,000 Palestinian refugees—already had the highest ratio of refugees to native population of any country in the world before the conflict began.

New political and military developments in the region had little impact on the Afghan war and the more than six million Afghan refugees in Pakistan and Iran. Although Soviet troops have been out of Afghanistan for two years, a civil war chugs along delaying still longer the reconstruction of Afghanistan and the return of her people.

Important victories were won during the year on behalf of asylum seekers in the United States. After a decade of bickering, the Immigration and Naturalization Service published regulations to implement the asylum provisions of the Refugee Act of 1980. Under the new system, a specialized corps of asylum officers will hear asylum claims in a nonadversarial setting, supported by a documentation center open to information from nongovernmental agencies. Those denied asylum will still be able to have their asylum claims heard by an immigration judge in the course of a deportation or exclusion hearing. Congress also filled a gap in the 1980 refugee law by creating a category of temporary protected status, and designated an 18-month safe haven period for Salvadorans. Finally, the settlement of a class-action suit in December allows for new adjudications of up to a half million Guatemalan and Salvadoran asylum claims.

The United States also admitted more refugees from overseas in 1990 than in any year since 1981. Fully 75 percent of the 122,325 refugees who were admitted represented two nationalities, Soviets and Vietnamese.

In South Asia, at least one million people were internally displaced in Sri Lanka as a long-running civil war between the Sri Lankan government and Tamil separatists flared violently in June 1990. By the end of the year, about 125,000 Tamils had fled across

the Palk Strait to seek refugee in southern India. The government in New Delhi has so far resisted efforts by UNHCR to provide assistance to the Tamils. India has more than 400,000 refugees—from Tibet, Bangladesh, Afghanistan, Burma, as well as Sri Lanka—most of whom receive no international aid or protection.

A new crackdown on Tibetan Buddhist monks and nuns compelled several thousand to cross the high mountain passes into Nepal in search of asylum or transit to India. In the last five months of 1990, Nepal involuntarily repatriated 167 Tibetan asylum seekers, some of whom were imprisoned by Chinese authorities.

Despite persistent entreaties from the United States, UNHCR and USCR, Malaysia has pushed back more than 9,000 Vietnamese boat people since May 1989. Not a single arrival has been counted since July 1990, testament either to the success of the interdiction or the despair of the refugees.

As the civil war in Cambodia escalated in scope and violence, more than 30,000 refugees arrived in Thailand, some bringing horror stories of rampant disease and hunger in the Khmer Rouge "liberated zones." More than 150,000 people having been internally displaced by the fighting.

The number of refugees in Thailand swelled to nearly 460,000, including 325,000 Cambodians, 70,000 Laotians, and 16,000 Vietnamese. Persecution and civil war in Burma has forced more than 45,000 Burmese students and ethnic minority peoples to flee into Thailand. The ethnic groups, principally the Karen and Mon, have clustered in camps and villages along the border, while most of the students have sought refuge in Bangkok.

Throughout the year, the boat people population in Indonesia hovered near 20,000, prompting concern of a backlash. But despite repeated reports of mistreatment of Vietnamese by Indonesian authorities on Kuku Island, the government's commitment to asylum remained unchanged.

The world remains confronted with a myriad of humanitarian and refugee situations. It is unfortunately the case that no government can be trusted to do the humanitarian thing at any particular time or in any specific situation. Governments always act according to their perception of their interests.

The litany of refugee tragedies in 1990—newly created or dragging on—has already unfortunately proven to be only a prelude to 1991's refugee tragedies. And this is the way it will continue unless people East and West, North and South demand of their governments a new world order, with new, more humane priorities, thus making it in governments' individual and collective interests to function on a higher, more moral plane. Upholding human rights, seriously confronting poverty, discrimination, and violence, eliminating crushing debt on the poorest of the world's countries, promoting sustainable, environmentally, respectful, development—these are all goals common people can appreciate; they are all in "the peoples'" interests.

So, too, are protecting and caring for refugees and displaced people.

DEMOCRATIC TECHNOLOGY AND MANUFACTURING INITIATIVE

Mr. DASCHLE. Mr. President, technological development is one of the major forces in economic growth. Americans have been able to continue to raise their standard of living through their international leadership in technology.

Yet, in the past few years, many thoughtful observers of our economy have grown increasingly concerned about the state of technology development in America. We have numerous reports by the Commerce Department, the Defense Department, the Office of Science and Technology Policy, and various private groups all agreeing that our technological edge, vital for both our national security and our economic well-being, is slipping.

For example, according to a report by the Council on Competitiveness, a nonprofit, private-sector group made up of leaders in business, labor, and academia, the United States is strong in some sectors, but is weak or is losing ground in many other technologies—including important technologies such as advanced metals, flexible manufacturing, precision machining, electrostatics, lasers, photonics, electronic ceramics, integrated circuit fabrication and test equipment, robotics, memory chips, and optical information storage.

Recently, a number of my colleagues, led by Senators BINGAMAN, HOLLINGS, GORE, NUNN, and MITCHELL, introduced legislation designed to stem the decline in America's technological leadership and strengthen American manufacturing base. I commend their efforts.

Senate Democrats want to sharpen the competitive edge of our U.S. industries by creating a partnership with the Federal Government to compete internationally in the development of these industries. This legislation will accomplish that goal.

Not surprisingly, Mr. President, those who disagree with the foundation of this legislation—that a crucial and unmet role exists in creating a partnership between the Federal Government and industry—have expressed their opposition to the objectives of this legislation introduced by the Democratic leadership.

In a Washington Times editorial dated June 21, predictably, the Senate Democrats' technology and manufacturing proposals were attacked as an example of Government fiddling with the market.

This editorial shows, I believe, how little many understand of the workings of our economy, where Government and the private sector each play an important role. Our history, and indeed the history of technological development, has shown the positive force of Government in the creation of new technologies. Starting with the development of interchangeable parts during the Industrial Revolution—the so-called American system of manufacturing which laid the foundation for mass production, the Government has played an important, active, and positive role.

In modern times, Government has been a key actor in the creation and development of critical technologies such as computers, microelectronics, and aerospace. In fact, the Bush administration has continued to call for Government involvement in some of these areas, such as in the development of the National Aerospace Plane.

Printed in the June 28, 1991, issue of the Washington Times is a reply from my colleague from New Mexico, Senator JEFF BINGAMAN. Senator BINGAMAN has been a leader in attempting to create a rational technology policy, often in the face of 11 years of administration opposition and ignorance.

In his response, Senator BINGAMAN correctly points out what I believe are two key problems. First is the need for a coherent and coordinated Federal effort in research and development. As he notes, we spend over $70 billion annually on research and development. We should at least require that this funding be carried out in a coherent manner.

The second key problem Senator BINGAMAN points out is the fact we are drastically underinvesting in capital equipment and research and development. Japan is now investing more than the United States in absolute terms, even though they have a smaller economy overall. As Senator BINGAMAN puts it:

> To believe that the United States will be able to sustain its economic and technological edge over Japan when year after year Japan out-invests the United States in these critical areas is tantamount to ideological thumb-sucking.

I would also like to point out one interesting argument in the Washington Times editorial. As a member of the Senate Finance Committee, I have been hearing over and over again from conservatives that the solutions to our competitiveness problems begin at home. Specifically, we were told we should stop blaming Japan for our problems, and solve our problems here at home.

Now that Democrats have come forward with an initiative to help restore our domestic capabilities, it is a bit ironic to hear conservatives proclaim our trade deficit with Japan is "largely attributable not to shortcomings in American industry, but to unfair trade practices," as did this editorial.

Mr. President, America's economic future does depend greatly on what we do here at home. Strengthening our technological and manufacturing capabilities is an important part of ensuring a bright economic future for ourselves and our children. This Democratic initiative creates a viable partnership between the public and private sectors—for the benefit of all. It deserves our support.

I ask unanimous consent that both the editorial and Senator BINGAMAN'S response be placed in the RECORD following my remarks.

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

[From the Washington Times, June 21, 1991]

A DEMOCRATIC FIVE-YEAR PLAN

Boris Yeltsin, Russia's first popularly elected president and a prophet of free markets, free trade and the liquidation of government ties to industry, made his first visit to Capitol Hill this Wednesday. He arrived just in time to hear Sen. Jeff Bingaman, chairman of the Armed Services Subcommittee on Defense Industry and Technology, and Sen. Sam Nunn, chairman of the committee as a whole, introduce legislation that would map out America's first "five-year" plan."

"If the U.S. is to regain leadership in manufacturing," Sen. Bingaman told reporters Wednesday, "the federal government must step in where private markets cannot or do not function."

"The plan I introduce today," he continued, "sets out a coherent and ambitious plan for government-industry cooperation in manufacturing technology management, development, deployment, education and international cooperation."

In the old days, before the American political vocabulary became clouded with euphemisms, there was a name for the idea Mr. Bingaman and Mr. Nunn are pushing. The name was "socialism." It is the exact same idea, albeit in embryonic form, that the peoples of Eastern Europe and the Soviet Union have dramatically rejected after suffering decades of abject poverty and government control of their lives. The argument that buttressed this idea was, to paraphrase, Mr. Bingaman, based on the mistaken assumption that "private markets cannot or do not function" and that, therefore, if wealth is to be created, "the federal government must step in."

But despite the Democratic majority in Congress, America still enjoys the most productive economy on the planet and a (seldom reported) trade surplus with Western Europe. America does suffer from a trade deficit with Japan, but that is largely attributable not to shortcomings in American industry but to unfair trade practices conducted by the Japanese government, which effectively bar many American industries from entering the Japanese market.

Where American industry truly lags, it is not because government has failed to stick its nose into the works but for precisely the opposite reason—government fiddling around with the American entrepreneur. Even in the Reagan era, when American voters consistently backed politicians who rhetorically promised to "get government off our backs," year after year the burden of taxes and regulation was piled higher and higher on American savers and businessmen.

With the Clean Air and Disabilities acts passed, new excise taxes in place, no cuts in the social security or capital gains taxes imminent, and family leave and national health care plans pending, Congress' ever-clutching invisible left hand might once and for all be ready to wring the life from the golden goose of American enterprise. Mr. Bingaman's and Mr. Nunn's "National Critical Technologies Act" and "Advanced Manufacturing Technology Act" call for more than $1 billion per year in new federal spending, a federal industrial planning bureaucracy and a "five-year technology 'roadmap' for manufacturing." All this would move the country a few increments further away from the system of free enterprise that made our affluent way of life the envy of the world.

If Mr. Bingaman and Mr. Nunn want to support legitimate federal involvement in technology development, they should abandon their quest to kill the Strategic Defense Initiative and leave private enterprise to private citizens.

[From the Washington Times, June 21, 1991]

IF FEDS STAY OUT OF HIGH-TECH RACE, U.S. LOSES

Your June 21 editorial "A Democratic five-year plan" demonstrates little understanding of the appropriate role of government in fostering market capitalism.

It may come as a surprise to you to learn that the federal government spends over $70 billion annually on research and development and that those expenditures might have something to do with American competitiveness in industrial sectors ranging from aerospace to medical equipment to agriculture.

It may also come as a surprise to you to learn that markets have imperfections, not all of which result from a diabolical socialist plot. For example, industry underinvests in long-term, high-risk research, the results of which usually are not appropriable by a single firm. It is entirely appropriate for government to deal with such imperfections. The governments of capitalist, market economies around the world do so, some more successfully than others.

Even the Bush administration has recognized the need for coherent federal support for precompetitive development of critical generic technologies. The administration has outlined a five-year road map for high-performance computing, one of the 22 critical technologies identified by a White House-chaired industry-government panel in April. The administration is working on similar road maps for advanced materials, manufacturing and biotechnology.

These road maps are aimed at coordinating the federal research and development effort on these technologies and at making that research more responsive to the needs of the private sector, something Commerce Secretary Robert Mosbacher and others in the administration in numerous private-sector groups have advocated.

My legislation goes beyond drawing up road maps to provide additional funding for industry-driven precompetitive R&D partnerships. There has been a trend in recent years toward support of such partnerships, witness the Reagan and Bush administrations' support of Sematech, the National Center for Manufacturing Sciences, the Specialty Metals Consortium and the Commerce Department's Advanced Technology Program. I propose to sharply accelerate that trend. Please note that these partnerships always involve several private-sector firms to insure competition in applying the results in the marketplace.

My legislation also proposes to strengthen manufacturing extension programs for small- and medium-sized firms and manufacturing education programs in our universities and community colleges.

It is striking to me that the federal government spends less than $20 million annually for manufacturing extension when manufacturing constitutes 20 percent of our gross national product, and $500 million annually for agriculture extension efforts aimed at 3 percent of U.S. GNP. The market imperfection is the same in both cases: Family farms and small manufacturing firms (of which there are 342,000 with fewer than 500 employees) are unlikely to have the resources systematically to stay abreast of the latest research results with potential application to their businesses. If we deal with the problem straightforwardly in one instance, we should not let some peculiar ideological blinders prevent us from doing so in the other: Japan and the European Community certainly pursue manufacturing extension efforts as part of their technology policies.

Finally, a note about our competitiveness with Japan. It must be comforting to believe that our once again growing trade deficit with Japan is "largely attributable . . . to unfair trade practices." I believe you will find few in industry or government who would agree with you. Instead, many would point to Japanese industry's investment in capital equipment and R&D, which is now greater than that of all of U.S. industry, even though Japan's GNP is more than $2 trillion smaller than that of the United States. This in turn is connected with Japanese government policy on research, education, taxes and (yes) trade, which systematically is aimed at fostering a manufacturing enterprise second to none. To believe that the United States will be able to sustain its economic and technological edge over Japan when year after year Japan out-invests the United States in these critical areas is tantamount to ideological thumb-sucking.

The European Community is trying to find its way to a similar set of policies. While we, as you, note, enjoy an overall trade surplus with Western Europe, you may be surprised to find a continuing substantial deficit in our high-technology products trade balance with Western Europe, especially with Germany.

In short, we face fundamental choices in the years ahead in our federal technology policy. We can continue to let each mission agency independently pursue its own agenda with minimal private-sector input and hope that occasionally there will be a few spin-offs of benefit to our competitiveness. Or we can seek coherence in the federal R&D enterprise and tighter interaction with the private sector. I advocate the latter course because it is one key to sustained American economic and technology leadership in the 21st century.

JEFF BINGAMAN,
U.S. Senate.

WASHINGTON.

BISON PRODUCTION AND PROCESSING IN JEOPARDY

Mr. PRESSLER. Mr. President, I rise today to inform my colleagues of a letter I have sent to Dr. David A. Kessler, Commissioner of the Food and Drug Administration [FDA]. This letter, signed by myself and 12 other Senators and five Representatives, urges the Commissioner to consider permitting the use of sodium nitrite in appropriate amounts as an approved additive in the curing and processing of bison (buffalo) meat products produced under Federal or State inspection. At this time, Mr. President, I would ask that this letter be printed in the RECORD.

There are approximately 112,000 head of bison in the United States today. The herd size is doubling approximately every 7 years. Bison is now being sought by consumers as a naturally lean meat product. In South Da-

kota, we have known that for years. We have been able to purchase bison, both fresh and processed, for a number of years.

Now, more Americans have learned about the virtues of bison meat. This new demand has helped the small bison producer, both in my State and in other States. Bison production is an important alternative agricultural emterprise. The economic ripple effect of bison production benefits bison processors, those employed in the Nation's transportation system, and many others in rural communities across the Nation.

Currently, processed meat products that are 100 percent bison with nitrites added, such as whole muscle bison jerky, cannot be shipped from one State to another. However, processed beef and poultry products containing nitrites have been permitted in interstate commerce for years.

Bison is closely related taxonomically to the various breeds of bovine (cattle) used as edible meat tissues in this country. The United States Department of Agriculture [USDA] Food Safety and Inspection Service [FSIS] states that all of the techniques it currently uses to identify raw meat tissues cannot distinguish bison meat from beef. Mr. President, I submit for the RECORD a letter detailing this fact from FSIS.

I would also like to submit for the RECORD a letter from Bruce Anderson and Godson Seaman, owner-operators of Rapid City Western Meats explaining the problem and supporting the use of nitrites in 100-percent bison-processed meat products shipped in interstate commerce.

In addition, I ask unanimous consent that a letter from Al Hochhalter, owner-operator of the Yellowstone Trail Wild Game Wholesaler of Mobridge, SD, and a letter from the American Association of Meat Processors be printed in the RECORD.

I urge my colleagues to be aware of this issue and ask for their support in encouraging the development of a vigorous U.S. bison industry.

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

U.S. SENATE,
Washington, DC, June 27, 1991.

Dr. DAVID A. KESSLER,
Commissioner, Food and Drug Administration, Rockville, MD.

DEAR DR. KESSLER: We are writing to you to urge you to consider permitting the use of sodium nitrite in appropriate amounts as an approved additive in the curing and processing of buffalo (bison) meat products produced under Federal or State inspection.

Currently, Food and Drug Administration [FDA] regulations permit household consumers to use sodium nitrite in curing buffalo, venison, and other exotic/game animals for their own use. In addition, sodium nitrite is permitted for use in bison meat products by the U.S. Department of Agriculture—when three percent or more of other meat or poultry is added to it. Bison is genetically similar and in many respects identical to beef. In fact, it is indistinguishable from beef under current government testing procedures. Some states treat bison identical to beef for inspection purposes. The USDA recognizes this (attached).

There are approximately 112,000 head of bison in the United States today, and the herd is doubling every 7 years at current growth rates. About 12,000 head are slaughtered annually, with a market value of $16,200,000. With FDA approval of sodium nitrite in buffalo (bison), the industry believes that the market value would increase to $18,000,000. In addition, the potential for exporting bison products has not been explored. Consumer demand for this alternative meat source has been growing in the United States and overseas. Consumers are attracted to bison for many reasons, in particular its excellent nutrient values.

The use of sodium nitrite in bison products is strongly endorsed by many organizations, including the National Association of State Food and Meat Inspection Directors, the American Bison Association, the National Buffalo Association, and the American Association of Meat Processors. Again, permitting the use of sodium nitrite in 100 percent bison products processed under either federal or state government inspection would benefit consumers and the growing bison industry.

We look forward to your favorable response to this request.

Sincerely,

Senator Larry Pressler, Senator Thomas A. Daschle, Senator Christopher S. Bond, Congressman Byron Dorgan, Senator Timothy E. Wirth, Senator Steve Symms, Senator J. Robert Kerrey, Congressman Tim Johnson, Senator John C. Danforth.

Senator Herb Kohl, Senator William V. Roth, Jr., Congressman Floyd Spence, Senator Quentin N. Burdick, Senator Hank Brown, Congressman John Spratt, Congressman Tom Ridge, Senator Larry Craig, Senator Malcolm Wallop.

DEPARTMENT OF AGRICULTURE,
FOOD SAFETY AND INSPECTION SERVICE,
Washington, DC.

The following resolution prepared by the National Advisory Committee on Meat and Poultry Inspection was accepted by the Food Safety and Inspection Service at the June 18–19, 1991, meeting.

RESOLUTION II

Amenability of Species

The National Advisory Committee on Meat and Poultry Inspection recommends that FSIS endorse and support State meat and poultry inspection programs offering inspection services for game and other nonamenable species on a voluntary reimbursable basis. Such game and other nonamenable species, as defined by USDA/FSIS, shall be authorized for shipment to countries outside the United States, and to other States as currently authorized by regulations. Species other than those considered by USDA/FSIS as nonamenable shall be negotiated by States with the Department on a case-by-case basis.

DEPARTMENT OF AGRICULTURE,
FOOD SAFETY AND INSPECTION SERVICE,
Beltsville, MD, June 27, 1991.

Dr. SAM HOLLAND,
Assistant State Veterinarian, South Dakota Animal Industry Board, Pierre, SD.

DEAR DR. HOLLAND: In response to your telephone inquiry of June 25, 1991 requesting information concerning our ability to identify meat tissue of the American bison (buffalo) species, I am pleased to provide you with the following:

The American bison species is so closely related taxonomically to the various breeds of bovine (cattle) used as edible meat tissue in the USA, that all of our immunological based assays (ring precipitin, Ouchterlony immunodiffusion, ELISA, SIFT test systems) currently used to identify raw meat tissues do not allow the specific and unequivocable identification of bison species. Bison tissue reacts antigenically very similar, if not identical, to bovine tissue in all of our presently employed immunoassays. There are rare reports in the literature of the nonimmunological method of Thin Layer Isoelectric Focusing (TLIEF) having the capability of differentiating raw bison tissue from other species of edible tissue. Some years ago we adopted and implemented a TLIEF method in our Technical Support Laboratories as a screen test for imported, whole, raw meat tissue; however, the method did not prove to be capable of differentiating bison tissue.

In summary, FSIS has no laboratory test procedure to unequivocably identify raw bison meat from bovine meat species due to the very close taxonomic relationship of these two species. It is unlikely that future endeavors will be expended to attempt to develop such a differentiation test for this Federally non amenable species due to the difficulty of the problem and the relative need for such capability in our National Testing Programs.

If I can be of any future help to you in the above regard, please feel free to call upon me anytime at (301–344–2535).

Sincerely yours,

RICHARD P. MAGEAU, PH.D.,
Supervisory Microbiologist, Immunology Section, MMB, MD.

R.C. WESTERN MEATS, INC.,
Rapid City, SD, July 23, 1991.

HON. SENATOR PRESSLER: The buffalo meat business is a vibrant, growing concern here in South Dakota. The customer is demanding a lean product and buffalo fills this need. Nitrites that can be used in any other meat product are banned from use in buffalo meat. This FDA regulation hurts the customer, the producer, and the processor.

If this regulation is changed it will create added demand on buffalo meat. This added demand translates to more employment opportunities here at RC Western Meats. The South Dakota ranchers who raise buffalo will see their animals worth more money. Other ranchers who are now considering raising buffalo will decide to take the plunge into buffalo ranching creating a larger pool of animals for the processors to draw from.

There is no better place in the world to raise buffalo than South Dakota. These hardy animals are perfectly suited for our climate. They thrive on our native grasses. They are drought resistant. They are able to withstand blizzard conditions that would decimate cattle. This plus the fact that they are animals that require larger tracts of land to do well means that they will continue to become a bigger part of South Dakota ag economy.

We here at RC Western Meats hope that this barrier that the FDA imposes on the buffalo industry can be removed. It serves no useful purpose. I personally cannot think of any special interest group that would object to removing this regulation. We look forward to the day when we can point to the removal of this regulation as one of the important stepping stones in the buffalo success story here in South Dakota.

Yours truly,

BRUCE W. ANDERSON,
JUDSON R. SEAMAN,
Co-Owners RC Western Meats.

YELLOWSTONE TRAIL,
WILD GAME WHOLESALER,
Mobridge, SD, June 7, 1991.

DEAR SENATOR PRESSLER: I am writing in regard to our phone conversation with one of your staff members on buffalo products, the use of nitrite in Buffalo sausage, and whole muscle jerky. The FDA restrictions on these products have prevented us from expanding into other States.

For example. If you are a state inspected plant and want to ship products into another State, you cannot use nitrite in pure buffalo.

If nitrite is used, we have to add no less than 3% beef or pork.

If we add beef or pork, we have to be a federally inspected plant, to go to another State with our products by FSIS regulations.

At the same time, if you are a Federal Plant, they will accept State inspected Buffalo, add beef, and all 100% of the product goes out of that Plant federally inspected.

I would like to know, why the Federal Plants can alter their products up to 97% and we in State level are not allowed to do so by 3%. Most all the plants in South Dakota are State inspected and a lot of them are as good as some of the small Federal Plants.

The point is, if nitrite is not harmful in beef, pork or poultry, there is no reason, why it would be harmful in buffalo.

We produce thousands of pounds of whole muscle Buffalo Jerky. How would you go about, putting beef or pork into Buffalo round steak, and blend them into one? Impossible.

Therefore we are limited to what we can legally produce under these laws. Either way we go, we are illegal with rules like this.

We are a small plant, compared to some, with 8 employees. Buffalo and Wild Game is about 50% of our business, which amounts to about $500,000.00 per year. About 99% of this is shipped out of State. If it wasn't for a lot of these laws, we could produce more products and generate more revenue for South Dakota.

The inquiries we get on some of these products, we have to put on hold, until we get some of our differences resolved.

Sincerely,

ELMER HOCHHALTER,
Owner-operator.

AMERICAN ASSOCIATION OF
MEAT PROCESSORS,
Elizabethtown, PA, July 22, 1991.

Hon. LARRY PRESSLER,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR PRESSLER: On behalf of the nation's meat industry, let me express our appreciation and gratitude for your efforts to help increase the marketability and sales of bison meat products. The American Association of Meat Processors, (AAMP) strongly supports you in your effort to eliminate an obscure, contradictory and unnecessary restriction on the safe use of sodium nitrite in government-inspected commercial processing and manufacturing of bison meat products.

Consumers are increasingly demanding bison meat products, and meat processing firms are trying to satisfy this demand for new, healthful and unique American bison products. It is ironic that sodium nitrite is permitted for use as an additive in red meat and poultry products, and even in bison when used in home-curing by the average consumer, but not when government-inspected meat processing firms want to make a 100 percent, all bison meat product.

USDA's Food Safety and Inspection Service is willing to grant labels for such bison meat products, if only the Food and Drug Administration will recognize bison as a meat virtually identical to beef, and thus permit the use of sodium nitrite as a curing ingredient in manufacturing under Federal and State meat inspection.

We urge all interested consumers to join us in this effort!

Sincerely,

BERNIE HANSEN,
President.

HONORING MICHIGAN TROOPS WHO DIED IN DESERT STORM

Mr. RIEGLE. Mr. President, today I wish to pay tribute to one of the 16 brave Michigan service members, Lance Cpl. James B. Cunningham, age 22, who lost his life in service to his country in suppport of Operation Desert Storm.

In an hour of grave national crisis, America called hundreds of young Michigan men and women to service. Lance Corporal Cunningham answered willingly. He gave all we ask of him. He gave his life. It is always tragic when a life is lost, especially the life of a young person. But this heroic man lost his life in an act of bravery in the service of our country. In that we may take pride.

James and Julia Cunningham, Lance Corporal Cunningham's parents, and Beth, his sister, were called upon as well to make a heartbreaking sacrifice. They should be commended for standing behind James and supporting him during his military service.

As the people of Michigan mourn the loss of this man, we are proud to have called him a neighbor and friend. As a nation we are indebted to Lance Corporal Cunningham and his family. We can ask for nothing greater than to ask an American family to sacrifice a loved one for this country. This debt may never be repaid except in our hearts and in our prayers.

REMEMBERING BOBBIE EUGENE MOZELLE

Mr. RIEGLE. Mr. President, I rise today to pay tribute to the memory of a beloved husband, son, and brother, Bobbie Eugene Mozelle, of Detroit, Mr. Mozelle was brutally assassinated on February 7, 1991, the first civilian casualty of Operation Desert Storm. He was gunned down by left wing terrorists outside his apartment near the Incirlik Air Force Base in Adana, Turkey.

Bobbie Mozelle's life was dedicated to serving his country and his family. Following a 20-year career, he retired from the Air Force in 1989 as a master sergeant, His years in the Air Force included a tour of duty in Vietnam. He had been serving as an accountant with the firm Vinnell, Brown, Root in Turkey at the time of his murder.

But more important than what he did is who he was. Just 44 years old when he died, Bobbie Mozelle was a quiet, kind, and loving man devoted to his family. He was a newlywed. Married just 18 short months when he was killed he sent his bride, Fatma, back to Detroit to wait his return.

He was a loyal dependable son and brother. His mother, Lydia, lives in Detroit. She knew she could always count on Bobbie to be there for her. The day after Mrs. Mozelle learned of her son's death, his Valentine's card arrived in the mail. She tells us that Bobbie was a good boy. His sisters, Brenda and Vanessa, miss him each and every day and hold close memories from this childhood.

Mr. President, Bobbie Mozelle puts another dimension on the human tragedies of war. The victims of war reach far beyond the battle field and the combatants directly involved. Bobbie was a civilian, doing his job, earning a living to support his family. His murder was senseless, his life full of meaning. I know all of my colleagues join me in sending our heartfelt condolences to his family. Bobbie will not be forgotten.

REPRESENTATION BY SENATE LEGAL COUNSEL, SENATE RESOLUTION 157 AND SENATE RESOLUTION 158

Mr. MITCHELL. Mr. President, I have 2 resolutions authorizing the Senate Legal Counsel to represent former and current Senator employees in certain pending legal proceedings.

I ask unanimous consent that they be considered en bloc, agreed to, the preamble agreed to, the motion to reconsider the vote on the resolutions en bloc be laid upon the table, and that consideration of each resolution be shown separately in the RECORD with statements by the majority leader on each resolution appearing at an appropriate place in the RECORD.

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

The resolutions (S. Res. 157) and (S. Res. 158), considered and agreed to, are as follows:

S. RES. 157

Whereas, the Department of Justice is seeking information from present and former employees of the Senate of the United States in connection with its inquiry relating to the conduct of Senator Dave Durenberger;

Whereas, by Senate Resolution 60 of the 102d Congress, the Senate previously authorized present and former employees of the Senate to testify and to produce records of the Senate, except concerning matters for which a privilege should be asserted, in connection with this inquiry;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. 288b(a) and 288c(a)(2), the Senate may direct its counsel to represent employees of the Senate with respect to any subpoena, order, or request for information relating to their official responsibilities: Now, therefore, be it

Resolved, That the Senate Legal Counsel is authorized to represent present and former employees of the Senate regarding the provision of information in conection with the inquiry of the Department of Justice relating to the conduct of Senator Dave Durenberger.

AUTHORIZATION FOR REPRESENTATION OF EMPLOYEES OF THE SENATE

Mr. MITCHELL. Mr. President, in February the Senate agreed to Senate Resolution 60 of the 102d Congress, authorizing present and former employees of the Senate to provide information sought by the Department of Justice in connection with its inquiry relating to the conduct of Senator DURENBERGER. Following up on that resolution, today's resolution would authorize the Senate Legal Counsel to represent those employees in providing information sought by the Justice Department, while ensuring that the privileges of the Senate are respected. This is in accord with Senate practice when employees are asked to provide information relating to their official Senate duties.

S. RES. 158

Whereas, in In re American Continental Corporation/Lincoln Savings & Loan Securities Litigation, MDL Docket No. 834, pending in the United States District Court for the District of Arizona, defendants have requested the testimony of Kenneth A. McLean, a former employee of the Senate on the staff of the Committee on Banking, Housing, and Uran Affairs;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. 288b(a) and 288c(a)(2), the Senate may direct its counsel to represent employees of the Senate with respect to any subpoena, order, or request for testimony relating to their official responsibilities;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That Kenneth A. McLean is authorized to testify in In re American Continental Corporation/Lincoln Savings & Loan Securities Litigation, except concerning matters for which a privilege should be asserted.

SEC. 2. That the Senate Legal Counsel is authorized to represent Kenneth A. McLean in connection with his testimony in In re American Continental Corporation/Lincoln Savings & Loan Securities Litigation.

Mr. MITCHELL. Mr. President, defendants in civil litigation arising out of the failure of Lincoln Savings and Loan Association have requested deposition testimony from a former employee of the Senate. The consolidated proceedings, which are pending in the U.S. District Court for the District of Arizona, are known as In re American Continental Corporation/Lincoln Savings and Loan Association. The plaintiffs include bondholders seeking to recover funds they invested in American Continental Corporation.

One set of defendants in this litigation has requested deposition testimony from Kenneth A. McLean, former staff director of the Senate Committee on Banking, Housing, and Urban Affairs. This request relates to Mr. McLean's knowledge of potential dissemination to the press of confidential information from the Federal Home Loan Bank Board concerning Lincoln Savings.

In keeping with the Senate's customary cooperation with legitimate requests of litigants, this resolution would authorize Mr. McLean to testify at a deposition. In order to protect the Senate's constitutional privileges, the resolution authorizes testimony except concerning matters for which a privilege should be asserted, and authorizes the Senate Legal Counsel to represent Mr. McLean in connection with his testimony.

RURAL TELEPHONE COOPERATIVE ASSOCIATIONS ERISA AMENDMENTS ACT OF 1991

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 2031, a bill relating to rural telephone cooperatives just received from the House.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 2031) to amend title I of the Employee Retirement Income Security Act of 1974 to provide for equal treatment of telephone and electric cooperative welfare plans for the purposes of preemption.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. BINGAMAN. Mr. President, I rise today in support of H.R. 2031, the Rural Telephone Cooperative Associations ERISA Amendments Act of 1991. This bill, which was uniformly supported in the other chamber, would provide equal treatment of telephone and electric cooperative welfare plans for the purposes of preemption under ERISA.

Telephone cooperatives perform an invaluable service in providing telephone service to many rural areas. My home State of New Mexico has 6 such cooperatives with over 15,035 subscribers. Simply put, many families in New Mexico would not have telephone service if these telephone co-ops did not exist. Furthermore, these cooperatives are an important source of employment in their communities. New Mexico's telephone co-ops employ approximately 225 persons. Many of these employees are dependent on cooperative benefit plans for their health insurance coverage. I am pleased that the Senate, by passing H.R. 2031, is acting today to ensure that they and other telephone cooperative employees receive these benefits in the most efficient manner possible.

H.R. 2031 is necessary because of problems arising from the passage of the Employee Retirement Income Security Act [ERISA] in 1974. Originally, ERISA preempted some State regulations from applying to many covered benefit plans, including those of electric and telephone cooperative associations. Unfortunately, this preemption allowed abuses to develop. In particular, certain multiple employer welfare arrangements [MEWAS] were marketed by unscrupulous individuals to unrelated employers. The marketers of these plans, who claimed to be exempt from State regulation, often had no intention of providing the benefits they sold.

In late 1982, Congress addressed these abuses by limiting preemption provisions with respect to MEWA's. Recognizing that some MEWA's, including labor-management negotiated multiemployer plans and rural electric cooperative plans, had legitimate reasons to maintain their preemption status, Congress exempted these plans from the new MEWA provisions.

Unfortunately, rural telephone cooperative MEWA's were not included in the 1982 preemption provisions. They should have been. These plans do not generate fees and commissions for the plan sponsors, and are sometimes the only source of health, life and disability benefits for telephone cooperative employees. Clearly, these plans are not a cause of the MEWA abuses that the 1982 legislation attempted to address.

Since 1982, provisions adding telephone cooperatives to the list of plans exempt from the 1982 provisions have been included in legislation that ultimately failed to become law. This year, H.R. 2031 was introduced as stand alone legislation in an effort to finally pass this important provision. I am grateful to the bill's sponsor, Congressman PAT WILLIAMS, for introducing the Rural Telephone Cooperative Associations ERISA Amendments Act of 1991. I fully support his efforts, and am pleased that the Senate is preparing to pass this important legislation.

The PRESIDING OFFICER. Without objection, the bill is deemed read the third time and passed.

So the bill (H.R. 2031) was passed.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the bill was passed, and I move to lay that on the table.

The motion to lay on the table was agreed to.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Seante by Mr. McCathran, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON UNITS OF THE READY RESERVE REMAINING ON ACTIVE DUTY—MESSAGES FROM THE PRESIDENT—PM 65

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Armed Services:

To the Congress of the United States:

Pursuant to section 673(d) of title 10, United States Code, I have the honor to transmit the enclosed report relating to units of the Ready Reserve of the Armed Forces that remain on active duty under the provisions of section 673 as of July 1, 1991.

Retention of these units is required by continuing military requirements in response to the ongoing emergency declared in accordance with section 301 of the National Emergencies Act, and Executive Order 12743, January 18, 1991, "Ordering of the Ready Reserve of the Armed Forces to Active Duty."

Ready Reserve units of the Army, Navy, and Air Force are still performing essential missions in the United States, Europe, and Persian Gulf area that support the retrograde of U.S. Armed Forces from the Persian Gulf. Ready Reserve units of the Army are also participating in Operation Provide Comfort by supporting efforts to provide humanitarian assistance to Kurdish refugees in Turkey and northern Iraq. Marine Corps Ready Reserve units remain deployed to the Western Pacific to fulfill the strategic military obligations of the United States in that region. They will remain deployed until such time as the Active component elements deployed to the Gulf can be reconstituted in the Western Pacific, an effort that was also delayed by Operations Provide Comfort and Sea Angel, in which returning U.S. forces provided humanitarian relief to victims of natural disasters in Bangladesh.

All Coast Guard Ready Reserve units have been released from active duty.

GEORGE BUSH.

THE WHITE HOUSE, *July 24, 1991.*

REPORT ON BUDGET RESCISSIONS AND DEFERRALS—MESSAGE FROM THE PRESIDENT—PM 66

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying documents; which, pursuant to the order of January 30, 1975, as modified on April 11, 1986, was referred jointly to the Committee on the Budget and the Committee on Appropriations:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report one proposed rescission totaling $5,000,000 and one revised deferral of budget authority now totaling $127,036,000. Including the revised deferral, funds reported as withheld now total $10.3 billion.

The proposed rescission affects the Department of Defense. The deferral affects the Department of State. The details of the deferral and proposed rescission are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, *July 24, 1991.*

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 1:15 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 2525. An act to amend title 38, United States Code, to codify the provisions of law relating to the establishment of the Department of Veterans Affairs, to restate and reorganize certain provisions of that title, and for other purposes.

At 4:13 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agrees to the amendments of the Senate to the bill (H.R. 153) to amend title 38, United States Code, to make miscellaneous administrative and technical improvements in the operation of the United States Court of Veterans Appeals, and for other purposes.

The message also accounced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1096. An act to authorize appropriations for programs, functions, and activities of the Bureau of Land Management for fiscal years 1992, 1993, 1994, and 1995; to improve the management of the public lands; and other purposes.

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 1096. An act to authorize appropriations for programs, functions, and activities of the Bureau of Land Management for fiscal years 1992, 1993, 1994, and 1995; to improve the management of the public lands; and for other purposes; to the Committee on Energy and Natural Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BOREN, from the Select Committee on Intelligence, without amendment:

S. 1539. An original bill to authorize appropriations for fiscal year 1992 for intelligence activities of the United States Government, the Intelligence Community Staff, and the Central Intelligence Retirement and Disability System, and for other purposes (Rept. No. 102–117).

By Mr. CRANSTON, from the Committee on Veterans Affairs, with an amendment in the nature of a substitute and an amendment to the title:

S. 869. A bill to amend title 38, United States Code, to improve the availability of treatment of veterans for post-traumatic stress disorder; and for other purposes (Rept. No. 102–118).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources:

William Harper, of New Jersey, to be Director of the Office of Energy Research:

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

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. LIEBERMAN:

S. 1534. A bill to require the establishment of a capital projects bureau within the Agency for International Development, and for other purposes; to the Committee on Foreign Relations.

By Mr. CRANSTON (by request):

S. 1535. A bill to amend title 38, United States Code, to improve the Health Professional Scholarship Program operated by the Department of Veterans Affairs; to the Committee on Veterans' Affairs.

By Mr. ADAMS:

S. 1536. A bill to provide for worker and community assistance and for ecosystem

conservation in Pacific Northwest Federal forest lands, and for other purposes; to the Committee on Finance.

By Mr. BROWN:

S. 1537. A bill to amend the National Trails System Act to designate the American Discovery Trail for study to determine the feasibility and desirability of its designation as a national trail; to the Committee on Energy and Natural Resources.

By Mr. DURENBERGER:

S. 1538. A bill to authorize a certificate of documentation for the vessel ERIC WC; to the Committee on Commerce, Science, and Transportation.

By Mr. BOREN, from the Select Committee on Intelligence:

S. 1539. An original bill to authorize appropriations for fiscal year 1992 for intelligence activities of the United States Government, the Intelligence Community Staff, and the Central Intelligence Retirement and Disability System, and for other purposes; to the Committee on Armed Services, for the 30-day period provided in section 3(b) of S. Res. 400, 94th Congress, except that if such Committee fails to report within that time period, it be discharged from further consideration of the bill.

By Mr. LEAHY (for himself and Mr. JEFFORDS):

S. 1540. A bill to amend the Child Nutrition Act of 1966 to extend the special supplemental food program for women, infants, and children (WIC), and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CHAFEE:

S. 1541. A bill to extend the temporary suspension of the duty on 2,5-dimethoxyacetanilide; to the Committee on Finance.

S. 1542. A bill to extend the temporary suspension of the duty on nitro sulfon B; to the Committee on Finance.

S. 1543. A bill to extend the temporary suspension of the duty on 3,4-diaminophenetole dihydrogen sulfate; to the Committee on Finance.

S. 1544. A bill to extend the temporary suspension of the duty on chloramino base; to the Committee on Finance.

S. 1545. A bill to extend the temporary suspension of the duty on 4-chloro-2-nitroaniline; to the Committee on Finance.

S. 1546. A bill to extend the temporary suspension of the duty on amino sulfone BR; to the Committee on Finance.

S. 1547. A bill to extend the temporary suspension of the duty on N-acetylsulfanilyl chloride; to the Committee on Finance.

S. 1548. A bill to extend the temporary suspension of the duty on 1-chloro-5-hexanone; to the Committee on Finance.

S. 1549. A bill to extend the temporary suspension of the duty on theobromine; to the Committee on Finance.

S. 1550. A bill to extend the temporary suspension of the duty on lasamid; to the Committee on Finance.

By Mr. HELMS:

S. 1551. A bill to amend the Internal Revenue Code of 1986 to provide that income of certain spouses will not be aggregated for purposes of the limitations of sections 401(a)(17) and 404(l) of such Code; to the Committee on Finance.

By Mr. BIDEN (for himself, Mr. WOFFORD, Mr. ROTH, and Mr. SPECTER);

S. 1552. A bill to amend the Wild and Scenic Rivers by designating the White Clay Creek in Delaware and Pennsylvania for study for potential addition to the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CRANSTON (for himself, Mr. SPECTER, Mr. DECONCINI, Mr. GRAHAM, Mr. AKAKA, Mr. DASCHLE, and Ms. MIKULSKI):

S. 1553. A bill to establish a program of marriage and family counseling for certain veterans of the Persian Gulf War and the spouses and families of such veterans; to the Committee on Veterans' Affairs.

By Mr. BENTSEN (for himself, Mr. PACKWOOD, Mr. RIEGLE, Mr. SPECTER, Mr. BREAUX, Mr. MITCHELL, Mr. SEYMOUR, Mr. BRADLEY, Mr. CHAFEE, Mr. SASSER, Mr. SARBANES, Mr. ROCKEFELLER, Mr. METZENBAUM, and Ms. MIKULSKI):

S. 1554. A bill to provide emergency unemployment compensation, and for other purposes; to the Committee on Finance.

By Mr. RIEGLE (for himself and Mr. LEVIN):

S. 1555. A bill to provide for disaster assistance to fruit and vegetable producers, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. KASTEN (for himself, Mr. BROWN, Mr. LOTT, Mr. COATS, Mr. SYMMS, Mr. BURNS, Mr. SMITH, Mr. HELMS, Mr. D'AMATO, Mr. SPECTER, and Mr. MACK):

S.J. Res. 182. A joint resolution proposing a Balanced Budget Amendment to the Constitution of the United States; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MITCHELL (for himself and Mr. DOLE):

S. Res. 157. A resolution to authorize representation of employees of the Senate; considered and agreed to.

S. Res. 158. A resolution to authorize testimony by and representative of former employee of the Senate in In re American Continental Corporation/Lincoln Savings and Loan Securities Litigation; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LIEBERMAN:

S. 1534. A bill to require the establishment of a capital projects bureau within the Agency for International Development, and for other purposes; to the Committee on Foreign Relations.

TRADE AND COMPETITIVENESS ACT OF 1991

• Mr. LIEBERMAN. Mr. President, today I am introducing the Trade and Competitiveness Act of 1991.

Exports remain crucial to our Nation's economic growth. Throughout the present recession, the one bright spot in the economy has been trade. Our exporters have kept the economy afloat. This is particularly true in my home State of Connecticut. In 1990 alone, State exports grew by nearly 18 percent. Exports provided 84,000 manufacturing jobs in the State and another 63,000 jobs in firms dependent on exporting. Close to 20 percent of the State's 6,700 manufacturers export compared to the national average of 12 percent. In short, Connecticut's economic future is tied to exports.

But the problem for Connecticut exporters, as well as exporters across the country, is how to remain competitive against increasing foreign competition. This competition used to be primarily from Germany and Japan, but that is no longer the case. The other dynamic Asian economies of Korea, Taiwan, Hong Kong, and Singapore are competing for global markets. And as Europe approaches 1992 and the final stages of European economic unity, the European Community [EC] is rapidly becoming a more potent economic force.

While it is not the role of the Federal Government to try to solve all the problems confronting our exporters, the Federal Government must work with the American exporting community to help them to capture new markets and hold old ones. One of the biggest obstacles confronting exporters is a lack of sufficient export financing. Our products are often competitive with the products of other nations, but it is our terms of trade—the packaging of a transaction—that makes life difficult for American exporters.

Export financing and tied aid—the tying of economic aid to export sales—is the key to gaining a foothold in the emerging markets of advanced developing nations. Nobody likes tied aid, but everyone uses it. This form of financing was supposed to have been put to rest with the Arrangement on Guidelines for Officially Supported Export Credit [the Arrangement]. The Arrangement is an informal agreement among 22 of the 24 Organization for Economic Cooperation and Development [OECD] countries to set guidelines on export financing. It first came into existence in 1978, but its roots can be traced back to the 1960's. The most recent negotiations under the framework of the Arrangement, put into place in 1987, is known as the Tied Aid Credit Agreement. The basic premise of this agreement is that a 35-percent minimum of concessionality—that is, the grant portion of a deal—must be reached in order to put forward a tied aid credit package.

It is important to remember that this 35 percent was designed to make tied aid too expensive a proposition for nations to pursue. If the threshold had been 20 percent or even 25 percent, a government might consider pursuing this kind of deal in order to help out an exporter; 35 percent was considered to be too expensive—at least in theory. The problem is that tied aid activity has increased since the 1987 version of the Arrangement was put into place because our foreign competitors remain committed to the practice of using tied aid to help their exporters.

A new round of negotiations at the OECD is faltering, and the United States must have contingency plans in place to combat the tied aid practices of foreign nations if the negotiations fail. We have existing tied aid programs, but these programs are not adequately funded because of the emphasis the administration has put on the Arrangement as a way to eliminate tied aid. Official Government support for tied aid goes against traditional U.S. policy of not mixing development aid and support for exports, and in a very practical sense, the administration apparently does not want to commit itself to a substantial program because tied aid is very expensive.

But the lack of commitment by the Government to an aggressive tied aid program has caused U.S. exporters to lose out to their competitors in valuable overseas markets, for sales of products as computers and telecommunications. This means less jobs at home. According to Ambassador Ernie Preeg, a former chief economist at AID and one of the foremost experts on this issue, the "current market for capital goods transactions * * * which is inaccessible to U.S. exporters because of other governments, is $10 to $12 billion per year, resulting in an estimated $2.4 to $4.8 billion annual loss to U.S. exports. Future U.S. export loss in high-growth developing country markets could be far greater."

Using Ambassador Preeg's thoughts on this issue as a framework for my bill, I have developed a program that I hope will help our exporters get back in the game of winning contracts in developing country markets. I also want to take a moment to acknowledge the leadership of Senators BYRD, BOREN, BENTSEN, and BAUCUS on this issue. I believe my bill to be complementary to their efforts.

In my legislation, I put special emphasis on AID as a source of funding for tied aid transactions. While I am confident that AID can play an important role in helping our exporters meet the tied aid offers of their foreign competitors, this bill also includes a $500 million authorization for the Eximbank's war chest for fiscal years 1992 and 1993 since the Eximbank remains the key agency in the tied aid battle. Finally, the bill contains special programs that will help American exporters take advantage of opportunities in Eastern Europe.

The bill establishes a Capital Project Bureau at AID that would work with the other AID bureaus in putting together capital projects that are developmentally sound and beneficial to our exporters. These projects could consist of up to a 35-percent grant element. The annual budget for the newly formed Capital Projects Bureau would be $500 million. This money should be spent globally not concentrated in a few countries.

Within the Bureau, there also would be a special program for Eastern Europe. Initially the Bureau would conduct a study of the various sectors of the economies of the nations of Eastern Europe that are most in need of rebuilding. Those sectors would become eligible for assistance under the Capital Projects Bureau and cooperative programs between it, the Eximbank, and the Trade and Development Program [TDP]—another government agency which has a tied aid program. The Bureau would establish desk officers and in-country presence for the nations of Eastern Europe.

The bill also sets up a Capital Projects Interagency Board that would be administered by AID, Eximbank, and TDP. They would be the judge and jury over which tied aid projects should go forward. Such a board would bring these agencies even closer together as they deliberate on tied aid projects. Presently the National Advisory Committee [NAC] decides whether or not a tied aid deal will go forward. The new Interagency Board will be better suited to handle this issue since that will be its sole function, unlike the NAC which has a number of other issues with which it must contend.

The final portion of the bill puts forward guidelines for our negotiators at the OECD talks on tied aid which are designed to be supportive of U.S. efforts to combat the practice of tied aid. The Capital Projects Bureau will strengthen the hand of our negotiators because the other participants in the talks will know that we are serious about being ready to compete for export markets.

The Capital Projects Bureau is similar in concept to a request made by AID last December to seek legislative authority to create a capital projects fund. In testimony before the House Foreign Operations Subcommittee earlier this year, Henrietta Holsman Fore, an Assistant Administrator at AID, made a strong case for the usefulness of AID involvement in capital projects. She said "The development rationale for capital projects is compelling. Capital projects help build strong economies by providing the basic infrastructure needed for commerce and industry. * * * They also address specific developmental needs. * * * Capital projects provide employment."

Unfortunately, the United States does not emphasize capital projects as part of our foreign assistance programs nearly as much as the other G-7. We tend to emphasize basic development assistance much more than the others. For example over 60 percent of bilateral aid from Japan and Italy involves capital projects, as compared to 14 percent for the United States. We should continue to emphasize humanitarian assistance, but if as Ms. Fore indicates, capital projects are good for development and American exporters, then there is no reason for us not to be doing more of these projects.

To its credit, AID has been working hard to get more involved with capital projects. Average AID spending on capital projects for the last few years has been between $500 and $600 million. Unfortunately, projections for this year fall below $500 million to about $420 million, which is not a good sign. We need to keep support for capital projects at a minimum of $500 annually. The establishment of a Capital Projects Bureau at AID would guarantee a long-term commitment to pursue these projects.

In her testimony, Ms. Fore also stressed the importance of coordination between AID, the Eximbank, and TDP. The AID and Exim tied aid pool created last year for capital projects in the Philippines, Indonesia, Thailand, and Pakistan is an excellent example of the usefulness of coordination between these agencies. My legislation would make this coordination more than a one-time occurrence. There would be permanent coordination between the three agencies, so that foreign competitors would know that the U.S. Government was serious in its support of our exporters.

If we do not institutionalize support for capital projects through the creation of a special bureau, and if we do not put in place a tied program with real financial support behind it, then we will sell our exporters short.

There was a time in our Nation's recent history when trade was considered to be a foreign aid program for our friends and allies. After World War II, we developed a world trading system that was designed to give foreign nations access to our market while allowing them to protect their own. Well this system worked—too well. Now we run trade deficits that are out of control.

In a recent study on aid to the Philippines, Ambassador Preeg summarizes the related problem of how we view our foreign aid programs, "The central issue for U.S. foreign economic assistance. * * * is how to reconcile short-term foreign policy objectives with longer term support for development and strengthened economic relations with developing countries. A case is made—in his study—to separate the two more clearly and to place greater emphasis on the economic dimension." This complements Ambassador Preeg's thesis from an earlier study on tied aid where he makes a strong case argument against the Federal Government's policy of using scarce financial resources to support noneconomic objectives that have little commercial value. We should listen to men like Ernie Preeg and refocus our foreign assistance programs so that they are more reflective of the changing global economy and the need to help Amer-

ican companies keep their ground against powerful foreign competitors.

We have to take control of our economic destiny, and one way of achieving this is by eliminating our trade deficit. There are things we need to do at home to achieve that end, but there are things that we must do abroad as well. One of those things is to get the Government behind our exporters. A good place to start is by supporting export financing programs. My bill is designed to strengthen these programs so that our exporters can count on their Government being in their corner.

I am attaching a copy of the bill to be included in the RECORD following my statement.●

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

S. 1534

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 be cited as the "Trade and Competitiveness Act of 1991".

SEC. 2. CONGRESSIONAL FINDINGS.

The Congress finds that—

(1) United States exports are shut out to $10 billion to $12 billion worth of capital projects per year because of an inadeqaute tied aid or mixed credit program, resulting in a loss of $2.4 billion to $4.8 billion in exports;

(2) in contrast, foreign governments actively support their nations' companies by providing a large share of their economic aid for capital projects, by making mixed-credit offerings, through the blending of aid and official export credit agency loans;

(3) the Federal Government must change its ineffective tied aid policy to one that is more aggressive and consistent;

(4) the Federal Government must make better use of existing government agencies that are able to help combat the tied policies of other Organization for Economic Cooperation and Development (OECD) nations;

(5) the Federal Government must strengthen tied aid programs already in existence in the Export-Import Bank in the United States, the Agency for International Development (AID), and the Trade Development Program, fostering more and consistent cooperation between these agencies and establishing new programs at these agencies where necessary;

(6) a new more aggressive tied-aid policy by the United States Government should remain in place until a successful and satisfactory agreement can be worked out at the OECD on eliminating or lessening the problem and expenses of tied-aid programs; and

(7) traditional development aid programs for health, education, and agriculture should not suffer as a result of the new aggressive tied-aid policy.

SEC. 3. TIED-AID CREDITS.

(a) AUTHORIZATION.—Section 15(e)(1) of the Export-Import Bank Act of 1945 is amended to read as follows:

"(e)(1) There are authorized to be appropriated to the fund $250,000,000 for each of the fiscal years 1992 and 1993, and such sums as may be necessary for each fiscal year thereafter.".

(b) COORDINATION.—Section 15(b)(2)(C) of the Export-Import Bank Act of 1945 is amended by inserting "the Capital Projects Advisory Board and" after "consultation with".

SEC. 4. CAPITAL PROJECTS BUREAU WITHIN AID.

(a) ESTABLISHMENT OF BUREAU.—The Administrator of the Agency for International Development (AID) shall establish within the Agency a capital projects bureau to carry out the purposes described in subsection (b). The capital projects bureau shall be headed by an Assistant Administrator of AID.

(b) PURPOSES OF BUREAU.—The purposes referred to in subsection (a) are—

(1) to develop an AID program that would focus solely on developmentally sound capital projects, taking into consideration the export opportunities of United States firms; and

(2) to specifically consider opportunities for United States high-tech firms, including small- and medium-sized firms in putting together capital projects for developing nations and the nations of Eastern Europe.

(c) ACTIVITIES OF AID.—The Administrator of the Agency for International Development (AID), acting through the capital projects bureau in coordination with the Export-Import Bank of the United States and the Trade and Development Program—

(1) shall participate in putting together capital projects involving at least a 35-percent grant element and the remaining oficial credit or guarantees at market-rate terms in developing nations and, if necessary to meet foreign competition, in the emerging democracies of Eastern Europe;

(2) shall periodically review infrasturcture needs in developing nations and Eastern Europe and shall explore commercial opportunities for United States firms in the development of new capital projects in these nations keeping both United States firms and Congress informed of these reviews;

(3) shall determine whether each capital project undertaken is developmentally sound, as set forth in the criteria developed by the Development Assistance Committee of the OECD; and

(4) shall coordinate its activities with other AID bureaus, particularly the regional bureaus, working with each AID country representative in developing capital projects and commercial opportunities for United States firms in a manner which in no way interferes with their primary mission to help these nations with traditional development projects.

SEC. 5. ROLE OF THE CAPITAL PROJECTS BUREAU WITH EASTERN EUROPE.

In addition to the activities of section 4(c), the Administrator of the Agency for International Development, acting through the capital projects bureau—

(1) shall play a special role in helping to develop the infrastructure of the nations of Eastern Europe by meeting the challenge of mixed credit offerings of foreign governments to the nations of Eastern Europe and, at the same time, to help these nations rebuild their infrastructures;

(2) shall undertake a comprehensive study of the infrastructure of the various nations of Eastern Europe and—

(A) the study shall identify those sectors in the economies of these nations that are most in need of rebuilding;

(B) those sectors in those nations could then be eligible for assistance from the capital projects bureau of the Agency for International Development, including joint projects of the Export-Import Bank of the United States and the Agency for International Development; and

(C) included in the study shall be an examination of the state of technology in these nations and the opportunity for United States high technology firms to help develop a technological infrastructure in these nations, as well as an assessment of export opportunities for United States high technology companies; and

(3) upon completion of the study on Eastern Europe, shall establish an Eastern Europe program within the capital projects bureau of the Agency for International Development which—

(A) shall monitor the infrastructure needs of these nations;

(B) shall continue to help United States companies with their efforts to be a part of the rebuilding of the infrastructure of these nations;

(C) shall make a special effort to help United States high technology firms explore opportunities with the rebuilding of these nations' technological infrastructures;

(D) shall be able to make use of all existing programs of the Agency for International Development; and

(E) shall have in-country representation in Eastern Europe that is assigned duties respecting that country or region.

SEC. 6. AVAILABLE FUNDS.

(a) TRANSFER AUTHORITY.—For each of the fiscal years 1992 and 1993, the President shall transfer to the capital projects bureau of the Agency for International Development, to be available for programs, projects, or activities administered by that bureau, at least $500,000,000 of funds under chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund).

(b) LEVERAGE FINANCING FOR CAPITAL PROJECTS.—(1) There is established a tied aid credit program under which the President is authorized to use funds available under paragraph (2) to leverage financing for capital projects in advanced developing countries and Eastern Europe.

(2) Funds available for the purpose of paragraph (1) are—

(A) all funds transferred under subsection (a) to the capital projects bureau of the Agency for International Development;

(B) 50 percent of the funds available to the Tied Aid Credit Fund of the Export-Import Bank of the United States, as established by section 15(c) of the Export-Import Bank Act of 1945; and

(C) all funds available to the Director of the Trade and Development Program to carry out the tied aid credit program established by section 645 of the Export-Import Bank Act Amendments of 1983 (12 U.S.C. 635r).

(c) PROJECTS TO BE FUNDED.—The Capital Project Interagency Board, as described in section 7 shall determine which projects will be funded under this section.

(d) DEFINITION.—For purposes of this section, the term "tied aid credit" has the meaning given to such term in section 15(h)(1) of the Export-Import Bank Act of 1945.

SEC. 7. CAPITAL PROJECTS INTERAGENCY BOARD.

(a) ESTABLISHMENT.—There is established the Capital Projects Interagency Board (hereafter in this section referred to as the "Board").

(b) COMPOSITION.—The Board shall consist of the following officers or their designees:

(1) The Administrator of the Agency for International Development, who shall serve as Chairman.

(2) The President of the Export-Import Bank of the United States.

(3) The Director of the Trade and Development Program.

(4) The Secretary of State, serving as an ex officio, nonvoting member.

(5) The Secretary of Commerce, serving as an ex officio, nonvoting member.

(6) The Secretary of the Treasury, serving as an ex officio, nonvoting member.

(c) STAFF FOR THE BOARD.—The Agency for International Development, the Export-Import Bank, and the Trade and Development Program shall make available to the Board such staff as may be necessary for the Board to carry out its duties.

(d) DUTIES OF THE BOARD.—The Board shall—

(1) establish criteria to determine when a mixed credit offer should be made, taking into consideration—

(A) how developmentally sound a project is, using as a standard criteria developed by the Development Assistance Committee of the Organization for Economic Cooperation and Development;

(B) the environmental impact of such offer;

(C) the cost of such offer; and

(D) all other factors used by the Export-Import Bank of the United States and by the Agency for International Development on the date of enactment of this Act in determining whether or not to make a mixed credit offer;

(2) monitor, to the extent feasible, the mixed credit offers, being made by other countries; and

(3) report to the Congress every 6 months on—

(A) mixed credit offers made;

(B) mixed credit offers completed; and

(C) any data received from the Organization for Economic Cooperation and Development (OECD) on mixed credit offers made by other OECD countries.

(e) EFFECT OF BOARD DECISIONS.—Each decision by the Board as to whether or not to make a mixed credit offer shall be considered as final.

SEC. 8. UNITED STATES NEGOTIATING POLICY.

(a) POLICY.—It is the sense of the Congress that United States representatives at meetings of the Organization for Economic Cooperation and Development (OECD), when putting forth the United States position on limiting tied offers made by other participants in the arrangement, should state that it is the United States position—

(1) to attempt to take the commercial incentive out of tied-aid offerings to the nations of Eastern Europe, making Eastern Europe in effect a tied-aid free zone;

(2) to carry out paragraph (1) in coordination with the OECD Center for Economies in Transition;

(3) to raise the grant element for mixed credit offerings from 35 percent to 50 percent;

(4) to move capital projects financing to the multilateral financial institutions as developing countries become more industrialized;

(5) to make certain that all nations follow established criteria as to what constitutes a developmentally sound capital project;

(6) to setup a monitoring mechanism within the OECD to determine compliance to the arrangement; and

(7) to setup procedures for the tracking of tied-aid offers and projects made by the signatories of the arrangement, establishing very specific criteria as to what constitutes a tied-aid offer, keeping statistics on all offers and agreements.

(b) REPORT.—The President shall periodically submit to the Congress a report on the progress of these talks, including the extent to which issues described in subsection (a) have or will become part of the arrangement and, in the case of those positions that have not been accepted, an analysis of why they have not been accepted.•

By Mr. CRANSTON (by request):

S. 1535. A bill to amend title 38, United States Code, to improve the Health Professional Scholarship Program operated by the Department of Veterans Affairs; to the Committee on Veterans' Affairs.

MINIMUM SERVICE OBLIGATION UNDER HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM

• Mr. CRANSTON. Mr. President, as chairman of the Veterans' Affairs Committee, I am today introducing, by request, S. 1535, a bill to establish a minimum service obligation of 2 years for individuals who receive assistance under the Health Professional Scholarship Program operated by the Department of Veterans Affairs. The Secretary of Veterans Affairs submitted this legislation by letter dated July 2, 1991, to the President of the Senate.

My introduction of this measure is in keeping with the policy which I have adopted of generally introducing—so that there will be specific bills to which my colleagues and others may direct their attention and comments—all administration-proposed draft legislation referred to the Veterans' Affairs Committee. Thus, I reserve the right to support or oppose the provisions of, as well as any amendment to, this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point, together with the July 2, 1991, transmittal letter and enclosed bill analysis.

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

S. 1535

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That except as otherwise expressly provided, whenever in this Act an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 2. Section 4312 is amended in subsection (c)(1) by striking the period at the end of clause (B) and inserting in lieu thereof ", but for not less than two years."

THE SECRETARY OF VETERANS AFFAIRS,
Washington, July 2, 1991.

Hon. DAN QUAYLE,
President of the Senate, Washington, DC.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill "To amend title 38, United States Code, to improve the Health Professional Scholarship Program operated by the Department of Veterans Affairs." We request that it be referred to the appropriate committee for prompt consideration and enactment.

VA's Health Professional Scholarship Program was first authorized in 1980 to address two concerns: the growing national need for qualified health care professionals, and VA's need to compete effectively with other employers for scarce personnel resources. Over the years, the program has been very successful, providing scholarships to approximately 2,348 students, primarily nursing students. As a condition for the financial assistance, scholarship recipients must agree to fulfill a period of obligated service to the VA following completion of their education. As a result, VA has received many years of service from scholarship recipients, and has gained many valuable permanent employees through the program.

The statute which initially authorized VA's scholarship program provided that scholarship recipients serve one year for each year of support provided, with a minimum obligation of two years. In 1988, Congress amended the law to make the scholarship program part of the larger Health Professionals Educational Assistance Program, which also includes a tuition reimbursement program for nurses, and a stipend program for members of the Selected Reserve. The same amendments to the law reduced the minimum period of service obligation for scholarship recipients from two years to one year. This action was apparently taken to align the period with the one-year service requirement applicable to the Nurse Education Tuition Reimbursement Program. This draft bill would restore the minimum service obligation period to two years.

Once they are on the job, new graduates in health-care professions generally require twelve to sixteen weeks of orientation, and for most disciplines up to six months of on-the-job training. Thus, it is typically seven to eight months before a scholarship recipient can function independently, and before VA begins to recoup the full benefit of its scholarship investment. Thus, the two-year minimum which existed before 1988 yielded roughly only fourteen months of "journeyman" service before a graduate completed his/her employment obligation. It was consistent with VA's practical need for fully qualified and contributing health-care personnel and had proven effective in stabilizing staffing and reducing turnover. Moreover, past program participants perceived the two-year obligation as a reasonable exchange for the financial and educational benefits they received.

In the same legislation which reduced the minimum period of obligated service (Pub. L. No. 100-322 §216(b)) Congress also required that priority in choosing scholarship recipients be given to students in their last year of training. Thus, the majority of current scholarship awards are for one year, and recipients have only a one-year service commitment. That is a change from the past when VA awarded primarily two-year scholarships. Now that the majority of obligated service commitments are for only one year, it is even more important to have a minimum two-year service obligation.

Finally, the one-year minimum is often inadequate for new appointees to reach their full professional potential and allow VA a fair return on its investment. It also frustrates efforts to meet staffing needs, particularly in health-care disciplines, such as nursing and physical therapy, where VA continues to experience shortages. Restoring the two-year minimum would help assure the program's continued value for maintaining adequate health-care.

VA estimates that this draft bill will not impose any significant costs.

The Office of Management and Budget advises that there is no objection from the standpoint of the Administration's program to the submission of this legislative proposal to the Congress.

Sincerely yours,

EDWARD J. DERWINSKI.

ANALYSIS OF PROPOSED BILL

Section 2 would amend 38 U.S.C. §4312(c)(1)(B) to extend from one to two years the minimum period of obligated service that a scholarship recipient must satisfy. Section 4312(c)(1)(B) now provides that scholarship participants must enter into an agreement to serve as a VA employee for one calendar year for each school year or part thereof for which VA provided scholarship support. The draft bill would amend that section to require that the agreement also contain language that the participant will serve "for not less than two years."

When the scholarship program first began in 1980, participants were obligated for one year for each year of support received, with a minimum of two years. In 1988, Congress changed that to a one year minimum apparently to make it consistent with a tuition reimbursement program that was initiated that year. However, the tuition reimbursement program is very different in that students in that program are already VA employees. For that program a one year period of obligated service is reasonable. That is not the case for scholarship program participants who are generally new to the field and require a long period of orientation and training before they become fully effective employees. The change would not affect current program participants with agreements for a one-year minimum period of obligated service.

There are no costs associated with this proposal.●

By Mr. ADAMS:

S. 1536. A bill to provide for worker and community assistance and for ecosystem conservation in Pacific Northwest Federal forest lands, and for other purposes; to the Committee on Finance.

PACIFIC NORTHWEST FOREST COMMUNITY RECOVERY AND ECOSYSTEM CONSERVATION ACT

Mr. ADAMS. Mr. President, I am appearing here today to introduce legislation to address the severe timber problem which has now reached crisis proportions in the Washington State area, and the Pacific Northwest region as a whole.

The timber supply crisis strikes at the very heart of our economy. It threatens the beauty and the future of Washington's natural ecosystem. It has caused human suffering among those who have lost their jobs. Thousands of workers and their families have already lost their jobs or live in daily fear of losing their source of income.

We in the Northwest have grappled with this problem for many, many years. We have had meeting after meeting.

I want to pay my respect to the members of the Washington and Oregon delegations in particular, for offering many, many suggestions, and for placing in the hopper on the House side a number of different bills. But at no time in our history have we experienced such different choices, choices that will set guideposts for our people and our environment, and our economy, for decades.

The approach embodied in my legislation calls for managing an entire ecosystem to produce logs, jobs, and a sound environment for the State of Washington.

I also hope that it will be adopted by and used in the entire Pacific Northwest and in California, since we have only one last chance to save the basic ecosystem of our ancient forests, which are the largest biomass of wood products left in the entire United States.

To reach these goals has been very difficult, and we have worked on this both as committees and then finally in my office I came to the conclusion that because we were marking up the Interior appropriations bill—where traditionally the amounts of timber have been set by simply setting a dollar figure—that I have to have an underlying bill that shows exactly where we thought we should be going in order to not only meet targets but to save our forests, and particularly our ancient forests.

To reach these goals I do several things. I offer incentives—and I will introduce the bill today so that it will be placed before all of the Members—for reforestation, for domestic processing of our wood resources, for exports of value-added wood products, and for protecting old growth as well as the salmon habitat. We have heard a lot about the owl and the owl has a problem. And it is a marker for the ancient forests. But we have a problem also that the salmon resources of the Pacific Northwest are rapidly reaching the point where they may become also an endangered species.

Title I of my bill provides adjustment assistance for certain dislocated workers, including extended unemployment benefits.

Title II is aimed at helping the majority of Washington counties whose economies are timber-dependent. The title establishes a special fund in the U.S. Treasury, funded by a portion of the timber sales receipts to assist communities in diversifying their economies, and to support worker retraining. It also provides grants to establish rural economic development magnet centers in timber-dependent communities.

Title III deals with exports. To help illustrate this point, I have prepared three graphics showing the growth of log exports from Washington. The first two charts reveal the increase in log exports compared with the total harvest. If you will notice, in 1970, it was only 26 percent of the total harvest; about one-quarter. But today it is 42 percent of the total harvest. That includes private and public.

There is no wonder that there is a shortage of product for use by people who do not own their own wood in the Pacific Northwest.

The third chart shows the ownership of the timber exported. Here we see private logs and how they make up the vast majority of exports from the State of Washington. If you will look at that chart, you will notice that, starting in 1970, this was 53 percent. The forest industry now has 65 percent.

So when we tried to correct the problem by closing off the export of logs to the Asiatic countries, particularly to Japan, by stopping the export from public lands, both State and Federal, we only affected a small portion of the problem.

I have wrestled long and hard with this problem, and have finally come up with this conclusion.

My bill gives Western States the authority—but does not require them—to limit log exports through whatever means the Governor may choose: A tax, an export quota, or another means. The people of Washington must have all of the options in front of them. My bill gives them all of the options. They can choose, but they must have Federal authorization to do that. That is why this is in title III, because this is the export in commerce of a product.

We are allowed to do this under our treaties and under GATT and under the international law, because we are suffering a shortage, and this shortage has exacerbated, as I showed by the charts, though the past few years, to a point now where our small mills are being put completely out of business, and our others are short of logs.

Title III of the bill begins to provide some of the sweetners to go with the sticks that are in the bill. Title III also provides incentives for exports of processed wood products through the Export-Import Bank and the U.S. Department of Agriculture's Commodity Credit Corporation.

TItle IV offers tax incentives for reforestation and would create a 2-percent tax credit for domestic processing. In other words, if the private landowners or the big companies send their logs for domestic processing, they receive a 2-percent tax credit, quite an incentive to see that we get a flow of logs that stays in the United States.

Title V proposes a comprehensive forest ecosystem conservation management plan. This is really the heart of the bill. It will establish a process for scientifically sound management of the whole forest ecosystem, so that we can produce both jobs and a sound environment in the State of Washington and, hopefully, in the other west coast States long into the future.

We are in danger, as a nation, of losing not just some species of wildlife, but our entire forests, for generations to come. My intent is to protect the overall health of the entire forest ecosystem, so that it can produce a balance of all resources on a long-term, sustainable basis.

Mr. President, my legislation is not the final word. It is the first comprehensive step toward helping the people and the environment of the State of Washington. I urge my colleagues to

give their fullest and most serious consideration to this. We want to produce, in our State, both wood and work. And we must preserve our heritage for our children, because if the ancient forests are once cut and completely gone, they cannot be replaced for 300 or 400 years.

So we have tried to work out a system that sees to it that any harvest starts with the younger trees and protects the ancient forests and, in between, examines scientifically how we can change our forest management system.

I want to finally indicate that this bill does not attempt to change the Endangered Species Act; it does not do away with judicial review. These things are an anathema to the State of Washington and to the Nation.

This is a bill of forest management, tax incentives, unemployment compensation, and diversification of an industry. So that we, as a nation, may save one of our most precious resources, I will introduce the bill today, Mr. President.

Mr. President, I ask unanimous consent that the table I referred to appear in the RECORD.

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

WASHINGTON LOG EXPORTS

[Volume in million board feet, log scale]

	Volume exported	Total harvest	Percent exported
Year:			
1990	2,265	5,413	42
1989	2,730	6,851	40
1988	2,668	7,045	38
1987	2,393	7,036	34
1986	1,944	6,556	30
1985	2,436	5,963	41
1984	2,300	5,802	40
1983	2,278	6,088	37
1982	2,154	5,079	42
1981	1,674	4,891	34
1980	2,191	5,720	38
1979	2,686	6,969	39
1978	2,369	6,783	35
1977	2,025	6,591	31
1976	1,974	6,971	28
1975	1,595	6,185	26
1974	1,618	6,876	24
1973	1,915	7,809	25
1972	1,913	7,080	27
1971	1,320	6,451	20
1970	1,697	6,460	26

Washington Department of Natural Resources Data computed from U.S. Forest Service Statistics.

OWNERSHIP SOURCE FOR TIMBER EXPORTED FROM WASHINGTON

[In percent]

	Federal	Other public/State	Forest industry	Other private
Year:				
1988	.....	20	65	15
1986	.....	32	55	13
1984	.....	22	65	13
1982	1	14	78	7
1980	.....	21	62	17
1978	.....	25	64	11
1976	2	28	61	9
1974	4	23	60	13
1972	5	26	57	12
1970	9	27	53	11

Computed from Washington Department of Natural Resources Data.

By Mr. BROWN:

S. 1537. A bill to amend the National Trails System Act to designate the American Discovery Trail for study to determine the feasibility and desirability of its designation as a national trail; to the Committee on Energy and Natural Resources.

AMERICAN DISCOVERY TRAIL

Mr. BROWN. Mr. President, I am pleased to introduce today a bill to designate the American Discovery Trail for study to determine its desirability for designation as a national trail.

The American Discovery Trail would be our Nation's first coast-to-coast hiking trail. It would link together shorter segments of existing scenic and historic trails on public lands in the States of California, Nevada, Utah, Colorado, Kansas, Missouri, Illinois, Indiana, Ohio, West Virginia, Maryland, and Delaware, to form a 30,000-mile national trail network encompassing 27 States overall.

Today, the three-member American Discovery Trail Scouting Expedition arrived in Washington, DC, on its way to the Atlantic Ocean. Over a year ago, this team set out to map the American Discovery Trail which will span nearly 5,500 miles, from California to Delaware.

The American Discovery Trail will give the American people greater access to some of our country's most beautiful scenic vistas. It is my hope that the trail also will foster increased appreciation of and responsibility for our public lands, as well as heightened awareness of our cultural heritage.

By Mr. DURENBERGER:

S. 1538. A bill to authorize a certificate of documentation for the vessel *Eric WC*; to the Committee on Commerce, Science, and Transportation.

DOCUMENTATION OF VESSEL "ERIC WC"

• Mr. DURENBERGER. Mr. President, today I am introducing legislation that would allow the Coast Guard to issue a valid certificate of documentation for the fishing vessel *Eric WC*, hull identification number 64103. The *Eric WC* is currently owned by Clyde Neumann of Two Rivers, WI. The boat was built in 1946 by the Matthews Co.

This legislation is needed because the current owner has been unable to verify that the boat was built by the Matthews Co. because a fire in the company offices destroyed all their files. Mr. Neumann is the fifth owner of this boat and has not been able to locate records from two of previous owners who are deceased. After a diligent and lengthy search by his lawyer, Mr. Neumann has been unable to establish the chain of ownership.

This legislation is needed in order to allow the Coast Guard to issue a certificate of documentation for the vessel *Eric WC* so that it can be used in the coastwise trade or domestic fisheries as a charter boat.•

By Mr. LEAHY (for himself and Mr. JEFFORDS):

S. 1540. A bill to amend the Child Nutrition Act of 1966 to extend the special supplemental food program for women, infants, and children [WIC], and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FULL FUNDING FOR WIC

• Mr. LEAHY. Mr. President, everyone in this Chamber is familiar with the successful nutrition program for pregnant women, infants and children we call WIC. But I do not think everyone knows that the benefits of this extremely effective program are refused to almost half of those it was created to serve. That's right. Due to insufficient funding, only 55 percent of all eligible women and children are reached by the WIC Program.

WIC is designed to increase infant birthweights and reduce birth defects by providing nutritious food to pregnant women. It is designed to combat the problems cited by the Surgeon General—that babies with low birthweights are at greater risk of having "developmental handicaps, birth defects, respiratory and other infectious diseases, behavior problems and [other] complications."—Surgeon General's Report on Nutrition and Health 1988.

The facts are indisputable. WIC reduces infant mortality; WIC improves prenatal care, and WIC reduces premature deliveries. WIC works by providing—to those who cannot otherwise afford it—the care and nutrition necessary for healthy pregnancies.

Unfortunately, there are other facts that are not so encouraging. Currently, only 55 percent of the women and children eligible for WIC are served. That leaves more than 3.5 million needy women and children with no benefits at all.

In the current budget climate, it is more important than ever to weed out the programs that do not work and hold on the ones that save us money. WIC is a proven success story.

A 1990 USDA study showed that for every WIC dollar spent on a pregnant woman, between $2.84 and $3.90 was saved in infant Medicaid during the first 60 days after birth. And, according to the Surgeon General, the average medical cost of a low birthweight baby can exceed $39,000. The average cost of the WIC package is $30 a month.

So with WIC, we can be a caring nation as well as a smart nation. WIC is an investment that pays for itself over and over again. Please join me in insuring that every eligible woman and child receive WIC benefits so as a nation, we all can benefit from this wise investment.

I ask unanimous consent that this bill be printed in the RECORD following my remarks.

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

S. 1540

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

SECTION 1. SPECIAL SUPPLEMENT FOOD PROGRAM.

The first sentence of section 17(g)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(g)(1)) is amended by striking "and such sums as may be necessary for each of the fiscal years 1991, 1992, 1993, and 1994" and inserting "such sums as many be necessary for fiscal year 1991, $2,700,000,000 for fiscal year 1992, $3,100,000,000 for fiscal year 1993, $3,500,000,000 for fiscal year 1994, $4,000,000,000 for fiscal year 1995, $4,500,000,000 for fiscal year 1996, and such sums as may be necessary for fiscal year 1997 and subsequent fiscal years".●

By Mr. CHAFEE:

S. 1541. A bill to extend the temporary suspension of the duty on 2,5-dimethoxyacetanilide; to the Committee on Finance.

S. 1542. A bill to extend the temporary suspension of the duty on nitro sulfon B; to the Committee on Finance.

S. 1543. A bill to extend the temporary suspension of the duty on 3,4-diaminophenetole dihydrogen sulfate; to the Committee on Finance.

S. 1544. A bill to extend the temporary suspension of the duty on chloramino base; to the Committee on Finance.

S. 1545. A bill to extend the temporary suspension of the duty on 4-chloro-2-nitroaniline; to the Committee on Finance.

S. 1546. A bill to extend the temporary suspension of the duty on amino sulfone BR; to the Committee on Finance.

S. 1547. A bill to extend the temporary suspension of the duty on N-acetylsulfanilyl chloride; to the Committee on Finance.

SUSPENSION OF DUTY ON CERTAIN CHEMICALS

● Mr. CHAFEE. Mr. President, today I am introducing seven bills to extend the duty suspensions on the importation of seven chemicals that are precursors used in the production of printing inks and dyes for textiles. These particular chemicals are not produced in the United States and the extension of the current duty suspensions will lower the overall cost of producing textiles in this country.

As we are all aware, the textile industry has been hit especially hard by imports. I want to do all I can to keep this American industry on a fair competitive footing with its foreign competition. Our foreign competitors can print and dye their textiles without the added costs that these duties impose, thus these duties would place our domestic industry at a competitive disadvantage.

The International Trade Commission has confirmed that there is no domestic production of these chemicals to be adversely affected by a continuation of these duty suspensions. It would be senseless to allow the current duty suspensions to expire at the end of next year. By extending these duty suspensions now, we can provide assurance to our domestic industry that they will be able to continue to obtain printing inks and dyes at a lower cost.

These bills would extend the duty suspensions for these seven chemicals from their current December 31, 1992, expiration date through December 31, 1994. These duties have been suspended for less than 3 years, since the enactment of the Omnibus Trade and Competitiveness Act of 1988, Public Law 100-418. These extensions will provide 2 additional years and will give us time to study the effects of these duty suspensions on the chemical industry to determine if we should then repeal the duties outright or continue the suspensions for another period.

Mr. President, I ask unanimous consent that the seven bills be printed in the RECORD.

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

S. 1541

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

SECTION 1. 2,5-DIMETHOXYACETANILIDE.

(a) IN GENERAL.—Heading 9902.29.52 of subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by striking "12/31/92" and inserting "12/31/94".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, after December 31, 1992.

S. 1542

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

SECTION 1. NITRO SULFON B.

(a) IN GENERAL.—Heading 9902.29.07 of subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by striking "12/31/92" and inserting "12/31/94".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, after December 31, 1992.

S. 1543

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

SECTION 1. 3,4-DIAMINOPHENETOLE DIHYDROGEN SULFATE.

(a) IN GENERAL.—Heading 9902.29.45 of subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by striking "12/31/92" and inserting "12/31/94".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, after December 31, 1992.

S. 1544

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

SECTION 1. CHLORAMINO BASE.

(a) IN GENERAL.—Heading 9902.29.42 of subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by striking "12/31/92" and inserting "12/31/94".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, after December 31, 1992.

S. 1545

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

SECTION 1.4-CHLORO-2-NITROANILINE.

(a) IN GENERAL.—Heading 9902.29.25 of subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by striking "12/31/92" and inserting "12/31/94".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, after December 31, 1992.

S. 1546

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

SECTION 1. AMINO SULFONE BR.

(a) IN GENERAL.—Heading 9902.29.61 of subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by striking "12/31/92" and inserting "12/31/94".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, after December 31, 1992.

S. 1547

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

SECTION 1. N-ACETYLSULFANILYL CHLORIDE.

(a) IN GENERAL.—Heading 9902.29.97 of subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by striking "12/31/92" and inserting "12/31/94".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, after December 31, 1992.●

By Mr. CHAFEE:

S. 1548. A bill to extend the temporary suspension of the duty on 1-chloro-5-hexanone; to the Committee on Finance.

S. 1549. A bill to extend the temporary suspension of the duty on theobromine; to the Committee on Finance.

SUSPENSION OF DUTY ON CERTAIN CHEMICALS

● Mr. CHAFEE. Mr. President, I am introducing two bills today for the purpose of extending the current duty suspensions for two chemicals—theobromine and chlorhexanone. These two chemicals are used in the manufacture of pentoxifylline, which is the active ingredient in the product "Trental" used in the treatment of arterial disease.

I have been advised that neither theobromine nor chlorhexanone is commercially available in the United

States, and thus any duty on these two chemicals would be an unnecessary added expense for the domestic manufacturing industry. These two chemicals are used in the production of pentoxifylline by the Pharmaceutical Production Division of Hoechst Celanese Corp., which is located in Coventry, RI. Pentoxifylline is used in the production of the final product, Trental, in Bridgewater, NJ. By continuing the duty suspensions for these two chemicals, this U.S. company will be more competitive with foreign manufacturers of products that compete with Trental.

These bills would extend the duty suspensions for theobromine and chlorhexanone from the current December 1, 1992, expiration date through December 31, 1994. These duties have only been suspended since last year and this extension will provide 2 additional years and will give us time to study the effect of these duty suspensions on the pharmaceutical industry to determine if we should then appeal the duties outright or continue the suspensions for another period.

Mr. President, I ask unanimous consent that these two bills be printed in the RECORD, following my statement.

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

S. 1548

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

SECTION 1. 1-CHLORO-5-HEXANONE.

(a) IN GENERAL.—Heading 9902.30.20 of subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by striking "12/31/92" and inserting "12/31/94".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, after December 31, 1992.

S. 1549

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

SECTION 1. THEOBROMINE.

(a) IN GENERAL.—Heading 9902.31.01 of subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by striking "12/31/92" and inserting "12/31/94".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, after December 31, 1992.•

By Mr. CHAFEE:

S. 1550. A bill to extend the temporary suspension of the duty on lasamid; to the Committee on Finance.

EXTENSION OF DUTY SUSPENSION ON LASAMID

• Mr. CHAFEE. Mr. President, I am pleased to offer legislation today that would extend a temporary duty suspension on lasamid. Lasamid is a chemical used in the manufacture of furosemide, a widely used potent diuretic, primarily prescribed in the treatment of patients who have suffered from congestive heart failures.

Furosemide is currently sold in the United States by Hoechst-Roussel Pharmaceuticals, Inc. [H-RPI] and by several other generic drug companies. However, the only company which manufactures furosemide in the United States is H-RPI's parent, Hoechst Celanese Corp. All other furosemide sold in the United States is imported.

Hoechst Celanese produces furosemide in my State of Rhode Island by a process which involves the intensive treatment of the precursor chemical lasamid. There are no known American producers of lasamid, and its only use is as a precursor to the production of furosemide. Since there are no domestic producers of lasamid, no domestic interests would be adversely affected by this bill. By continuing the duty suspension for lasamid, this U.S. producer will be more competitive with foreign producers, thereby benefiting the American workers who manufacture this product. It will also contribute to keeping down medical costs, by reducing costs to produce a major drug relied upon by many Americans.

This bill would extend the duty suspension for lasamid from its current December 31, 1992, expiration date through December 31, 1994. This duty has been suspended for less than 3 years, since the enactment of the Omnibus Trade and Competitiveness Act of 1988, Public Law 100-418. This extension will provide 2 additional years and will give us time to study the effect of the duty suspension on the pharmaceutical industry to determine if we should then repeal the duty outright or continue the suspension for another period.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

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

S. 1550

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

SECTION 1. LASAMID.

(a) IN GENERAL.—Heading 9902.29.86 of subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by striking "12/31/92" and inserting "12/31/94".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, after December 31, 1992.•

By Mr. HELMS:

S. 1551. A bill to amend the Internal Revenue Code of 1986 to provide that income of certain spouses will not be aggregated for purposes of the limitations of section 401(a)(17) and 404(1) of such Code; to the Committee on Finance.

TAX TREATMENT OF CERTAIN RETIREMENT PLANS

Mr. HELMS. Mr. President, today I am introducing legislation, identical to legislation introduced on February 21 in the House of Representatives by Congressman HOWARD COBLE, to amend section 401(a) of the Internal Revenue Code to allow an exemption for couples where both spouses are licensed to perform services in the same professional field on a full-time basis for the same employer.

The necessity of this legislation was brought to my attention by Drs. James and Cynthia Matthews of Greensboro, who are being severely penalized pursuant to the Tax Reform Act of 1986 because they happen to be married to each other.

Both are licensed physicians practicing in a five-person medical group. The organization's corporate stock is divided equally among the members, and each participates in a tax-qualified retirement plan.

Mr. President, section 401(a)(17) of the Tax Code limits the annual compensation for each employee participating in a retirement plan to $200,000. This figure is adjusted annually for inflation. In lay terms, compensation is computed on the basis of the amount of money attributed each year to an employee who participates in such a retirement plan. As a practical matter, compensation is the basis from which the employee draws his or her benefits upon retirement.

The provision harms working couples with a further restriction: Any 5-percent owner of an affected company or employee who is one of the 10 highest-paid company workers in a given year, his or her spouse, and any of their lineal descendants who have not attained 19 before the close of the year are considered one employee for the purpose of section 401(a)(17). (In effect, this means that the Matthews, by virtue of their marriage, cannot participate in their retirement plan as individuals to the same extent as the other three group members.)

Mr. President, Congress enacted this measure primarily to discourage small businesses from padding their payrolls and pension plans with spouses and children of key employees who do little, if any, work. This scenario necessarily contrasts with that involving the Matthews, both of whom routinely devote 70 hours or more per week to their practice. Given this background, the limitations imposed on legitimately hard-working couples by section 401(a)(17) hardly seem fair.

My bill corrects this problem in a narrowly confined and straightforward way. For the purposes of determining each employee's compensation, the restriction attributing compensation between spouses will not apply if both spouses are licensed to perform services in the same professional field and

perform these services on a full-time basis for the same employer. This slight adjustment will ensure that both spouses are treated equitably and equally, relative to each other as well as their coworkers. It should be noted that my bill would retain the section 401(a)(17) restriction in all other cases.

In this regard, I more than welcome any suggestions from my colleagues, especially those serving on the Finance Committee, as to how the overall abuse leading to the creation of section 401(a)(17) can be eliminated in just a manner.

Mr. President, while selective application of section 401(a)(17) of the Tax Code may not be on the front-burner issue of the 102d Congress, it does speak to a basic concern which permeates all our work: fairness. I urge Senators to support this endeavor.

By Mr. BIDEN (for himself, Mr. WOFFORD, Mr. ROTH, and Mr. SPECTER):

S. 1552. A bill to amend the Wild and Scenic Rivers Act by designating the White Clay Creek in Delaware and Pennsylvania for study potential addition to the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Energy and Natural Resources.

WHITE CLAY CREEK STUDY ACT

• Mr. BIDEN. Mr. President, today I am joined by Senators WOFFORD, ROTH, and SPECTER in introducing a bill to study the White Clay Creek in Delaware and Pennsylvania for designation as a Wild, Scenic, and Recreational River. The White Clay Creek has already benefited from a unique bi-State effort to protect its beauty. The study we are calling for builds on this strong local and regional interest in protecting White Clay Creek.

The White Clay Creek watershed is a remarkable environment, an oasis of natural beauty within easy reach of the urban sprawl that has overwhelmed areas from New York City to Washington, DC. The diversity of natural resources is astounding. A 1984 study by the National Park Service found, in just one portion of the watershed, a range of resources that merited special protection.

Among the findings of the Park Service report were that the area studied contains and is adjacent to an unusually rich variety of habitats and plant communities ranging from marshy lowland meadows to mature beech woodlands.

The report also noted "an extraordinarily rich bird habitat, especially during periods of migration. The White Clay Creek property is within the range of many northern species and at the northern limits of many southern species."

The report's conclusion stated: "That a property containing all these natural and cultural resource values has been assembled and conserved, in a rapidly growing area near such large population centers as Philadelphia, Wilmington, and Baltimore, is a matter of good fortune for the people of Pennsylvania and Delaware. The White Clay Creek property is a unique area and a rare opportunity that should not be lost."

The natural treasures identified by the Park Service for just one portion of White Clay Creek in the 1984 report are found throughout the entire watershed. Local support for an even more comprehensive study is strong. I ask that letters of support from the White Clay Creek Preserve, the White Clay Fly Fishermen, the director of the University of Delaware's Water Resources Center, the Delaware Audubon Society, and Jay D. Hair, president of the National Wildlife Federation be printed in the RECORD at the conclusion of my remarks.

Local interest in protecting the White Clay Creek is not a recent development. I have supported efforts to protect this valuable area since my days as a New Castle County Councilman. And, in 1979, I introduced Federal legislation to study the White Clay Creek watershed.

At that time, I cited an earlier report from the Department of the Interior which found that "* * * we feel there is still a great potential to develop a worthwhile conservation strategy for the White Clay Creek. The dedication of the people concerned with its future is remarkable and provides a solid foundation for stream protection."

That dedication remains. As I described in 1979, the efforts of determined citizens fended off proposals to dam the creek and to traverse it with a beltway to relieve Newark, Delaware's traffic problems. Those same strongly held convictions about the beauty of the White Clay Creek led the Watershed Association to call for another study for the Creek's inclusion in the Wild and Scenic River System.

Why should another study be expected to yield different results? The reason is simple—the study process has changed. The standards by which the White Clay Creek will be measured in the 1990s are different from those in the 1970s. The natural resource values of the area will be measured by a more realistic yardstick as will the characteristics of surrounding areas. It is clear that many experts believed then that the White Clay Creek was worthy of protection, as many believe so today.

The bill we introduce starts that process forward. The first step is a Federal study of the characteristics of the creek watershed and its eligibility for designation. The second step is to recommend classifications for various segments of the river. I would expect that the portions of White Clay Creek that are deemed eligible will be split between scenic and recreational quality.

The third step is to establish boundaries, in concept, for areas that will be designated. This is one of the most demanding steps in the process and the one which can easily jeopardize the entire process if done improperly. It cannot be emphasized enough, especially with citizens who are not familiar with the process, that boundaries are only advisory at this point and that public input is crucial.

The fourth step is to evaluate various alternatives to river protection for those segments that are deemed eligible. Again, it is important that all citizens in the watershed understand what the range of viable alternatives are and which ones they support.

Development of a draft management plan can also be done at this point. This plan will have absolutely no legal bearing, but may be developed so residents will better understand how designation of certain river segments may or may not affect them. Public input is not only central, but should drive this portion of the process.

Recommendations developed at this part of the process will help guide New Castle County, Chester County and local governments in efforts to manage White Clay Creek.

I outline the procedures that will be followed in the Wild and Scenic River process because the experience of other studies shows that citizens involvement and understanding is important from the start. Misunderstanding about what is being proposed or what is being studied can set back the entire process for no good reason.

It should be clear from previous actions and from the support for this proposal that residents of the watershed are very interested in this study and in gaining the designation. They have worked hard on their own over the years to protect the White Clay Creek. The study initiated when this bill is signed into law will bring important resources to bear on an area that has tremendous ecological values.

I hope we can act quickly on this bill so the White Clay Creek Watershed can receive the protection it needs and deserves.

I ask unanimous consent that the text of our bill be printed in the RECORD, along with letters of support.

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

S. 1552

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 "White Clay Creek Study Act".

SEC. 2. FINDINGS.

Congress finds that—

(1) the White Clay Creek watershed is one of only a few relatively undisturbed areas remaining within one of the most densely populated areas in the country;

(2) the Creek and several of its tributaries were placed on the Nationwide Rivers Inven-

tory List by the National Park Service for initially meeting the criteria of the Wild and Scenic Rivers Act (16 U.S.C. 1271 et seq.);

(3) the concerns and interests of those people who live, work, and recreate within the watershed will be reflected in the development of a study and management plan by the Secretary of the Interior pursuant to this Act; and

(4) the conservation of the watershed, and its outstanding natural, cultural, and recreational values, is important to the residents within the watershed and to the residents within the surrounding suburban and urban areas of Delaware and Pennsylvania.

SEC. 3. STUDY RIVER DESIGNATION.

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

"(112) WHITE CLAY CREEK, DELAWARE AND PENNSYLVANIA.—The headwaters of the river in Pennsylvania to its confluence with the Christina River in Delaware, including the East, West, and Middle Branches, Middle Run, Pike Creek, Mill Creek, and other main branches and tributaries as determined by the Secretary of the Interior (hereinafter referred to as the White Clay Creek).".

SEC. 4. STUDY AND REPORT.

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

"(11)(A) The study of the White Clay Creek in Delaware and Pennsylvania shall be completed and the report submitted not later than 3 years after the date of enactment of this paragraph.

"(B) In carrying out the study, the Secretary of the Interior shall prepare a map of the White Clay Creek watershed in Delaware and Pennsylvania, and shall develop a recommended management plan for the White Clay Creek. The plan shall provide recommendations as to the protection and management of the White Clay Creek, including the role the State and local governments, and affected landowners, should play in the management of the White Clay Creek if it is designated as a component of the National Wild and Scenic Rivers System.

"(C) The Secretary shall prepare the study, including the recommended management plan, in cooperation and consultation with appropriate State and local governments, and affected landowners.".

NATIONAL WILDLIFE FEDERATION,
Washington, DC, July 19, 1991.

Hon. JOSEPH BIDEN,
U.S. Senate, Washington, DC.

DEAR SENATOR BIDEN: Perhaps fewer things are more universally enjoyed than experiencing the natural beauty of a lake or stream and its surroundings. With more and more land taken to satisfy perceived development needs, the number of places offering this experience has been sadly reduced. We can be thankful that there are still a few areas where the description "wild and scenic" can be applied, and where wildlife can find needed habitat.

I am pleased that you will likely be introducing legislation to provide for a study of the White Clay Creek in Pennsylvania and Delaware for potential addition to the National Wild and Scenic Rivers system.

The National Wildlife Federation has 5.5 million members and supporters and 51 state and territorial affiliates, including the Wildlife Federation of Delaware and the Pennsylvania Federation of Sportsmen's Clubs. On behalf of these people who believe in preserving and managing wisely what can be saved of our country's natural heritage, I want to express strong support for the proposed study. It is not only as the Federation's president that I would like to see this particular creek protected, however. I knew White Clay Creek as a boy, and in our house, it was "The River."

As you are aware, approval has been granted to include White Clay in the Delaware Estuary Program Demonstration Project regarding nonpoint source pollution and agribusiness. The White Clay Watershed Association and the Stroud Research Center have already gathered significant data on the river's resources. The endangered bog turtle has been found in the area. The three-year study may yield many additional reasons for offering protection against unnecessary encroachment on the river's unspoiled attributes. Designation under the Wild and Scenic Rivers Act is definitely worth exploring. Thanks again for your interest.

Sincerely,

JAY D. HAIR.

DELAWARE AUDUBON SOCIETY,
Wilmington, DE, May 9, 1991.

Hon. JOSEPH R. BIDEN, Jr.,
Wilmington, DE.

DEAR SENATOR BIDEN: The Delaware Audubon Society respectfully requests you to support the White Clay Watershed Association's initiative to obtain a study of the White Clay Creek and Watershed under the Wild, Scenic and Recreational Rivers Act.

A free-flowing stream in the midst of a rapidly developing urban setting, White Clay Creek provides easily accessible recreational opportunities for a large population. Just minutes from their homes, people in the surrounding metropolitan areas can experience a wild setting that offers welcome respite from the pressures of the urbanized world. It is clear that there must be a continuing effort to maintain the quality of the White Clay Creek system, not only for the people in the surrounding suburban areas but from the pressures of exploitation for commercial gain.

We would appreciate your assistance in having the White Clay Creek and Watershed included in the list of rivers to be studied by the National Park Service under the Wild, Scenic and Recreational Rivers Act.

Thank you very much for your time and assistance. I look forward to your reply.

Sincerely,

IRENE G.J. GOVERTS,
President.

UNIVERSITY OF DELAWARE,
Newark, DE, May 24, 1991.

Hon. JOSEPH R. BIDEN, Jr.,
Wilmington, DE.

DEAR SENATOR BIDEN: The Delaware Water Resources Center requests your support for the White Clay Watershed Association's initiative to study the White Clay Watershed under the Wild, Scenic and Recreational Rivers Act—the outcome of which may be protection for a most beautiful tract in our state's vanishing natural lands.

The quality of our lives depends in part on access to natural settings, but the recent rapid development of northern Delaware threatens to whittle away the remaining unsettled areas, replacing them with suburban sprawl. We cannot leave it to Pennsylvania, New Jersey, and Maryland to provide natural areas for our use; Delaware must retain its own open land as a balance to the increasingly densely populated areas.

To accomplish this, we would appreciate your assistance in adding the White Clay Creek to the rivers to be studied under the Wild, Scenic and Recreational Rivers Act. Thank you for any help you can provide.

Sincerely,

ROBERT D. VARRIN,
Director.

WHITE CLAY CREEK PRESERVE,
July 17, 1991.

Hon. JOSEPH R. BIDEN, Jr.,
U.S. Senator, Wilmington, DE.

DEAR SENATOR BIDEN: We represent the Bi-State Advisory Council for the White Clay Creek Preserve of Pennsylvania and Delaware. At our recent meeting, we unanimously agreed to formally support the White Clay Creek Watershed Association initiative for a study of the White Clay Creek Watershed for possible inclusion in the Wild, Scenic and Recreational Rivers System.

This study is critical so we have management practices in place to protect this watershed. This study would identify the various factors which are not being adequately addressed now, what we need to know, and how to get everyone involved in the preservation effort. This effort has to be a joint effort with townships, municipalities, businesses and private land owners. The White Clay Creek Preserve's 1,700 acres and many miles of stream are central to this effort.

We urge your support for a study of the White Clay Creek Watershed for possible inclusion in the Wild, Scenic and Recreational Rivers System. Thank you for your consideration.

Sincerely,

GARY SCHROEDER,
Chairperson.

DOROTHY MILLER,
Vice Chairperson.

WHITE CLAY FLYFISHERMEN,
Avondale, PA, June 10, 1991.

Hon. ARLEN SPECTER,
Hart Senate Building, Washington, DC.

DEAR SENATOR SPECTER: The White Clay Fly-fishermen is a group of interstate flyfishermen (PA, DE and NJ) who have adopted the White Clay Creek as a part of the PA Fish Commission Adopt A Stream Program. Since 1970 we have undertaken a number of projects to improve this fine resource. There are few streams of this quality located near such large metropolitan areas.

The Bi-state White Clay Preserve has greatly enhanced the use of this area by hikers, boaters, bird watchers, fishermen and hunters. Increased development of the area threatens the quality of the White Clay Creek Watershed.

Therefore we are requesting that you support the initiative of The White Clay Watershed Association to obtain a study of the watershed authorized under The Wild Scenic and Recreational Rivers Act.

We support this Bi-state study which would serve as a model for exploring nonpoint-source pollution and the carrying capacity of the water resource. This study would be extremely useful and is needed as the threat to the resource increases with each passing day.

Sincerely,

THOMAS F. SHAW,
Secretary.•

• Mr. ROTH. Mr. President, I rise today to join my colleague from Delaware, Senator BIDEN, and my colleagues from Pennsylvania, Senators SPECTER and WOFFORD, in introducing legislation to designate the White Clay Creek and its tributaries in Delaware and Pennsylvania to be studied for po-

tential inclusion in the National Wild and Scenic Rivers System. Similar legislation is being introduced in the House of Representatives by Mr. CARPER and Mr. SCHULZE.

I have long been concerned about the future of the White Clay Creek Valley, which, according to the Coalition for Natural Stream Valleys, Inc. is located in the midst of a rapidly developing urban setting and has for many years provided easily accessible recreational opportunities for a large part of the Delaware and Pennsylvania citizenry. In addition, the coalition indicates that the river system's flora and fauna has been studied extensively, has been documented in several studies, and has been the subject of two landmark publications: Water Resources as the Basis for Comprehensive Planning and Development in the Christiana Basin, and Water Resources Protection Measures in Land Development: A Handbook.

Mr. President, this legislation requests that the Department of Interior undertake a study to determine what sections of the White Clay Creek watershed should be included within several categories of Wild and Scenic Rivers System designation. I support this effort, and feel that it will make a significant contribution to our efforts to realize that without the wise use of our natural resources we will not have an environmental legacy to pass on to our future generations.

Although many more challenges remain, in our ongoing efforts to preserve this river system. I think this legislation is a good start. I look forward to working with my colleagues on this proposal, and I would like to commend the White Clay Creek Watershed Association for their hard work, and support for this effort.•

By Mr. CRANSTON (for himself, Mr. SPECTER, Mr. DECONCINI, Mr. GRAHAM, Mr. AKAKA, Mr. DASCHLE, and Ms. MIKULSKI):

S. 1553. A bill to establish a program of marriage and family counseling for certain veterans of the Persian Gulf war and the spouses and families of such veterans; to the Committee on Veterans' Affairs.

FAMILY COUNSELING FOR PERSIAN GULF WAR VETERANS

• Mr. CRANSTON. Mr. President, as chairman of the Committee on Veterans' Affairs, I have today introduced legislation, S. 1553, designed to address a very important need among our veterans of the Persian Gulf war and their families. Joining me in introducing the bill is the committee's ranking Republican member, ARLEN SPECTER, as well as committee members DENNIS DECONCINI, BOB GRAHAM, DANIEL K. AKAKA, and THOMAS A. DASCHLE, and Senator BARBARA A. MIKULSKI.

This legislation would authorize VA to provide marriage and family counseling services to certain veterans who served in or during the war and to their family members. On July 16, our committee held a 5-hour hearing on the readjustment needs of Persian Gulf veterans and their families, and the testimony we received clearly established that this legislation is needed to address significant real and potential problems among our newest group of wartime veterans.

BACKGROUND

Mr. President, nearly 22 years ago, as a freshman Senator, I began a series of hearings to identify how the Government was responding to the needs of veterans returning from Vietnam. That first hearing, and many followup hearings over the next several years, helped Congress and the Nation understand that the experiences and health care needs of Vietnam veterans were in many ways different from those of veterans of earlier wars. This led us to reexamine what the Government had to do to fulfill its profound obligations to those new veterans.

Regrettably, it was a full 10 years after the 1969 hearings before my legislation establishing readjustment counseling through Vet Centers was finally enacted into law.

My purpose in convening hearings, the first of which was on July 16, on the readjustment needs of Persian Gulf war veterans is to identify the effects of the Persian Gulf war—on those who participated and on their families—and to help make sure that the Government's response is much more timely than it was after Vietnam. Among the many lessons learned from Vietnam is the fact that the problems and needs of one generation of veterans may be very much different than those of their predecessors.

Americans who fought this most recent war were unlike any others in our history. In February 1991, the General Accounting Office [GAO] issued a report, "Military Personnel: Composition of the Active Duty Forces by Race or National Origin Identification and by Gender," which provided a current demographic profile of the Armed Forces and similar information for 1972. According to GAO, in 1972, men comprised 98 percent of the active duty forces; now women account for a full 11 percent. There are over 220,000 women on active duty, and, according to DOD, more than 40,000 women served in the Persian Gulf. Also since 1972, representation in the active duty forces by nonwhite individuals has increased from 16 percent to almost 30 percent. The percentage of active duty servicemembers who are parents also has risen significantly.

Mr. President, at the committee's July 16 hearing, the witness representing the National Military Family Association [NMFA] testified that over 50 percent of active duty servicemembers and approximately 70 percent of the members of the Reserve Force have dependents. NMFA also testified that 1.8 million dependent children of active duty personnel are under the age of 13 and that over 16,000 single parents and 1,200 dual military couples with children were deployed to the gulf.

Mr. President, under current law, VA has very limited authority to provide counseling services to family members of eligible veterans. Essentially, such counseling may be provided only if it is determined to be essential to the effective treatment, readjustment, or rehabilitation of the veteran.

For active duty military personnel and their families, the Department of Defense provides, directly and through the CHAMPUS system, a range of health and mental health care services, including marriage and family counseling. Members of the Reserves and the National Guard and their families are generally eligible for such services only during periods of active duty service. After separation from active duty, Reserve and Guard members may receive DOD health care services, either directly or through CHAMPUS, for only 30 days.

Thus, marriage and family counseling is available for those who remain on active duty, but it is not generally available for servicemembers, and family members of servicemembers, who are either deactivated from the Guard or the Reserves or discharged from the regular Armed Forces after service during the Persian Gulf war and in need of counseling for difficulties related to service, it is not available through VA. The legislation we are introducing today is intended to ensure that deactivated and discharged personnel, and their families, have similar access to counseling services that may be needed for problems resulting from active duty service during the Persian Gulf war.

DESCRIPTION OF PROVISIONS

Specifically, this legislation would:

First, require VA, within 30 days after enactment, to establish a program of marriage and family counseling for certain Persian Gulf war veterans and their families. The program would expire on September 30, 1994.

Second, authorize VA to provide, either directly or by contract, marriage and family counseling to, first, veterans who were awarded campaign medals for active duty service during the Persian Gulf war and their spouses, children, and parents; and second, veterans who were members of reserve components who were activated during the Persian Gulf war and their spouses, children, and parents.

Third, permit VA to provide only marriage and family counseling that the Secretary determines—based on an assessment by a mental health professional designated by the Secretary—is necessary for the amelioration of psychological, marital, or familial difficulties that resulted from the veteran's active duty service.

Fourth, require that the marriage and family counseling be furnished, first, directy by VA personnel who the Secretary determines are either appropriately certified or otherwise qualified to provide such counseling; or second, through contract arrangements with marriage and family counselors whom the Secretary determines are appropriately qualified to provide such counseling.

Fifth, authorize VA to employ counselors to provide marriage and family counseling under the program and pay them at the rates prevailing for such counseling among non-VA professionals in the locality in which such counselors provide such counseling, as determined by the Secretary.

Sixth, authorize the appropriation of $1 million for fiscal year 1991 and $10 million for each of fiscal years 1992, 1993, and 1994 and declare that the funds are emergency requirements for the purposes of section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, but provide that the funds could be used only if the President designates the appropriation as an emergency requirement.

Seventh, require that the Secretary submit by January 1, 1994, a report on the program which includes a description and evaluation of the program and any recommendations that the Secretary considers appropriate.

HEARING TESTIMONY

At the committee's July 16, 1991, hearing, much of the testimony focused on the impact upon families of an individual's active duty service during the war. Individual servicemembers, representatives of mental health professionals organizations, and representatives of military family support organizations testified that there exists a need for the counseling among deactivated and discharged Persian Gulf war veterans and their families.

The needs seem particularly strong among Guard and Reserve members. These individuals and their families experienced considerable stress as a result of being called up with little advance notice, not being as accustomed to deployments as regular active duty personnel, and the fact they were leaving their civilian jobs. Moreover, they and their families often did not benefit from the extensive predeployment and reunion services that the Armed Forces provides for active duty personnel and families.

The VA's Chief Medical Director, Dr. James W. Holsinger, Jr., testified that under current law VA has "a narrow eligibility standard to treat family members—only when adjunct to the treatment of a veteran himself or herself." In response to a question as to VA's ability to provide marriage and family counseling to eligible Persian Gulf war veterans and their families, Dr. Holsinger stated that VA, "with appropriate legislative support, including funding * * * would be able to mount such an effort" and could do so rapidly.

Mr. Robert Silberman, Principal Deputy Assistant Secretary of Defense for Force Management and Personnel, stated that DOD had relied upon close relations with private organizations such as the American Red Cross, the United Way, and the Salvation Army, in situations where a deactivated Guard member or reservist had contacted DOD for assistance that was unavailable from DOD. In response to a question I posed, Col. Joe Fagan of the Army Medical Corps noted that, if an active duty servicemember's child was displaying behavioral problems upon the servicemember's return from the gulf, there would be "several opportunities for the servicemember to receive appropriate services" and cited the availability of child psychiatry clinics, social work services, psychology services, family counselors, chaplain service, and pediatricians for the servicemember and child.

Mr. President, I believe that DOD's provision of a range of mental health services, including marriage and family counseling, for active duty personnel and their families and its close attention to the psychological needs of returning servicemembers and their families reflect, as Deputy Assistant Secretary Silberman stated at the July 16 hearing, "a concentrated effort to support the mental well-being of both the servicemembers and their families." My concern, however, is that the many men and women reservists and National Guard members who served during the Persian Gulf war and their families—along with regular active duty personnel who were discharged very soon after returning from the gulf—will not benefit from DOD's considerable efforts once they are separated from active duty and no longer eligible for DOD services.

Our legislation would authorize the appropriation of $1 million for fiscal year 1991 and $10 million for each of the fiscal years 1992, 1993, and 1994 for this program and would provide that such funds would be considered as emergency requirements for the purposes of section 251(b)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, but can be used only if the President designates the appropriation as an emergency requirement.

Mr. President, I believe this $10 million annual authorization is a modest figure based on what are, at this point, necessarily preliminary data regarding the potential need for marriage and family counseling. In light of the limited data that are available at this time, I plan to monitor closely the implementation of this new authority in order to assess on an ongoing basis the sufficiency of the funding level.

I note that, under this program, counseling would be available with respect to both veterans who were awarded campaign medals for active duty service during the Persian Gulf war and veterans who were activated from the Reserves or the National Guard during the war. The broader coverage for reservists and Guard members has been included in recognition of the fact that, although they may not have served in the theater of operations, their families may have experienced significant stresses from the rapid mobilization, deployment, separation, financial hardship, and reunion.

CONCLUSION

Mr. President, I am convinced that, for veterans of the Persian Gulf war who may no longer avail themselves of the counseling and other services provided by the Department of Defense, there is a clear need for marriage and family counseling services to be provided by VA. I have heard of this need from the veterans themselves, from organizations that provide support for military families, and from experts in the field of mental health. The support that the Nation has shown to the men and women who served must not end with the welcome-home parades. For those whose lives have been disrupted in service, we must respond quickly and effectively to whatever problems remain.

I urge my colleagues' strong support of this measure.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

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

S. 1553

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

SECTION 1. PROGRAM FOR FURNISHING MARRIAGE AND FAMILY COUNSELING.

(a) REQUIREMENT.—The Secretary of Veterans Affairs shall conduct a program to furnish to the persons referred to in subsection (b) the marriage and family counseling services referred to in subsection (c). The Secretary shall commence the program not later than 30 days after the date of the enactment of this act. The authority to conduct the program shall expire at the end of September 30, 1994.

(b) PERSONS ELIGIBLE FOR COUNSELING.—The persons eligible to receive marriage and family counseling services under the program are—

(1) veterans who were awarded a campaign medal for active-duty service during the Persian Gulf War and the spouses, children, and parents of such veterans; and

(2) members of the reserve components who were called or ordered to active duty during the Persian Gulf War and the spouses, children, and parents of such members.

(c) COUNSELING SERVICES.—Under the program, the Secretary may provide marriage and family counseling that the Secretary determines, based on an assessment by a mental-health professional employed by the Department and designated by the Secretary (or, in an area where no such professional is available, a mental-health professional designated by the Secretary and performing

services under a contract or fee arrangement with the Secretary) is necessary for the amelioration of psychological, marital, or familial difficulties that result from the active duty service referred to in subsection (b) (1) or (2).

(d) MANNER OF FURNISHING SERVICES.—(1) The Secretary shall furnish the marriage and family counseling services under the program as follows:

(A) By personnel of the Department of Veterans Affairs who are qualified to provide such counseling services.

(B) By appropriately certified marriage and family counselors employed by the Department.

(C) By appropriately qualified marriage and family counselors pursuant to contracts with the Department.

(2) The Secretary shall establish the qualifications required of personnel under subparagraphs (A) and (C) of paragraph (1) and shall prescribe the training, experience, and certification required of appropriately certified marriage and family counselors under subparagraph (B) of such paragraph.

(3) The Secretary may employ counselors to provide marriage and family counseling under paragraph (1)(B) and shall pay such counselors at the rates prevailing for such counseling among non-Department healthcare professionals with similar training, experience, and certification in the locality in which such counselors provide such counseling, as determined by the Secretary.

SEC. 2. DEFINITIONS.

For the purposes of this Act, the terms "veteran", "child", "parent", "active duty", "reserve component", "spouse", and "Persian Gulf War" have the meanings given such terms in section 101(2), (4), (5), (21), (27), (31), and (33) of title 38, United States Code, respectively.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated $1,000,000 for fiscal year 1991 and $10,000,000 for each of fiscal years 1992, 1993, and 1994 to carry out this Act. Funds authorized to be appropriated under this section shall be considered to be emergency requirements for the purposes of section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)(2)(D)(i)), but may be obligated for the program conducted pursuant to section 1 only if the President designates an appropriation under this section as an emergency requirement pursuant to such section 251(b)(2)(D)(i).

SEC. 4. REPORT.

Not later than January 1, 1994, the Secretary shall submit to Congress a report on the program conducted pursuant to section 1. The report shall contain a description and evaluation of the program and shall include such recommendations with respect to the program as the Secretary considers appropriate.●

By Mr. BENTSEN (for himself, Mr. PACKWOOD, Mr. RIEGLE, Mr. SPECTER, Mr. MITCHELL, Mr. SEYMOUR, Mr. BRADLEY, Mr. CHAFEE, Mr. SASSER, Mr. SARBANES, Mr. ROCKEFELLER, Mr. METZENBAUM, Ms. MIKULSKI, and Mr. BREAUX):

S. 1554. A bill to provide emergency unemployment compensation, and for other purposes; to the Committee on Finance.

EMERGENCY UNEMPLOYMENT COMPENSATION ACT

● Mr. BENTSEN. Mr. President, for many months now, the administration and the Congress have been in a state of watchful waiting, hoping that this recession would be short and shallow, and that few American families would face hard times.

But in June the number of unemployed workers climbed to 8.7 million, 2.2 million more than in June a year ago. The unemployment rate rose to 7 percent, up from 5.3 percent in June 1990, and the highest in almost half a decade.

For the men, women, and children behind these statistics, the times are hard indeed. For many workers—1.2 million in June—unemployment has meant long-term unemployment, half a year or more.

Also in June, as in each of the preceding months of 1991, some 300,000 workers exhausted their 26 weeks of regular unemployment benefits, leaving them without a source of regular income support, while facing a tightening labor market.

Even though some economic indicators are turning up, we know that unemployment is a lagging indicator, If history is any guide, more and more workers will continue to run out of unemployment benefits even after the recession is technically over. During the recession of 1981-82, for example, the number of workers who ran out of unemployment benefits peaked half a year after the end of the recession.

Furthermore, the reality is that the recovery from this recession may well be erratic, far less robust than the usual 6.5-percent growth rate characteristic of postwar recoveries. That means unemployment will remain an emergency problem longer than usual in the past.

Contributing to this problem, Mr. President, is the fact that the program created back in 1970 to deal with the kind of situation we have today is simply not working.

Let's examine what is happening under present law.

We have a Federal-State Extended Benefits Program that is supposed to pay up to 13 weeks of benefits to workers who have exhausted their 26 weeks of regular benefits.

But at the present time, despite the National unemployment rate of 7 percent—and even higher rates in many States across the country—only three States: Alaska, Maine, and Rhode Island, are triggered on to the Federal-State Extended Benefits Program [EB]. That's down from a recession high of eight States a few weeks ago.

The problem, Mr. President, is that the test for triggering on the EB Program is just too tough to meet. And the proof of that is the more than $8 billion we have sitting unused in the Federal extended benefits account.

That $8 billion is money paid by employers across this Nation precisely for the purpose we are addressing here today—helping America's long-term unemployed workers at a time of need.

Now let's talk about the kind of help we propose to provide to long-term unemployed workers under this bill—workers who have exhausted their regular benefits.

Based on data for the 6-month period December 1991 to May 1992—and Senators should be aware that for purposes of this map we are using a rolling average that will change over time—here is what would occur:

Unemployed workers in seven States—those with an unemployment rate of 8 percent or higher—would be eligible for 20 weeks of emergency benefits;

Unemployed workers in 10 States—those with an unemployment rate of 7 to 8 percent—would be eligible for 13 weeks of emergency benefits;

Unemployed workers in 19 States—those with an unemployment rate of 6 to 7 percent—would be eligible for 7 weeks of emergency benefits; and

Unemployed workers in 14 States—all those remaining—would be eligible for 4 weeks of benefits.

I would note that most of the $5.2 billion cost of the emergency benefits proposal is targeted toward workers living in States with higher unemployment rates. The cost of the provision giving 4 weeks of benefits for all remaining States is modest in relation to other components of this proposal—a total of $455 million.

We provide benefits for States with unemployment rates below 6 percent because we know that even in States with relatively low rates on a statewide basis there can be very serious pockets of unemployment. Minnesota, for example, has an unemployment rate of around 5 percent, but Clearwater County has a rate of more than 17 percent. South Dakota has a rate of 3.4 percent, but Corson County has a rate of nearly 12 percent.

And we know that a recession often hits particular industries in a way that can cause pockets of difficulty in States that otherwise have only moderate unemployment. For example, if the automobile industry suffers, that obviously drives up unemployment in Michigan. But there are automobile plants in other States as well, and an auto worker in, say, Oklahoma or Tennessee may find that there is no work for which he is qualified in the area where he lives, particularly if the auto plant is the major employer there.

The benefits we're talking about in this bill would be fully federally-funded, paid for out of the existing extended benefits account. The money is there, as I indicated earlier, and under present law the fund will be steadily replenished so as to assure payment of benefits in any future recession.

In determining how many weeks of benefits a State will receive, we use a measure of total unemployment. At the present time, the measure used for the Extended Benefits Program is the insured unemployment rate. But this measure includes only those individuals who file for unemployment benefits. It excludes workers who have exhausted their benefits—the very people we want to help in this bill. It also excludes new entrants and reentrants into the labor force. The rate we use in this bill—the total unemployment rate—does include these individuals, and is thus a better indicator of the overall condition of the labor market in the State.

Although the bill will pay benefits only during the 9-month period October 1, 1991, through June 1992, it will reach back to pick up unemployed workers whose benefits expired since April 1 of this year, thus providing additional weeks of benefits to the very long-term unemployed who are most in need of help.

This "reach back" provision applies only to States experiencing higher unemployment rates—those with 6 percent or higher—recognizing that it is in those States where jobs are hardest to find, and very long-term unemployment is most likely to occur.

In addition to the provisions for additional weeks of benefits for all workers, the bill includes a provision to give equity to our Nation's service men and women. At the present time, Desert Storm veterans and others who leave the service are required to wait 4 weeks before they are eligible for benefits, and when they get these benefits they only get half as many weeks as other unemployed individuals—13 weeks as opposed to the normal 26. I cannot imagine that we would willingly continue this kind of inequity after the inspiring performance we witnessed just a few months ago in the Middle East.

In this bill we also provide for establishing an Unemployment Compensation Advisory Council. As I have watched the lack of responsiveness of the Unemployment Compensation Program over recent months, I have become convinced that the system urgently needs long-term restructuring.

One of the reasons we have such an arcane and illogical system is that we tend not to focus on the program except when we come to a serious recession. And then we haven't done the homework, and there isn't time to undertake real structural improvements.

This bill establishes an advisory council to help deal with these kinds of questions. It would be analogous to the respected and successful Social Security Advisory Council and would examine the purpose, the goals, and the functioning of the unemployment compensation system, and make recommendations for improvements. That way we will have an ongoing examination of the program, and have an opportunity to address problems before they become too difficult to resolve.

Finally, Mr. President, let me address the question of why we are moving this bill under the "emergency" authority provided in last fall's budget agreement rather than following the rules for "pay-as-you-go."

I agree with the chairman of the Budget Committee that this emergency authority was established precisely to enable the Congress and the President to respond to the kind of situation we face today, where rapid action is necessary to meet unforeseen needs.

When we were negotiating the 5-year budget agreement last October, it was far from clear that this recession would inflict the high degree of financial distress on American workers that has subsequently occurred. Nor did we anticipate that the Nation's Unemployment Compensation Program would prove to be as unresponsive to the needs of long-term unemployed workers as has been the case.

The budget rules require the President to concur with the Congress in designating any piece of legislation as an emergency, and therefore exempt from the usual budget restraints. I would urge the President to concur with the Congress on this bill.

Earlier this year the President asked the Congress to pass emergency legislation providing economic assistance to the Kurds, the Israelis, and the Turks. We went along with him. Now we're asking him to go along with us, recognizing that American workers also need our help in time of trouble.

Mr. President, I hope the Senate will shortly have the opportunity to vote on this bill, and Senators will be able to show their support for the working men and women of America who have suffered seriously from this current recession and who now need our help.

I ask unanimous consent that the text of the bill be inserted in the RECORD at this point.

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

S. 1554

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 "Emergency Unemployment Compensation Act of 1991".

SEC. 2. FEDERAL-STATE AGREEMENTS.

(a) IN GENERAL.—Any State which desires to do so may enter into and participate in an agreement under this Act with the Secretary of Labor (hereafter in this Act referred to as the "Secretary"). Any State which is a party to an agreement under this Act may, upon providing 30 days written notice to the Secretary, terminate such agreement.

(b) PROVISIONS OF AGREEMENT.—Any agreement under subsection (a) shall provide that the State agency of the State will make payments of emergency unemployment compensation—

(1) to individuals who—

(A) have exhausted all rights to regular compensation under the State law;

(B) have no rights to compensation (including both regular compensation and extended compensation) with respect to a week under such law or any other State unemployment compensation law or to compensation under any other Federal law (and are not paid or entitled to be paid any additional compensation under any State or Federal law); and

(C) are not receiving compensation with respect to such week under the unemployment compensation law of Canada; and

(2) for any week of unemployment which begins in the individual's period of eligibility (as defined in section 7(2)).

(c) EXHAUSTION OF BENEFITS.—For purposes of subsection (b)(1)(A), an individual shall be deemed to have exhausted such individual's rights to regular compensation under a State law when—

(1) no payments of regular compensation can be made under such law because such individual has received all regular compensation available to such individual based on employment or wages during such individual's base period; or

(2) such individual's rights to such compensation have been terminated by reason of the expiration of the benefit year with respect to which such rights existed.

(d) WEEKLY BENEFIT AMOUNT.—For purposes of any agreement under this Act—

(1) the amount of emergency unemployment compensation which shall be payable to any individual for any week of total unemployment shall be equal to the amount of the regular compensation (including dependent's allowances) payable to such individual during such individual's benefit year under the State law for a week of total unemployment;

(2) the terms and conditions of the State law which apply to claims for extended compensation and to the payment thereof shall apply to claims for emergency unemployment compensation and the payment thereof, except where inconsistent with the provisions of this Act, or with the regulations or operating instructions of the Secretary promulgated to carry out this Act; and

(3) the maximum amount of emergency unemployment compensation payable to any individual for whom an account is established under section 3 shall not exceed the amount established in such account for such individual.

(e) ELECTION.—Notwithstanding any other provision of law, the Governor of a State, which is in a 7-percent period or an 8-percent period (as defined in section 3(c)), is authorized to and may elect to trigger off an extended compensation period in order to provide payment of emergency unemployment compensation to an individual who has exhausted his rights to regular compensation under State law.

SEC. 3. EMERGENCY UNEMPLOYMENT COMPENSATION ACCOUNT.

(a) IN GENERAL.—Any agreement under this Act shall provide that the State will establish, for each eligible individual who files an application for emergency unemployment compensation, an emergency unemployment compensation account with respect to such individual's benefit year.

(b) AMOUNT IN ACCOUNT.—

(1) IN GENERAL.—The amount established in an account under subsection (a) shall be equal to the lesser of—

(A) 100 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual with respect to the benefit year (as determined

spect to the benefit year (as determined under the State law) on the basis of which the individual most recently received regular compensation, or

(B) the applicable limit times the individual's average weekly benefit amount for the benefit year.

(2) APPLICABLE LIMIT.—For purposes of this section—

(A) IN GENERAL.—Except as provided in this paragraph, the applicable limit shall be determined under the following table:

In the case of weeks beginning during a:	The applicable limit is:
8-percent period	20
7-percent period	13
6-percent period	7
Other period	4.

(B) APPLICABLE LIMIT NOT REDUCED.—An individual's applicable limit for any week shall in no event be less than the highest applicable limit in effect for any prior week for which emergency unemployment compensation was payable to the individual from the account involved.

(C) INCREASE IN APPLICABLE LIMIT.—If the applicable limit in effect for any week is higher than the applicable limit for any prior week, the applicable limit shall be the higher applicable limit, reduced (but not below zero) by the number of prior weeks for which emergency unemployment compensation was paid to the individual from the account involved.

(3) REDUCTION FOR EXTENDED BENEFITS.—The amount in an account under paragraph (1) shall be reduced (but not below zero) by the aggregate amount of extended compensation (if any) received by such individual relating to the same benefit year under the Federal-State Extended Unemployment Compensation Act of 1970.

(4) WEEKLY BENEFIT AMOUNT.—For purposes of this subsection, an individual's weekly benefit amount for any week is the amount of regular compensation (including dependents' allowances) under the State law payable to such individual for such week for total unemployment.

(c) DETERMINATION OF PERIODS.—

(1) IN GENERAL.—For purposes of this section, the terms "8-percent period", "7-percent period", "6-percent period", and "other period" mean, with respect to any State, the period which—

(A) begins with the second Sunday of the month after the first month during which the applicable trigger for such period is on, and

(B) ends with the Saturday immediately preceding the second Sunday of the month after the first month during which the applicable trigger for such period is off.

(2) APPLICABLE TRIGGER.—In the case of an 8-percent period, 7-percent period, 6-percent period, or other period, as the case may be, the applicable trigger is on for any week with respect to any such period if the average rate of total unemployment in the State for the period consisting of the most recent 6-calendar month period for which data are available—

(A) equals or exceeds 6 percent, and

(B) falls within the applicable range (as defined in paragraph (3)).

Subparagraph (A) shall only apply in the case of an 8-percent period, 7-percent period, or 6-percent period.

(3) APPLICABLE RANGE.—For purposes of this subsection, the applicable range is as follows:

In the case of a:	The applicable range is:
8-percent period	A rate equal to or exceeding 8 percent.
7-percent period	A rate equal to or exceeding 7 percent but less than 8 percent.
6-percent period	A rate equal to or exceeding 6 percent but less than 7 percent.
Other period	A rate less than 6 percent.

(4) SPECIAL RULES FOR DETERMINING PERIODS.—

(A) MINIMUM PERIOD.—Except as provided in subparagraph (B), if for any week beginning after October 5, 1991, an 8-percent period, 7-percent period, 6-percent period, or other period, as the case may be, is triggered on with respect to such State, such period shall last for not less than 13 weeks.

(B) EXCEPTION IF APPLICABLE RANGE INCREASES.—If, during the 13-week period described in subparagraph (A), the applicable range for such State increases, the period in effect for such State shall be the period applicable to such range under the table in paragraph (3).

(5) NOTIFICATION BY SECRETARY.—When a determination has been made that an 8-percent period, 7-percent period, 6-percent period, or other period is beginning or ending with respect to a State, the Secretary shall cause notice of such determination to be published in the Federal Register.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), no emergency unemployment compensation shall be payable to any individual under this Act for any week—

(A) beginning before the later of—

(i) October 6, 1991, or

(ii) the first week following the week in which an agreement under this Act is entered into, or

(B) beginning after July 4, 1992.

(2) TRANSITION.—In the case of an individual who is receiving emergency unemployment compensation for a week which includes July 4, 1992, such compensation shall continue to be payable to such individual in accordance with subsection (b) for any week beginning in a period of consecutive weeks for each of which the individual meets the eligibility requirements of this Act.

(3) REACHBACK PROVISIONS.—(A) IN GENERAL.—If—

(i) any individual exhausted such individual's rights to regular compensation (or extended compensation) under the State law after March 31, 1991, and before the first week following October 5, 1991 (or, if later, the week following the week in which the agreement under this Act is entered into), and

(ii) a period described in subsection (c)(2)(A) is in effect with respect to the State for such following week,

such individual shall be entitled to emergency unemployment compensation under this Act in the same manner as if his benefit year ended no earlier than the last day of such following week.

(B) LIMITATION OF BENEFITS.—In the case of an individual who has exhausted such individual's rights to both regular and extended compensation, any emergency unemployment compensation payable under subparagraph (A) shall be reduced in accordance with subsection (b)(3).

SEC. 4. PAYMENTS TO STATES HAVING AGREEMENTS FOR THE PAYMENT OF EMERGENCY UNEMPLOYMENT COMPENSATION.

(a) GENERAL RULE.—There shall be paid to each State which has entered into an agreement under this Act an amount equal to 100 percent of the emergency unemployment compensation paid to individuals by the State pursuant to such agreement.

(b) TREATMENT OF REIMBURSABLE COMPENSATION.—No payment shall be made to any State under this section in respect of compensation to the extent the State is entitled to reimbursement in respect of such compensation under the provisions of any Federal law other than this Act or chapter 85 of title 5, United States Code. A State shall not be entitled to any reimbursement under such chapter 85 in respect of any compensation to the extent the State is entitled to reimbursement under this Act in respect of such compensation.

(c) DETERMINATION OF AMOUNT.—Sums payable to any State by reason of such State having an agreement under this Act shall be payable, either in advance or by way of reimbursement (as may be determined by the Secretary), in such amounts as the Secretary estimates the State will be entitled to receive under this Act for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency of the State involved.

SEC. 5. FINANCING PROVISIONS.

(a) IN GENERAL.—Funds in the extended unemployment compensation account (as established by section 905 of the Social Security Act) of the Unemployment Trust Fund shall be used for the making of payments to States having agreements entered into under this Act.

(b) CERTIFICATION.—The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this Act. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payments to the State in accordance with such certification, by transfers from the extended unemployment compensation account (as established by section 905 of the Social Security Act) to the account of such State in the Unemployment Trust Fund.

(c) ASSISTANCE TO STATES.—There are hereby authorized to be appropriated without fiscal year limitation, such funds as may be necessary for purposes of assisting States (as provided in title III of the Social Security Act) in meeting the costs of administration of agreements under this Act.

SEC. 6. FRAUD AND OVERPAYMENTS.

(a) IN GENERAL.—If an individual knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statement or representation or of such nondisclosure such individual has received an amount of emergency unemployment compensation under this Act to which he was not entitled, such individual—

(1) shall be ineligible for further emergency unemployment compensation under this Act in accordance with the provisions of the applicable State unemployment compensation law relating to fraud in connection with a claim for unemployment compensation; and

(2) shall be subject to prosecution under section 1001 of title 18, United States Code.

(b) REPAYMENT.—In the case of individuals who have received amounts of emergency un-

employment compensation under this Act to which they were not entitled, the State shall require such individuals to repay the amounts of such emergency unemployment compensation to the State agency, except that the State agency may waive such repayment if it determines that—

(1) the payment of such emergency unemployment compensation was without fault on the part of any such individual, and

(2) such repayment would be contrary to equity and good conscience.

(c) RECOVERY BY STATE AGENCY.—

(1) IN GENERAL.—The State agency may recover the amount to be repaid, or any part thereof, by deductions from any emergency unemployment compensation payable to such individual under this Act or from any unemployment compensation payable to such individual under any Federal unemployment compensation law administered by the State agency or under any other Federal law administered by the State agency which provides for the payment of any assistance or allowance with respect to any week of unemployment, during the 3-year period after the date such individuals received the payment of the emergency unemployment compensation to which they were not entitled, except that no single deduction may exceed 50 percent of the weekly benefit amount from which such deduction is made.

(2) OPPORTUNITY FOR HEARING.—No repayment shall be required, and no deduction shall be made, until a determination has been made, notice thereof and an opportunity for a fair hearing has been given to the individual, and the determination has become final.

(d) REVIEW.—Any determination by a State agency under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in that manner and to that extent.

SEC. 7. DEFINITIONS.

For purposes of this Act:

(1) IN GENERAL.—The terms "compensation", "regular compensation", "extended compensation", "additional compensation", "benefit year", "base period", "State", "State agency", "State law", and "week" have the meanings given such terms under section 205 of the Federal-State Extended Unemployment Compensation Act of 1970.

(2) ELIGIBILITY PERIOD.—An individual's eligibility period shall consist of the weeks in the individual's benefit year which begin in an 8-percent period, 7-percent period, 6-percent period, or other period under this Act and, if the individual's benefit year ends within any such period, any weeks thereafter which begin in any such period. In no event shall an individual's period of eligibility include any weeks after the 39th week after the end of the benefit year for which the individual exhausted his rights to regular compensation or extended compensation.

(3) RATE OF TOTAL UNEMPLOYMENT.—The term "rate of total unemployment" means the average unadjusted total rate of unemployment (as determined by the Secretary) for a State for the period consisting of the most recent 6-calendar month period for which data are available.

SEC. 8. PAYMENTS OF UNEMPLOYMENT COMPENSATION TO FORMER MEMBERS OF THE ARMED FORCES.

(a) REPEAL OF CERTAIN LIMITATIONS.—Subsection (c) of section 8521 of title 5, United States Code, is hereby repealed.

(b) REDUCTION IN LENGTH OF REQUIRED ACTIVE DUTY BY RESERVES.—Paragraph (1) of section 8521(a) of such title 5 is amended by striking "180 days" and inserting "90 days".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to weeks of unemployment beginning after October 5, 1991.

(2) REACHBACK.—If—

(A) any individual exhausted the individual's rights to regular compensation after March 31, 1991, and before the first week following October 5, 1991 (or, if later, the week following the week in which the agreement under this Act is entered into), and

(B) a period described in section 3(c)(2)(A) is in effect with respect to the State for such following week,

such individual shall be entitled to emergency unemployment compensation under this Act in the same manner as if the individual's benefit year ended no earlier than the last day of such following week.

SEC. 9. ADVISORY COUNCIL ON UNEMPLOYMENT COMPENSATION.

Section 908 of the Social Security Act is amended to read as follows:

"ADVISORY COUNCIL ON UNEMPLOYMENT COMPENSATION

"SEC. 908. (a) ESTABLISHMENT.—Not later than February 1, 1992, and every 4th year thereafter (but not before February 1 of such 4th year), the Secretary of Labor shall establish an advisory council to be known as the Advisory Council on Unemployment Compensation (referred to in this section as the 'Council').

"(b) FUNCTION.—It shall be the function of each Council to evaluate the unemployment compensation program, including the purpose, goals, countercyclical effectiveness, coverage, benefit adequacy, trust fund solvency, funding of State administrative costs, administrative efficiency, and any other aspects of the program and to make recommendations for improvement.

"(c) MEMBERS.—

"(1) IN GENERAL.—Each Council shall consist of 11 members as follows:

"(A) 5 members appointed by the President, to include representatives of business, labor, State government, and the public.

"(B) 3 members appointed by the President pro tempore of the Senate, in consultation with the Chairman of the Committee on Finance.

"(C) 3 members appointed by the Speaker of the House, in consultation with the Chairman of the Committee on Ways and Means.

"(2) QUALIFICATIONS.—Of the members appointed under subparagraphs (B) and (C)—

"(A) 2 shall be representatives of the interests of business,

"(B) 2 shall be representatives of the interests of labor, and

"(C) 2 shall be representatives of the interests of State governments.

"(3) VACANCIES.—A vacancy in any Council shall be filled in the manner in which the original appointment was made.

"(4) CHAIRMAN.—The President shall appoint the Chairman.

"(d) STAFF AND OTHER ASSISTANCE.—

"(1) IN GENERAL.—Each council may engage any technical assistance (including actuarial services) required by the Council to carry out its functions under this section.

"(2) ASSISTANCE FROM SECRETARY OF LABOR.—The Secretary of Labor shall provide each Council with any staff, office facilities, and other assistance, and any data prepared by the Department of Labor, required by the Council to carry out its functions under this section.

"(e) COMPENSATION.—Each member of any Council—

"(1) shall be entitled to receive compensation at rates fixed by the Secretary of Labor (but not exceeding the rate of pay for level V of the Executive Schedule under section 5316 of title 5, United States Code) for each day (including travel time) during which such member is engaged in the actual performance of duties vested in the Council, and

"(2) while engaged in the performance of such duties away from such member's home or regular place of business, shall be allowed travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of title 5, United States Code, for persons in the Government employed intermittently.

"(f) REPORT.—Not later than January 1 of the 2nd year following the year in which any Council is required to be established under subsection (a), the Council shall submit to the President and the Congress a report setting forth the findings and recommendations of the Council as a result of its evaluation of the unemployment compensation program under this section.".

SEC. 10. EMERGENCY DESIGNATION.

(a) EMERGENCY DESIGNATION.—Pursuant to sections 251(b)(2)(D)(i) and 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985, the Congress hereby designates all direct spending amounts provided by this Act (for all fiscal years) and all appropriations authorized by this Act (for all fiscal years) as emergency requirements within the meaning of part C of the Balanced Budget and Emergency Deficit Control Act of 1985.

(b) EFFECTIVENESS.—Notwithstanding any other provision of law or any other provision of this Act, none of the preceding sections of this Act shall take effect unless, not later than the date of the enactment of this Act, the President submits to the Congress a written designation of all direct spending amounts provided by this Act (for all fiscal years) and all appropriations authorized by this Act (for all fiscal years) as emergency requirements within the meaning of part C of the Balanced Budget and Emergency Deficit Control Act of 1985.●

● Mr. PACKWOOD. Mr. President, I am pleased to rise today as an original cosponsor of the Emergency Unemployment Compensation Act of 1991.

In general, our national economy is improving. There are a number of economic factors that show improvement in recent months. World oil prices have declined; short-term interest rates have also declined; consumer spending has grown.

The turnaround, however, has not been as swift as we would have liked. There is a body of unemployed workers who have not yet felt the effects of the recovery.

Overall, the current system of providing unemployment benefits has been working well. Oregon, and a number of other States, has made good use of the extended benefits available under current law. When Oregon's unemployment rate met the required thresholds, we triggered on to extended benefits and were able to provide additional help to the long-term unemployed in the State. And when the statewide unemployment rate went down, we triggered off those benefits. However, there are pockets of unemployment in my State that could still use some help.

In Oregon, we have timber workers and loggers who have been out of work

for a long time. Many of them have exhausted the unemployment benefits available to them under the current system simply because they haven't worked in so long.

I'm very hopeful that Oregon will be able to find a way to address the special needs of the long-term unemployed and displaced timber workers. But until we are able to find long-term answers to this problem, we need to do what we can to help out during the rough times.

That's why I support Chairman BENTSEN's bill. This legislation provides temporary, supplemental unemployment benefits now, when those who are out of work need it. This isn't a new approach. Congress has enacted federally funded supplemental unemployment benefits during a recession before. Back in 1974, Congress passed the Emergency Unemployment Compensation Act to provide Federal supplemental benefits. And again in 1982, we provided Federal supplemental compensation to help out with the effects of a recession.

This bill doesn't try to make wholesale reforms to the unemployment insurance system. It simply provides a shot in the arm when it's needed most.

And it does so in the most sensible way. Unlike other unemployment insurance reform proposals in Congress, this bill does not require new taxes on employers to pay for the supplemental benefits. Instead, it uses some of the surplus that has accumulated in the unemployment insurance trust funds to pay for the temporary extension of benefits. It makes no sense to require employers to pay enormous new taxes during a recession to finance any new benefits. It does make sense to spend some of the money out of a trust fund that you have purposely collected and saved to handle an emergency.

This bill also includes a provision creating an advisory council to study the unemployment insurance program and from time to time make recommendations for change. The council will engage in continued research and investigation to help improve a program that provides essential help to our workers.

The good sense in this bill is that it provides targeted relief to the right group of people now when the need is evident. Up to 45,000 Oregonians could benefit from this program before it sunsets in June 1992. Hopefully, the benefits in this bill will provide enough help to wait out the difficult times until the economy is fully up and rolling.●

● Mr. BRADLEY. Mr. President, I rise to join my colleague from Texas, the chairman of the Senate Finance Committee, in introducing legislation to provide additional unemployment benefits to those hardest hit by the current recession.

This new program will provide 20 weeks of extended unemployment benefits in those States with an unemployment rate that is 8 percent or higher, 13 weeks in those States with a 7 percent unemployment rate; 7 weeks in those states with a 6 percent unemployment rate, and 4 weeks for all other States. Under current law, the unemployed in most States are only eligible for 26 weeks of benefits. New Jersey now provides 6½ weeks of extra benefits for the long-term unemployed; this program would provide the long-term unemployed in New Jersey with an additional 7 weeks of benefits, for a total of 38½ weeks.

The proposal also would change the way in which ex-service members are treated, so that they are treated the same as other unemployed workers. Under present law, unemployed former members of the Armed Forces receive 13 weeks of unemployment benefits. Other unemployed workers receive 26 weeks of benefits. Under this proposal, unemployed ex-service members would receive unemployment benefits on the same basis as unemployed civilians. In addition, reserve members who have been called to active duty would be eligible for unemployment benefits after serving a continuous period of 90 days, instead of having to meet the current 180-day requirement.

Mr. President, nationally, the unemployment rate has now reached 7 percent. New Jersey's unemployment rate has averaged about 6.7 percent for several months—about 40 percent higher than a year ago. And there are no signs that the unemployment rate will significantly decline in the near future.

For many families—expecially the long-term unemployed—this recession has been disastrous. There are almost 1.2 million workers in America who have been out of work for more than half a year. Currently, about 40,000 of the unemployed in New Jersey have been out of work for so long that their unemployment benefits have run out. We need to fix the Federal Government's unemployment compensation rules so we can provide more benefits to families in need. This bill does just that, and I urge my colleagues to support it.●

● Mr. CHAFEE. Mr. President, I am pleased to cosponsor the legislation introduced by Senator BENTSEN to provide emergency unemployment compensation benefits. This is an important piece of legislation and one that many States, especially my home State of Rhode Island, desperately need. This bill will provide relief to the many workers around the country who find themselves out of work as a result of the recession. Nowhere has this been more keenly felt than in Rhode Island.

In the past 2 years, New England has lost 254,000 jobs, a decline of 4 percent. This accounts for 20 percent of all jobs lost in the United States, although only 5 percent of the population resides in New England. Not only have new businesses in New England been on the decline since 1987, but business failures have increased. In fact, in 1990, business failures increased by 193 percent in New England, compared to a national rate of 14.5 percent. As a result, the New England States have some of the highest unemployment rates in the country. In my home State of Rhode Island, the total unemployment rate is now 8.1 percent, up from May's rate of 7.7 percent. The State government has already been forced to shut down because they simply do not have enough money to stay in operation. Clearly, something must be done to help those who simply cannot find jobs. I believe this legislation will at least provide some temporary relief.

Under current law, unemployed workers are paid up to 26 weeks of unemployed benefits. In States with very high unemployment rates, workers may receive up to 13 weeks of additional assistance, known as extended benefits, when they have used up their State benefits. Unfortunately, the formula which is used to trigger a State's eligibility for extended benefits is very strict and is based not on the total unemployment rate, but rather on the insured unemployment rate. This means that under current law, extended benefits are calculated on the basis of how many workers in a State are receiving benefits, rather than the number of people who are actually out of work and trying to enter or reenter the job market. It is no wonder then, that only three States and Puerto Rico are currently triggered onto the Extended Benefits Program.

This legislation would correct this problem. It would provide up to 20 weeks of emergency unemployment benefits to workers in States with a total unemployment rate of 8 percent. The goal of the bill is to provide temporary relief to long-term unemployed workers, to tide them over until they can find work.

Now, Mr. President, these additional benefits are not free. This bill would cost $5.8 billion over the designated 5-year period. This is money well-spent, but I have serious reservations about how this will be financed. Under the current proposal, the money would be taken out of the extended unemployment compensation account of the unemployment compensation trust funds. Ultimately, this will be charged against the deficit. I do not think this is wise, and I plan to work closely with the sponsors of the bill to find a way to offset this cost.

In the meantime, Mr. President, I want to commend the Senator from Texas for coming forward with this important proposal. I hope my colleagues will support this initiative. Thank you Mr. President.●

By Mr. RIEGLE (for himself and Mr. LEVIN):

S. 1555. A bill to provide disaster assistance to fruit and vegetable producers, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FRUIT AND VEGETABLE PRODUCERS EMERGENCY ASSISTANCE ACT

• Mr. RIEGLE. Mr. President, I rise today along with Senator CARL LEVIN to introduce the Fruit and Vegetable Producers Emergency Assistance Act of 1991. This legislation is designed to provide disaster relief to Michigan and our Nation's farmers who have been hard-hit by inclement weather in either the 1990 or 1991 growing season.

Michigan fruit and vegetable farmers have been especially hard hit by a deadly April frost and violent thunderstorms this year, with drought-like conditions last year. Already, there has been serious damage done to tart and sweet cherries, plums, apples, asparagus, peaches, and other fruits. Some Michigan producers have no fruit to pick at all.

In fact, this year the weather has been so bad that it has caused over $75 million in agriculture losses to fruit and vegetable crops in Allegan, Antrim, Benzie, Berrien, Cass, Grand Traverse, Ionia, Iosco, Kent, Leelanau, Manistee, Mason, Monroe, Muskegon, Newaygo, Oceana, Ottawa, and Wayne Counties in Michigan. It is clear that, as harvest time nears, other counties will need agricultural disaster assistance.

Last week, Sen LEVIN and I wrote U.S. Agriculture Secretary Edward Madigan urging him to designate areas adversely affected by inclement weather agriculture disaster areas. Michigan Gov. John Engler also issued the same request. It is my understanding that Secretary Madigan plans to reject our requests. That is simply unacceptable.

So to rectify this situation, my legislation will override the need to have the President or the Agriculture Secretary declare any part of the United States as a disaster area before any appropriation can be made. It appears that is the only option my colleagues and I have.

SUMMARY OF KEY PROVISIONS

Let me explain what my legislation accomplishes.

First, the bill will authorize the Secretary of Agriculture to provide a three-tier disaster assistance program to eligible fruit and vegetable producers who have been adversely affected by damaging weather in either 1990 or 1991 crop years.

If a producer suffered at least a 30-percent crop loss based on a 5-year average, the producer's disaster payment will equal up to 85 percent of the producer's normal crop yield. If a producer suffers more than 30 percent but less than 70 percent total crop damage, the producer is eligible to receive 65 percent of the producer's normal crop yield. And finally, if a producer suffers 71 percent to 100 percent of their normal crop yield, the producer is eligible to receive 70 percent payment of the crop's market value.

In addition, the Secretary shall make the disaster payments on a crop-by-crop basis and develop separate payment levels insofar as is practicable. The Secretary shall provide prevented planting credit with respect to farmers unable to plant due to damaging weather in the 1990 or 1991 planting seasons.

In this legislation, I have ensured that 50 percent of the payments fall on the shoulders of the Federal Government. I am sure that any money we can put forward to help State governments will be of great help and should give State governments a great step forward in assisting our Nation's farmers.

Another important part of this legislation is the section that requires disaster program participants to enroll into the Federal Crop Insurance Program or another suitable program. For decades, this institution has struggled with the question, "Do we provide disaster payments or do we provide crop insurance for our Nation's farmers?" This legislation addresses that question. Simply, if a farmer takes disaster assistance then he must enroll in a crop insurance.

Specifically, this legislation will require that producers who take the Federal disaster assistance obtain multiperil crop insurance under the Federal Crop Insurance Act for the 1992 and 1993 crops. And to increase participation in the out years, the producer will be able to receive a 5-percent increase in disaster payments this year for each year the producer enrolls after 1994, 1995, and 1996.

Another innovative part of this legislation is the section that deals with loan guarantees for rural businesses affected by inclement weather up to $500,000, with the program not exceeding $300 million. As many of my colleagues from farm States know, rural disasters not only affects producers but the suppliers to producers, such as feed store owners, tractor dealers, parts supply stores, and a variety of other agriculture-related business. My colleague and I have worked hard to ensure those affected receive loans at the lowest possible rates with the longest repayment periods.

There are two more sections in my legislation that I would like to highlight. One section would provide up to $75,000 for farmers whose trees are not killed but in need of rehabilitation. Rehabilitation is expensive and can take years. This section will help offset those costs and allow producers to avoid unnecessary replants while rehabilitating their crops.

Second, this legislation authorizes emergency grants to assist low-income farm workers and packinghouse workers who have been displaced by inclement weather. These workers have historically traveled from the southern and western sections of the United States to the northern sections of the United States to harvest fruit or vegetables during the summer months. In the winter months, the workers have returned to southern States.

Mr. President, the State of Michigan is suffering from this and last year's severe weather. This bill encourages farmer assistance without breaking the back of the Federal Government. The legislation also encourages farmers to be prudent in their long-term planning by mandating their enrollment in crop insurance.

Most of all, this measure offers hope to many who have no hope at all.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD along with a section by section analysis.

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

S. 1555

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Fruit and Vegetable Producers Emergency Assistance Act of 1991".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.

TITLE I—EMERGENCY CROP LOSS ASSISTANCE

SUBTITLE A—FRUITS AND VEGETABLES

Sec. 101. Fruits and vegetables.
Sec. 102. Crop quality reduction disaster payments.
Sec. 103. Effect of Federal crop insurance payments.
Sec. 104. Crop insurance coverage for 1992 and 1993 crops.
Sec. 105. Transfer of funds.
Sec. 106. De minimis yields.
Sec. 107. Producer eligibility.
Sec. 108. No double payments on replanted acreage.

SUBTITLE B—ADMINISTRATIVE PROVISIONS

Sec. 121. Timing and manner of assistance.
Sec. 122. Use of Commodity Credit Corporation.
Sec. 123. No duplicative benefits.
Sec. 124. Emergency designation of outlays.
Sec. 125. Regulations.

TITLE II—OTHER EMERGENCY PROVISIONS

Sec. 201. Disaster assistance for rural business enterprises.
Sec. 202. Rehabilitation of trees.
Sec. 203. Emergency grants to assist low-income farmworkers and packinghouse workers.

SEC. 2. DEFINITIONS.

As used in this Act:

(1) DAMAGING WEATHER.—The term "damaging weather" includes but is not limited to drought, hail, excessive moisture, freeze, tornado, hurricane, earthquake, excessive wind, or any combination thereof.

(2) RELATED CONDITION.—The term "related condition" includes but is not limited to in-

sect infestations, plant diseases, or other deterioration of a crop of a commodity, including aflatoxin, that is accelerated or exacerbated naturally as a result of damaging weather occurring prior to or during harvest.

(3) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

TITLE I—EMERGENCY CROP LOSS ASSISTANCE

Subtitle A—Fruits and Vegetables

SEC. 101. FRUITS AND VEGETABLES.

(a) DISASTER PAYMENTS.—

(1) IN GENERAL.—Effective only for the 1991 crops of fruits and vegetables, if the Secretary determines that, because of damaging weather or related condition in 1990 or 1991, the total quantity of the 1991 crop of the commodity that the producers on a farm are able to harvest is less than the result of multiplying 70 percent of the yield established by the Commodity Credit Corporation under subsection (d) for the crop by the sum of the acreage planted for harvest and the acreage for which prevented planted credit is approved by the Secretary for the crop under subsection (b), the Secretary shall make a disaster payment available to the producers.

(2) RATES.—Subject to paragraph (3), the payment shall be made to the producers at a rate equal to—

(A) 65 percent of the applicable payment level under paragraph (4), as determined by the Secretary, for any deficiency in production greater than 30 percent, but not greater than 70 percent, for the crop; and

(B) 70 percent of the applicable payment level under paragraph (4), as determined by the Secretary, for any deficiency in production greater than 70 percent for the crop.

(3) BONUS FOR ADDITIONAL CROP INSURANCE COVERAGE.—Subject to section 104, the percent of the applicable payment level prescribed under paragraph (2) shall be increased by 5 percentage points for each additional crop year the producers on a farm agree to obtain multiperil crop insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) for the 1994, 1995, or 1996 crops.

(4) PAYMENT LEVEL.—For purposes of this subsection, the payment level for a commodity shall equal the simple average price received by producers of the commodity, as determined by the Secretary subject to paragraph (5), during the marketing years for the immediately preceding 5 crops of the commodity.

(5) METHOD OF DETERMINING PAYMENTS.—

(A) CROP-BY-CROP BASIS.—The Secretary shall make disaster payments under subsection (a) on a crop-by-crop basis, with consideration given to markets and uses of the crops, under regulations issued by the Secretary.

(B) SEPARATE CROPS.—For the purposes of determining the payment levels on a crop-by-crop basis, the Secretary shall consider as separate crops, and develop separate payment levels insofar as is practicable for, different varieties of the same commodity for which there is a significant difference in the economic value in the market.

(b) PREVENTED PLANTING CREDIT.—

(1) IN GENERAL.—The Secretary shall provide prevented planting credit under subsection (a) with respect to acreage that producers on a farm were prevented from planting to the 1991 crop of the commodity for harvest because of damaging weather or related condition in 1990 or 1991, as determined by the Secretary.

(2) ACREAGE LIMITATION.—The acreage may not exceed the greater of—

(A) a quantity equal to the acreage on the farm planted (or prevented from being planted because of damaging weather or other condition beyond the control of the producers) to the commodity for harvest in 1990 minus acreage actually planted for harvest in 1991; or

(B) a quantity equal to the average of the acreage on the farm planted (or prevented from being planted due to damaging weather or other condition beyond the control of the producers) to the commodity for harvest in 1988, 1989, and 1990, minus acreage actually planted to the commodity for harvest in 1991.

(3) ADJUSTMENTS.—The Secretary shall make appropriate adjustments in applying the limitations contained in paragraph (2) to take into account crop rotation practices of the producers.

(c) CROP INSURANCE.—Payments provided under subsection (a) for a crop of a commodity may not be made available to the producers on a farm unless the producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 104.

(d) SPECIAL RULES.—

(1) FARM YIELDS.—

(A) IN GENERAL.—The Commodity Credit Corporation shall establish disaster program farm yields for fruits and vegetables.

(B) BASIS.—The yield for a farm shall be based on proven yields, if the producers on the farm can provide satisfactory evidence to the Commodity Credit Corporation of actual crop yields on the farm for at least one of the immediately preceding 5 crop years. If the data do not exist for any of the 5 preceding crop years, the Commodity Credit Corporation shall establish a yield for the farm by using a county average yield for the commodity or by using other data available to it.

(2) DEMONSTRATION OF LOSSES.—It shall be the responsibility of the producers of fruits and vegetables to provide satisfactory evidence of crop losses resulting from damaging weather or related condition in 1990 or 1991 in order for the producers to obtain disaster payments under this section.

SEC. 102. CROP QUALITY REDUCTION DISASTER PAYMENTS.

(a) IN GENERAL.—

(1) PAYMENTS.—To ensure that all producers of 1991 crops covered under section 101 are treated equitably, the Secretary may pay the Federal share of additional disaster payments made to producers of the crops that suffer losses resulting from the reduced quality of the crops caused by damaging weather or related condition in 1990 or 1991, as determined by the Secretary.

(2) FEDERAL SHARE.—The Federal share of payments made under this section shall be 50 percent.

(b) ELIGIBLE PRODUCERS.—If the Secretary determines to make crop quality disaster payments available to producers under subsection (a), producers on a farm of a crop described in subsection (a) shall be eligible to receive reduced quality disaster payments only if the producers incur a deficiency in production of not less than 30 percent and not more than 75 percent for the crop (as determined under section 101).

(c) PAYMENT RATE.—The Secretary shall establish the reduced quality disaster payment rate at a level that equals the average commercial value of the crop during the marketing years for the immediately preceding 5 crops of the commodity.

(d) DETERMINATION OF PAYMENT.—The amount of payment to a producer under this section shall be determined by multiplying the payment rate established under subsection (c) by the portion of the actual harvested crop on the producer's farm that is reduced in quality by the damaging weather or related condition in 1990 or 1991, as determined by the Secretary.

SEC. 103. EFFECT OF FEDERAL CROP INSURANCE PAYMENTS.

In the case of producers on a farm who obtained crop insurance for the 1991 crop of a commodity under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), the Secretary shall reduce the amount of payments made available under this subtitle for the crop to the extent that the amount determined by adding the net amount of crop insurance indemnity payment (gross indemnity less premium paid) received by the producers for the deficiency in the production of the crop and the disaster payment determined in accordance with this subtitle for the crop exceeds the amount determined by multiplying—

(1) 100 percent of the yield used for the calculation of disaster payments made under this subtitle for the crop; by

(2) the sum of the acreage of the crop planted to harvest and the acreage for which prevented planting credit is approved by the Secretary; by

(3) the simple average price received by producers of the commodity, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of the commodity.

SEC. 104. CROP INSURANCE COVERAGE FOR 1992 AND 1993 CROPS.

(a) REQUIREMENT.—Subject to subsection (b), producers on a farm, to be eligible to receive a disaster payment under this subtitle or an emergency loan under subtitle C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961 et seq.) for crop losses due to damaging weather or related condition in 1990 or 1991 must agree to obtain multiperil crop insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) for the 1992 and 1993 crops of the commodity for which the payments or loans are sought.

(b) CROP INSURANCE.—Producers on a farm shall not be required to agree to obtain crop insurance under subsection (a) for a commodity—

(1) unless the producers' deficiency in production, with respect to the crop for which a disaster payment under this subtitle otherwise may be made, exceeds 75 percent;

(2) crop insurance coverage is not available to the producers for the commodity for which the payment or loan is sought;

(3) if the producers' annual premium rate for the crop insurance is an amount greater than 125 percent of the average premium rate for insurance on that commodity for the 1991 crop in the county in which the producers are located;

(4) in any case in which the producers' annual premium for the crop insurance is an amount greater than 25 percent of the amount of the payment or loan sought; or

(5) if the producers can establish by appeal to the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590(b)), or to the county committee established under section 332 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1982), as appropriate, that the purchase of crop insurance would impose an undue financial hardship on the producers and that a waiver of the requirement to obtain crop insurance should, in the discretion of the county committee, be granted.

(c) IMPLEMENTATION.—

(1) IN GENERAL.—The Secretary shall ensure (acting through the county committees

established under section 8(b) of the Soil Conservation and Domestic Allotment Act and located in the counties in which the assistance programs provided for under this subtitle are implemented and through the county committees established under section 332 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1982) in counties in which emergency loans, as described in subsection (a), are made available) that producers who apply for assistance, as described in subsection (a), obtain multiperil crop insurance as required under this section.

(2) DEMONSTRATION OF COMPLIANCE.—Each producer who is subject to the requirements of this section may comply with the requirements by providing evidence of multiperil crop insurance coverage from sources other than through the county committee office, as approved by the Secretary.

(3) REDUCTION OF COMMISSIONS.—The Secretary shall provide by regulation for a reduction in the commissions paid to private insurance agents, brokers, or companies on crop insurance contracts entered into under this section sufficient to reflect that the insurance contracts principally involve only a servicing function to be performed by the agent, broker, or company.

(d) REPAYMENT OF BENEFITS.—Notwithstanding any other provision of law, if (prior to the end of the 1992 crop year for the commodity involved) the crop insurance coverage required of the producer under this section is canceled by the producer, the producer—

(1) shall make immediate repayment to the Secretary of any disaster payment that the producer otherwise is required to repay; and

(2) shall become immediately liable for full repayment of all principal and interest outstanding on any emergency loan described in subsection (a) made subject to this section.

SEC. 105. TRANSFER OF FUNDS.

The Secretary may transfer funds made available to the Commodity Credit Corporation during fiscal year 1991 to the Agricultural Stabilization and Conservation Service in such amounts as are necessary for salaries and other expenses incurred in carrying out this subtitle, except that this authorization shall be available only if funding for this purpose is not provided under an appropriations Act.

SEC. 106. DE MINIMIS YIELDS.

(a) IN GENERAL.—Any producer whose actual yield for a crop is equal to or less than the de minimis yield for the crop shall be considered as having an actual yield of zero for the purpose of calculating any reduced yield disaster payments for the crop under this subtitle.

(b) DETERMINATION BY SECRETARY.—

(1) IN GENERAL.—The Secretary may determine a de minimis yield for each crop eligible for reduced yield disaster payments under this subtitle.

(2) LEVEL.—The de minimis yield shall be set at a level that will minimize any incentive provided by the prospect of disaster payments to abandon crops that have a value that exceeds the cost of harvesting.

(3) MINIMUM.—In no case may the de minimis yield be less than the amount of production that, when valued at current market prices, equals the average cost of harvesting the crop, as determined by the Secretary.

SEC. 107. PRODUCER ELIGIBILITY.

A producer on a farm who produces any crop of a commodity for which disaster payments are made available under this subtitle shall qualify for a disaster payment if the total quantity of the commodity that the producer is able to harvest on that farm is reduced as a result of damaging weather or related condition in an amount that meets the criteria of section 101, even though the producers on the farm, collectively, may not meet the criteria.

SEC. 108. NO DOUBLE PAYMENTS ON REPLANTED ACREAGE.

(a) REDUCTION OF DISASTER PAYMENT.—Effective only for the producers on a farm who receive disaster payments under this subtitle for a crop of a commodity, the Secretary shall reduce the payments by an amount that reflects 5 percent of the value of any crop that the producers plant for harvest in 1991 to replace the crop for which disaster payments are received.

(b) REPLACEMENT CROPS.—For purposes of subsection (a), a crop shall be considered to be planted to replace the crop for which disaster payments are received if (because of loss or damage to the first crop due to damaging weather or related condition in 1990 or 1991) the second crop is planted on acreage on which the producers planted, or were prevented from planting, the first crop.

(c) ADMINISTRATION.—In carrying out this section, the Secretary shall—

(1) determine the value of the second crop based on the actual yield of the producers and average market prices for the second crop during a representative period; and

(2) take into account the historical cropping patterns of producers.

Subtitle B—Administrative Provisions

SEC. 121. TIMING AND MANNER OF ASSISTANCE.

(a) TIMING OF ASSISTANCE.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall make full disaster assistance available under this title as soon as practicable after the date of the enactment of this Act.

(2) COMPLETED APPLICATION.—Notwithstanding any other provision of law or of this Act, no payment or benefit provided under this title shall be payable or due until such time as a completed application for a crop of a commodity therefore has been approved.

(3) DEADLINE FOR APPLICATION.—A person eligible to receive payments under this Act shall make application for the payments not later than March 31, 1992, or such later date as the Secretary, by regulation, may prescribe.

(b) MANNER.—The Secretary may make payments available under this Act in the form of cash, commodities, or commodity certificates, as determined by the Secretary.

SEC. 122. USE OF COMMODITY CREDIT CORPORATION.

(a) USE.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation in carrying out this title.

(b) EXISTING AUTHORITY.—The authority provided by this title shall be in addition to, and not in place of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provision of law.

SEC. 123. NO DUPLICATIVE BENEFITS.

A person eligible for assistance under chapter 3 of title XXII of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1421 note) who is also eligible for assistance under this Act may elect to receive benefits under such chapter or under this Act, but may not receive benefits under both.

SEC. 124. EMERGENCY DESIGNATION OF OUTLAYS.

(a) FINDINGS.—Congress finds that in fiscal years 1990 and 1991 there have been excessive rains, often of unprecedented scope, in many sections of the United States, and serious drought conditions and other unusual weather conditions in many other sections of the United States that have caused major economic losses to producers of fruits and vegetables.

(b) FUNDING.—The funds of the Commodity Credit Corporation shall be available subject to the limitations set forth in subsection (c) to carry out this Act.

(c) EMERGENCY DESIGNATION.—The funds provided for in this Act are designated as an emergency requirement as provided for in section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 902(e)).

SEC. 125. REGULATIONS.

The Secretary or the Commodity Credit Corporation, as appropriate, shall issue regulations to implement this title as soon as practicable after the date of enactment of this Act, without regard to the requirement for notice and public participation in rulemaking prescribed in section 553 of title 5, United States Code, or in any directive of the Secretary.

TITLE II—OTHER EMERGENCY PROVISIONS

SEC. 201. DISASTER ASSISTANCE FOR RURAL BUSINESS ENTERPRISES.

(a) LOAN GUARANTEES.—The Secretary shall guarantee loans made in rural areas—

(1) to public, private, or cooperative organizations, to Indian tribes on Federal and State reservations or other federally recognized Indian tribal groups, or to any other business entities, to assist them in alleviating distress caused to the entities, directly or indirectly, by the damaging weather or related condition in 1990 or 1991; and

(2) to the entities that refinance or restructure debt as a result of losses incurred, directly or indirectly, because of the damaging weather or related condition in 1990 or 1991.

(b) ELIGIBLE LOANS.—Loans that may be guaranteed under this section are loans made by any—

(1) Federal or State chartered—

(A) bank;

(B) savings and loan association;

(C) cooperative lending agency; or

(D) insurance company; or

(2) other legally organized lending agency.

(c) REPAYMENT.—In carrying out this section, the Secretary shall ensure, to the extent practicable, that a borrower of a loan guaranteed under this section may repay the loan over the longest possible term.

(d) LENDING LIMITS.—

(1) INDIVIDUAL GUARANTEES.—No guarantee under this section may exceed 90 percent of the principal amount of the loan. Guarantees made on loans to any eligible borrower may not exceed $500,000.

(2) TOTAL AMOUNT OF GUARANTEES.—The total amount of loan guarantees that may be made under this section shall not exceed $300,000,000.

(e) USE OF THE RURAL DEVELOPMENT INSURANCE FUND.—The Secretary shall use the Rural Development Insurance Fund established under section 309A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929a) for the purposes of carrying out this section.

SEC. 202. REHABILITATION OF TREES.

(a) IN GENERAL.—Section 2256(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1421 note) is amended by inserting after "replanting trees lost" the following: "and rehabilitation or restoring trees damaged".

(b) LIMITATION ON ASSISTANCE.—Section 2257(a) of such Act (7 U.S.C. 1421 note) is

amended by striking "$25,000" and inserting "$75,000".

SEC. 203. EMERGENCY GRANTS TO ASSIST LOW-INCOME FARMWORKERS AND PACKINGHOUSE WORKERS.

(a) EXPANSION OF PROGRAM.—Section 2281 of the Food, Agriculture, Conservation, and Trade Act of 1990 (42 U.S.C. 5177a) is amended—

(1) by inserting ", permanent," after "migrant" each place it appears;

(2) in subsection (a)—

(A) by striking "$20,000,000" and inserting "$30,000,000"; and

(B) by striking the period at the end of the second sentence and inserting ", including assistance for the payment of housing costs."; and

(3) in subsection (b)—

(A) by inserting "(including a packinghouse worker)" after "an individual"; and

(B) by inserting "or packinghouse work" after "farm work" both places it appears.

(b) CLERICAL AMENDMENTS.—

(1) The section heading of such section is amended to read as follows:

"SEC. 2281. EMERGENCY GRANTS TO ASSIST LOW-INCOME FARMWORKERS AND PACKINGHOUSE WORKERS.".

(2) The item relating to such section in the table of contents at the beginning of such Act is amended to read as follows:

"Sec. 2281. Emergency grants to assist low-income farmworkers and packinghouse workers.".

SECTION-BY-SECTION ANALYSIS OF THE FRUIT AND VEGETABLE PRODUCERS EMERGENCY ASSISTANCE ACT OF 1991

Section 1—Short Title; Table of Contents

Section 2—Definitions

Section 101—Authorizes the Secretary of Agriculture to provide a three-tier disaster assistance program to eligible fruit and vegetable producers who have been adversely affected by damaging weather in either 1900 or 1991 crop years. The schedule is as follows:

A. If a producer suffers a minimum of 30% crop loss based on a 5-year average, the producer's federal assistance payment will total 85% of the producer's normal crop yield averaged over 5 years.

B. If a producer suffers more than 30% but less than 70% total crop damage, the producer is eligible to receive 65% of the producer's normal crop yield averaged over 5 years.

C. If a producer suffers 71% to 100% of their normal crop yield, the producer is eligible to receive 70% payment of the crop's market value averaged over 5 years.

In addition, the Secretary shall make the disaster payments under a crop-by-crop basis and develop separate payment levels insofar as is practicable. The Secretary shall provide prevented planting credit with respect to farmers unable to plant due to damaging weather in the 1990 or 1991 planting seasons.

Section 102—Establishes a joint federal/state cost share program for states that are affected with low-quality fruit. The joint federal/state payment may equal up to 100% of the total value of the producer's crop.

Section 103—Ensures that the Secretary reduce the amount of payments made available to producers who obtained crop insurance for the 1990 and 1991 crop year to the extent that the amount is determined by adding the gross indemnity less premium paid by the producers for the deficiency in the production of the crop.

Section 104—Requires that producers who take the federal disaster assistance obtain multiperil crop insurance under the Federal Crop Insurance Act for the 1992 and 1993 crops. In addition, the producer will be able to receive a 5% increase in disaster payments for each year enrolled after 1994, 1995, and 1996.

Section 105—Gives the Secretary the authority to transfer funds to the Commodity Credit Corporation during 1991 for salaries and other expenses incurred in carrying out this program.

Section 106—Mandates that any producer's crop whose actual yield for a crop is equal to less than the de minimis yield will be considered a zero actual yield.

Section 107—Creates guidelines for producer eligibility.

Section 108—Disallows double payments on replanted acreage.

Section 121—Enacts guidelines for timing and manner of assistance for the Secretary to follow.

Section 122—Authorizes the CCC to carry-out this legislation.

Section 123—Disallows any duplicative benefits.

Section 124—Authorizes emergency designation of outlays.

Section 125—Issues regulations for the CCC or the Secretary to following in carrying out this legislation.

Section 201—Authorizes loan guarantees for rural businesses affected by inclement weather up to $500,000, while not exceeding $300,000,000 for the total program.

Section 202—Allows disaster assistance payment of $75,000 for tree rehabilitation.

Section 203—Authorizes emergency grants to assist low-income farmworkers and packinghouse workers who have been displaced by inclement weather.●

● Mr. LEVIN. Mr. President, the State of Michigan has been wracked once again by severe weather. Recently, thunderstorms rolled across the State uprooting trees and stripping the trees still standing of the ripe fruit that was ready for harvesting. This weather was a disastrous ending for a growing season that began in chaos for many of Michigan's agricultural producers. April brought cruel freezes that took a heavy toll on many fruits, especially cherries.

Mr. President, the senior Senator from Michigan and I are introducing legislation today to help Michigan growers recover from this devastating weather. Our bill allows growers the opportunity to receive disaster assistance commensurate with the damage that their crop has maintained. It includes special provisions to address income losses due to a decline in crop quality due to the weather, provides tree rehabilitation financial assistance, and others to treat the special needs of fruit and vegetable growers. And, the bill encourages disaster assistance recipients to obtain crop insurance in future years.

I remember 1986 and 1988. Those were tough years for the producers in Michigan and elsewhere due to flood and drought. While the scale of the emergency now in 1991 may appear somewhat less to those not directly affected, that perception could be changed by having a conversation with one of the fruit producers who has no fruit to harvest yet has to maintain trees in hopes of a better year next year.

Mr. President, fruits and vegetables are central to a healthy diet, yet Federal agricultural policy often overlooks their producers' contribution. This bill can help rectify that situation and address their needs in time of trouble.●

By Mr. KASTEN (for himself, Mr. BROWN, Mr. LOTT, Mr. COATS, Mr. SYMMS, Mr. BURNS, Mr. SMITH, Mr. HELMS, Mr. D'AMATO, Mr. SPECTER, and Mr. MACK):

S.J. Res. 182. Joint resolution proposing a balanced budget amendment to the Constitution of the United States; to the Committee on the Judiciary.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

Mr. KASTEN. Mr. President, today I am introducing the balanced budget/tax limitation amendment to the Constitution. Joining me as original cosponsors are Senators BROWN, LOTT, COATS, SYMMS, BURNS, SMITH, and HELMS.

The last time we had a balanced Federal budget was in 1969—over two decades ago. Today, the accumulated debt of our Government exceeds $3.5 trillion. This year's interest payment on the national debt will be nearly $200 billion, consuming 40 percent of Federal income tax receipts.

Identifying the problem is easy. The solution is more difficult. One point however, is very clear—the accumulation of this extraordinary debt has never been the result of inadequate tax revenues. Just from 1981 to 1990, Federal tax receipts experienced 28 percent real growth.

We have massive Federal budget deficits today for one simple reason: Congress's appetite for spending is rapidly outpacing even the extremely swift revenue growth of the 1980's. Federal spending grew 12.5 percent just from 1990 to 1991, and from 1981 to 1990 Federal spending, after inflation, grew over 41 percent.

The Federal Government is spending money faster today than it ever has before, and taxpayers can no longer keep up with the demand. This year—for the first time since World War II—the Federal Government will spend more than 25 percent of the wealth generated by the American people.

One thing is certain: tax increases will not reduce the size of government. They destroy jobs—and they lead to more Federal spending—and higher budget deficits.

Last fall, the so-called budget summit deal imposed one of the largest tax increases in history; but OMB recently reported that tax revenues actually fell—and the deficit went up instead of down.

Today, Congress is dreaming up new tax and spend schemes. The Ways and Means Committee wants to raise payroll taxes to spend more on unemployment benefits. House Democrats want

roll taxes to spend more on unemployment benefits. House Democrats want to raise gas taxes to fund the highway bill. The Senate Democrat health bill proposes new taxes on small business.

Mr. President, America's families and small businesses are already overtaxed.

Either we get Federal spending under control once and for all—or we condemn the American economy to high taxes and recession for as far as the eye can see.

Only the constitutional discipline of a balanced budget/tax limitation amendment can return fiscal sanity to our budget process.

My joint resolution would require a three-fifth's supermajority vote in Congress to approve deficit spending. But it would also require a three-fifth's vote to approve tax increases in excess of the level of economic growth.

This tax limitation provision is the most important part of the balanced budget legislation. Without it, Congress would simply raise taxes in the name of balancing the Federal budget—and use those revenues to raise spending.

Therefore, we could have a balanced budget with taxes and spending at high levels of GNP, but an unbalanced economy with reduced incentives, less private sector activity, and fewer job opportunities.

The key to economic growth and job creation is to limit both taxes and spending as a share of our economy, leaving more resources in the hands of the people.

The same legislation has been introduced in the House of Representatives where 111 Members are cosponsors. My joint resolution is supported by a broad coalition of small business and taxpayers groups including: the National Tax Limitation Committee, the National Federation of Independent Business, Citizens for a Sound Economy, the U.S. Business and Industrial Council, Citizens Against Government Waste, Americans for Tax Reform, the American Farm Bureau Federation, the Associated Builders and Contractors, Consumer Alert, Americans for a Balanced Budget, U.S. Chamber of Commerce.

The language of my legislation is essentially the same language that was in the balanced budget/tax limitation amendment passed by the Senate in 1982.

In summary, my joint resolution is designed to cut deficit spending, keep taxes low, and keep the economy moving. I call upon my colleagues to once again support this amendment.

I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

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

S.J. RES. 182

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE —

"SEC. 1. Prior to each fiscal year, Congress shall adopt a statement of receipts and outlays for such fiscal year in which total outlays are not greater than total receipts. Congress may amend such statement provided revised outlays are not greater than revised receipts. Congress may provide in such statement for a specific excess of outlays over receipts by a vote directed solely to that subject in which three-fifths of the whole number of each House agree to such excess. Congress and the President shall ensure that actual outlays do not exceed the outlays set forth in such statement.

"SEC. 2. Total receipts for any fiscal year set forth in the statement adopted pursuant to the first section of this Article shall not increase by a rate greater than the rate of increase in national income in the second prior fiscal year, unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific additional receipts and such bill has become law.

"SEC. 3. Prior to each fiscal year the President shall transmit to Congress a proposed statement of receipts and outlays for such fiscal year consistent with the provisions of this Article.

"SEC. 4. Congress may waive the provisions of this Article for any fiscal year in which a declaration of war is in effect.

"SEC. 5. Total receipts shall include all receipts of the United States except those derived from borrowing and total outlays shall include all outlays of the United States except those for the repayment of debt principal.

"SEC. 6. The amount of Federal public debt as of the first day of the second fiscal year beginning after the ratification of this Article shall become a permanent limit on such debt and there shall be no increase in such amount unless three-fifths of the whole number of each House of Congress shall have passed a bill approving such increase and such bill has become law.

"SEC. 7. Congress shall enforce and implement this Article by appropriate legislation.

"SEC. 8. This Article shall take effect for the fiscal year 1997 or for the second fiscal year beginning after its ratification, whichever is later.".

Mr. BROWN. Mr. President, I am pleased to join Senators KASTEN, LOTT, COATS, SYMMS, BURNS, SMITH, and HELMS as an original cosponsor of the balanced budget/tax limitation amendment to the Constitution of the United States. The focus of this amendment is right where it should be, on restraining Federal spending in order to balance the budget. This amendment imposes the discipline Congress cannot seem to impose on itself.

The track record proves Congress needs the discipline. Last fall's budget agreement resulted in the biggest deficit in history. To help finance this new spending binge, taxpayers are being hit with the equivalent of a $2,300 tax increase per taxpayer from 1992–96. The new 1991 deficit, as reported by the Office of Management and Budget [OMB] in its recently released Mid-Session Review of the Budget, of $282 billion is over four times the $64 billion goal Congress originally set for 1991. The deficit for 1992 is now estimated to be $348 billion, a $67 billion increase over February estimates. Federal spending consumes 25 percent of our Nation's annual wealth, the highest level since the end of World War II.

Most individuals and families live within a budget, 49 States are bound by their constitutions to deliver a balanced budget, but not the Federal Government. The balanced budget tax limitation amendment would change this by holding the growth in receipts to the rate of economic growth by putting it to a vote in both Houses of Congress.

We simply must bring Federal spending in line with Federal receipts. American taxpayers pay 111 percent more in taxes to the Government than they did a decade ago, but Federal spending has outpaced it at 137 percent. We need this amendment to the Constitution to require Congress to balance the Federal budget.

ADDITIONAL COSPONSORS

S. 284

At the request of Mr. BRADLEY, the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of S. 284, a bill to amend the Internal Revenue Code of 1986 with respect to the tax treatment of payments under life insurance contracts for terminally ill individuals.

S. 401

At the request of Mr. DOMENICI, the names of the Senator from Maryland [Ms. MIKULSKI], the Senator from Tennessee [Mr. GORE], the Senator from Wisconsin [Mr. KOHL], and the Senator from Vermont [Mr. LEAHY] were added as cosponsors of S. 401, a bill to amend the Internal Revenue Code of 1986 to exempt from the luxury excise tax parts or accessories installed for the use of passenger vehicles by disabled individuals.

S. 474

At the request of Mr. DECONCINI, the names of the Senator from Iowa [Mr. HARKIN] and the Senator from Idaho [Mr. CRAIG] were added as cosponsors of S. 474, a bill to prohibit sports gambling under State law.

S. 493

At the request of Mr. KENNEDY, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 493, a bill to amend the Public Health Service Act to improve the health of pregnant women, infants, and children through the provision of comprehensive primary and preventive care, and for other purposes.

S. 544

At the request of Mr. HEFLIN, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 544, a bill to amend the Food, Agriculture, Conservation and Trade Act of 1990 to provide protection to animal research facilities from illegal acts, and for other purposes.

S. 651

At the request of Mr. GARN, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 651, a bill to improve the administration of the Federal Deposit Insurance Corporation, and to make technical amendments to the Federal Deposit Insurance Act, the Federal Home Loan Bank Act, and the National Bank Act.

S. 654

At the request of Mr. DECONCINI, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of S. 654, a bill to amend title 35, United States Code, with respect to patents on certain processes.

S. 701

At the request of Mr. COATS, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of S. 701, a bill to amend the Internal Revenue Code of 1986 to increase the amount of the exemption for dependent children under age 18 to $3,500, and for other purposes.

S. 913

At the request of Mr. BAUCUS, the names of the Senator from Minnesota [Mr. DURENBERGER], and the Senator from Missouri [Mr. BOND] were added as cosponsors of S. 913, a bill to amend the Internal Revenue Code of 1986 to increase the amount of bonds eligible for certain small issuer exceptions, and for other purposes.

S. 1179

At the request of Mr. JOHNSTON, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 1179, a bill to stimulate the production of geologic-map information in the United States through the cooperation of Federal, State, and academic participants.

S. 1243

At the request of Mr. HARKIN, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 1243, a bill to restrict assistance for Guatemala, and for other purposes.

S. 1245

At the request of Mr. DASCHLE, the names of the Senator from South Dakota [Mr. PRESSLER], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 1245, a bill to amend the Internal Revenue Code of 1986 to clarify that customer base, market share, and other similar intangible items are amortizable.

S. 1351

At the request of Mr. DOMENICI, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 1351, a bill to encourage partnerships between Department of Energy laboratories and educational institutions, industry, and other Federal laboratories in support of critical national objectives in energy, national security, the environment, and scientific and technological competitiveness.

S. 1372

At the request of Mr. GORE, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of S. 1372, a bill to amend the Federal Communications Act of 1934 to prevent the loss of existing spectrum to Amateur Radio Service.

S. 1466

At the request of Mr. ROTH, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 1466, a bill to amend the Congressional Budget Act of 1974 to ensure the neutrality of the Congressional Budget Office.

S. 1495

At the request of Mr. GRAHAM, the names of the Senator from Michigan [Mr. RIEGLE], the Senator from Connecticut [Mr. DODD], and the Senator from Georgia [Mr. FOWLER] were added as cosponsors of S. 1495, a bill to provide for the establishment of the St. Croix, Virgin Islands Historical Park and Ecological Preserve, and for other purposes.

S. 1498

At the request of Mr. BREAUX, the names of the Senator from Maine [Mr. MITCHELL], and the Senator from Colorado [Mr. WIRTH] were added as cosponsors of S. 1498, a bill to amend the Internal Revenue Code of 1986 to provide tax incentives for the establishment of businesses within Federal military installations which are closed or realigned for the hiring of individuals laid off by reason of such closings or realignments, and for other purposes.

S. 1503

At the request of Mr. NUNN, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 1503, a bill to amend the Higher Education Act of 1965 to provide more stringent requirements for the Robert T. Stafford Student Loan Program, and for other purposes.

S. 1505

At the request of Mr. DECONCINI, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 1505, a bill to amend the law relating to the Martin Luther King, Jr. Federal Holiday Commission.

SENATE JOINT RESOLUTION 8

At the request of Mr. BURDICK, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of Senate Joint Resolution 8, a joint resolution to authorize the President to issue a proclamation designating each of the weeks beginning on November 24, 1991, and November 22, 1992, as "National Family Week."

SENATE JOINT RESOLUTION 140

At the request of Mr. BREAUX, his name was added as a cosponsor of Senate Joint Resolution 140, a joint resolution to designate the week of July 27 through August 2, 1991, as "National Invent America! Week."

SENATE JOINT RESOLUTION 160

At the request of Mr. KERRY, the names of the Senator from New Jersey [Mr. LAUTENBERG], and the Senator from Vermont [Mr. LEAHY] were added as cosponsors of Senate Joint Resolution 160, a joint resolution designating the week beginning October 20, 1991, as "World Population Awareness Week."

SENATE JOINT RESOLUTION 163

At the request of Mr. COATS, the names of the Senator from Georgia [Mr. NUNN], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Alabama [Mr. SHELBY], the Senator from Arkansas [Mr. PRYOR], the Senator from Delaware [Mr. ROTH], the Senator from Connecticut [Mr. DODD], the Senator from Illinois [Mr. SIMON], and the Senator from Mississippi [Mr. COCHRAN], were added as cosponsors of Senate Joint Resolution 163, a joint resolution designating the month of September 1991, as "National Gymnastics Month."

SENATE JOINT RESOLUTION 164

At the request of Mr. GORE, the names of the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Illinois [Mr. SIMON] were added as cosponsors of Senate Joint Resolution 164, a joint resolution designating the weeks of October 27, 1991, through November 2, 1991, and October 11, 1992, through October 17, 1992, each separately as "National Job Skills Week."

SENATE JOINT RESOLUTION 166

At the request of Mr. DOLE, the names of the Senator from Wisconsin [Mr. KASTEN], and the Senator from Delaware [Mr. ROTH] were added as cosponsors of Senate Joint Resolution 166, a joint resolution designating the week of October 6 through 12, 1991, as "National Customer Service Week."

SENATE JOINT RESOLUTION 176

At the request of Mr. DIXON, the names of the Senator from Alaska [Mr. MURKOWSKI], and the Senator from California [Mr. SEYMOUR] were added as cosponsors of Senate Joint Resolution 176, a joint resolution to designate March 19, 1992, as "National Women in Agriculture Day."

SENATE RESOLUTION 82

At the request of Mr. SMITH, the names of the Senator from Nebraska [Mr. EXON], and the Senator from Missouri [Mr. BOND] were added as cosponsors of Senate Resolution 82, a resolution to establish a Select Committee on POW/MIA Affairs.

SENATE RESOLUTION 157—RELATING TO REPRESENTATION OF EMPLOYEES OF THE SENATE

Mr. MITCHELL (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to.

S. RES. 157

Whereas, the Department of Justice is seeking information from present and former employees of the Senate of the United States in connection with its inquiry relating to the conduct of Senator Dave Durenberger;

Whereas, by Senate Resolution 60 of the 102d Congress, the Senate previously authorized present and former employees of the Senate to testify and to produce records of the Senate, except concerning matters for which a privilege should be asserted, in connection with this inquiry;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(2), the Senate may direct its counsel to represent employees of the Senate with respect to any subpoena, order, or request for information relating to their official responsibilities: Now, therefore, be it

Resolved, That the Senate Legal Counsel is authorized to represent present and former employees of the Senate regarding the provision of information in connection with the inquiry of the Department of Justice relating to the conduct of Senator Dave Durenberger.

SENATE RESOLUTION 158—RELATING TO REPRESENTATION OF SENATE EMPLOYEES INVOLVED WITH THE AMERICAN CONTINENTAL CORP./LINCOLN SAVINGS & LOAN SECURITIES LITIGATION

Mr. MITCHELL submitted the following resolution; which was considered and agreed to.

S. RES. 158

Whereas, in In re American Continental Corporation/Lincoln Savings & Loan Securities Litigation, MDL Docket No. 834, pending in the United States District Court for the District of Arizona, defendants have requested the testimony of Kenneth A. McLean, a former employee of the Senate on the staff of the Committee on Banking, Housing, and Urban Affairs;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(2), the Senate may direct its counsel to represent employees of the Senate with respect to any subpoena, order, or request for testimony relating to their official responsibilities;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That Kenneth A. McLean is authorized to testify in In re American Continental Corporation/Lincoln Savings & Loan Securities Litigation, except concerning matters for which a privilege should be asserted.

SEC. 2. That the Senate Legal Counsel is authorized to represent Kenneth A. McLean in connection with his testimony in In re American Continental Corporation/Lincoln Savings & Loan Securities Litigation.

AMENDMENTS SUBMITTED

INTERNATIONAL SECURITY AND ECONOMIC COOPERATION ACT

HELMS AMENDMENT NO. 808

Mr. HELMS proposed an amendment to the bill (S. 1435) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act, and related statutory provisions, to authorize economic and security assistance programs for fiscal years 1992 and 1993, and for other purposes, as follows:

On page 98, after line 19, add the following new section:

"SEC. 514. REDUCTION IN THE AMOUNTS AUTHORIZED TO BE APPROPRIATED.

(a) REDUCTION.—Notwithstanding any other provision of this Act, whenever a provision of this Act, or an amendment made by this Act, authorizes to be appropriated for certain purposes a specific dollar amount, such provision shall be deemed to authorize to be appropriated for those same purposes, in lieu of such specified amount, an amount equal to the specified amount minus 10 percent of such amount.

(b) TRANSFER.—

(1) EDUCATION SERVICES.—Notwithstanding any other provision of law, the authorization of appropriations to carry out the elementary and secondary education block grant is increased in each fiscal year by an amount equal to 50 percent of the amount determined under subsection (a) for such fiscal year.

(2) LAW ENFORCEMENT SERVICES.—Notwithstanding any other provision of law, the authorization of appropriation to carry out the programs under parts D and E of title I of the Omnibus Crime Control and Safe Streets Act of 1968 is increased in each fiscal year by an amount equal to 50 percent of the amount determined under subsection (a) for such fiscal year.".

PELL (AND MCCONNELL) AMENDMENT NO. 809

Mr. PELL (for himself and Mr. MCCONNELL) proposed an amendment to the bill (S. 1435), supra, as follows:

On page 14, line 11, strike "The" and insert "(a) The";

On page 14, after line 16, insert the following:

(b) Section 103 of the Foreign Assistance Act of 1961 is further amended by adding the following new subsection:

"(g) The Congress finds that marine fisheries, aquaculture production and living aquatic resources are of significant importance to economic development and to the diets of people around the world. The Congress further finds that the world's fish catch is at, or near, its sustainable maximum, thereby requiring immediate attention to improve the management of these essential fishery resources. In the allocation of funds under this section, special attention shall be given to strengthening and expanding marine fisheries and aquaculture programs and projects.".

On page 15, line 7, strike "Section" and insert "(1) Section";

On page 15, line 9, strike "(A)";

On page 16, line 2, strike "organizations." and insert "organizations.".".

On page 16, strike lines 3 through 5 and insert in lieu thereof the following:

"(2) In each of fiscal years 1992 and 1993, forty-five percent of the amount provided in each such fiscal year for the purposes of section 104(c)(4) of the Foreign Assistance Act of 1961 should be provided directly to the World";

On page 16, line 8, strike "Organization.".'' and insert "Organization.".

On page 17, line 4, strike "$257,688,000" and insert in lieu thereof "$300,000,000".

On page 17, line 7, strike "$301,291,000" and insert in lieu thereof "$345,000,000".

On page 23, strike line 20 and all that follows through line 2 on page 24, and insert in lieu thereof the following:

"(d) Notwithstanding any other provision of law, none of the funds appropriated by this Act for programs administered by the agency primarily responsible for administering part I of this Act, may be made available for any project or activity except in accordance with the requirements of section 117(c) of this Act and the regulations issued pursuant thereto (22 CFR 2/6).".

On page 27, line 12, strike "appropriated" and all that follows through "Act" on line 15, and insert in lieu thereof "made available under chapters 1 and 10 of part I and chapter 4 of part II of this Act for use for activities described in sections 104(c)(2), 104(c)(3), 104(c)(4), or for environmental and energy activities".

On page 31, strike line 23 and all that follows through the end of line 5 on page 32, and insert in lieu thereof the following:

"SEC. 130. ECONOMIC REFORM AND ENVIRONMENTAL PROTECTION.—Economic policy reforms assisted with funds authorized to be appropriated by this Act shall also include appropriate provision to protect long-term environmental interests from possible negative consequences of the reforms.".

On page 34, after line 8, insert the following new paragraphs:

"(5) in subsection (b)(2), by amending subparagraph (G) to read as follows:

"(G) are directed to making available to business enterprises, especially to small business enterprises and cooperatives, necessary support and services not otherwise generally available.";

"(6) in subsection (b)(3)—

(A) by amending subparagraph (A) by striking out "$3,000,000" and inserting in lieu thereof "$6,000,000"; and

(B) by amending subparagraph (B)—

(i) by inserting "in loans" after "provided", and

(ii) by inserting "with loans" after "assisted";".

On page 34, by redesignating paragraphs (5), (6), (7), and (8), as paragraphs (7), (8), (9), and (10), respectively.

On page 34, strike lines 18 through 20, and insert in lieu thereof the following:

"(9) in subsection (e) (as redesignated by this section)—

(A) in paragraph (1), by striking "loans made to projects" and inserting in lieu thereof "loans, investments, and guarantees";

(B) in paragraph (2), strike "Loans guaranteed" and insert in lieu thereof "Guarantees";

through "amortizations within" and inserting in lieu thereof "Guarantees shall be issued for"; and

(ii) by striking out "guaranteed loan" and inserting in lieu thereof "guarantee";

(D) in paragraph (2)(C)—

(i) by striking out "loan guaranteed" to "guarantee"; and

(ii) by striking out "$3,000,000" and inserting in lieu thereof "$6,000,000";

(E) by striking out subparagraphs (E) and (H) and redesignating accordingly;

(F) in paragraph (4), by striking out "In the case of loans" and inserting in lieu thereof "In all cases hereunder"; and

(G) by striking out paragraphs (3) and (5) and redesignating accordingly; and".

On page 40, line 22, strike "and";

On page 40, after line 22 insert the following new subparagraph:

"(F) $12,000,000 for each of fiscal years 1992 and 1993 for the Organization of American States Development Assistance Programs; and;

On page 40, line 23, strike "(F)" and insert "(G)";

On page 41, line 2, strike "(E)" and insert "(F)".

On page 57, line 3, strike "the Agricultural" and all that follows through "1985," on line 6.

On page 113, line 8, insert ", including killings and kidnappings of civilians," after "acts of terror".

On page 119, line 13, strike "Secretary" and insert "President";

On page 120, lines 1 and 2, strike "Secretary" and insert "President".

On page 169, line 7, strike "or" and all that follows through "1954" on line 8;

On page 170, line 7, strike "and" and all that follows through "1954" on line 8.

On page 162, line 8, strike the comma and all that follows through "1954" on line 10.

On page 170, strike line 20 and all that follows through "Act." on line 25, and insert in lieu thereof:

"(a) Of the amounts authorized to be appropriated under chapter 1 of part I of chapter 4 of part II of the Foreign Assistance Act, $300,000,000 for each of fiscal year 1992 and 1993 may be made available for Andean countries.".

On page 172, strike lines 11 through 16 and insert in lieu thereof the following:

"(a) AUTHORIZATION OF APPROPRIATIONS.—Of the amounts authorized to be appropriated under chapter 2 of part II of the Foreign Assistance Act, $118,000,000 may be made available for each fiscal years 1992 and 1993 for Andean countries.".

On page 182, line 7, strike "by" and insert in lieu thereof "under the auspices of".

On page 187, line 20, strike "Coordinating" and insert in lieu thereof "Development Coordination".

On page 191, line 1, strike "assistance may be provided" and insert "assistance (including assistance from the Development Fund for Africa) may be transferred".

On page 214, insert "and" at the end of line 24;

On page 214, strike line 25 and all that follows through line 8 on page 215;

On page 215, line 9, strike "(3)" and insert "(2)";

On page 215, line 10, strike "or the" and all that follows through "asset" on line 11;

On page 215, line 11, strike "para-" and all that follows through "(2)" on line 12 and insert "paragraph (1)";

On page 215, line 13, strike "or asset";

On page 215, line 17, strike "or" and "asset" on line 18;

On page 215, line 24, strike "or" and all that follows through "Corporation" on line 25;

On page 215, line 25, strike "or asset";

On page 216, line 4, strike "neither";

On page 216, line 5, strike "nor" and all that follows through "shall" on line 6, and insert "shall not";

On page 216, line 8, strike "or asset";

On page 216, line 16, strike "or the Commodity Credit Corporation";

On page 216, line 21, strike "or the Commodity Credit Corporation";

On page 216, line 22, strike "or asset";

On page 217, lines 7, 10, 12, 15, and 18, strike "or asset";

On page 217, line 24, strike "or" and all that follows through "country," on line 1 of page 218;

On page 218, line 4, strike "or assets".

On page 222, line 5, strike "and" and insert after "714", "section 735, section 737, and title VI".

On page 223, strike lines 11 and 12.

On page 223, line 15, after "1971" insert "except for section 7".

On page 234, line 10, after "enable" insert "the volunteer experiences of";

On page 234, line 11, strike "share" and insert "be shared".

PELL (AND OTHERS) AMENDMENT NO. 810

Mr. PELL (for himself, Mr. HELMS, and Mr. MURKOWSKI) proposed an amendment to the bill S. 1435, supra, as follows:

On page 109, after line 25, add the following new section:

SEC. 611. POLICY TOWARD THE FUTURE OF TAIWAN.

(a) FINDINGS.—The Congress finds that—

(1) although peace has prevailed in the Taiwan Strait for the past decade, on June 4, 1989, the Government of the People's Republic of China showed its willingness to use force against the Chinese people who were demonstrating peacefully for democracy; and

(2) in the Taiwan Relations Act, the United States made clear that its decision to enter into diplomatic relations with the People's Republic of China rested upon the expectation that the future of Taiwan would be determined by peaceful means.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the future of Taiwan should be settled peacefully, free from coercion, and in a manner acceptable to the people of Taiwan; and

(2) good relations between the United States and the People's Republic of China depend upon the willingness of the Chinese authorities to refrain from the use or the threat of force in resolving Taiwan's future.

On page 4, after the item relating to section 610, add the following new item:

Sec. 611. Policy toward the future of Taiwan.

ROTH (AND PELL) AMENDMENT NO. 811

Mr. ROTH (for himself and Mr. PELL) proposed an amendment to the bill S. 1435, supra, as follows:

At the appropriate place, insert the following new section:

SEC. —. SUPPORT OF TAIWAN'S MEMBERSHIP IN GATT.

(a) FINDINGS.—The Senate find that—

(1) on January 1, 1990, the Government of Taiwan formally requested the Secretariat of the General Agreement on Tariffs and Trade (GATT) to initiate the procedure necessary for its accession to the GATT;

(2) the Government of Taiwan has applied for membership in the GATT as a separate customs territory under GATT Article XXXIII under the name "The Customs Territory of Taiwan, Penghu, Kinmen and Matsu", to ensure that its application includes only those areas where the Government of Taiwan currently possesses full autonomy in the conduct of its external commercial relations;

(3) Taiwan is a significant participant in the global economy, being the thirteenth largest trading entity and maintaining the second largest foreign exchange reserves in the world, and is one of the last major market-based economies that is noticeably absent from the GATT;

(4) the United States and Taiwan maintain an important bilateral trading relationship, with Taiwan being the sixth largest trading partner of the United States and the United States being the second largest exporter to Taiwan;

(5) Taiwan has made substantial progress in its economic development, and has taken steps to open up its economy, including lowering its average tariff rates, reducing its barriers to foreign investment, and increasing its protection of intellectual property rights;

(6) the United States supports additional action by Taiwan to provide full open market access to United States goods and services and to ensure that United States intellectual property rights are fully enforced, and Taiwan's continued progress in these and other areas is mutually beneficial to the United States and Taiwan;

(7) the GATT is the premier multilateral body for regulating trade worldwide, and the United States and 100 other contracting parties of the GATT are in the final stages of the Uruguay Round of multilateral trade negotiations, which is the most ambitious effort ever undertaken by the GATT to expand, strengthen, and revitalize multilateral trade rules and principles;

(8) the successful conclusion of the Uruguay Round will establish multilateral and enforceable disciplines in key areas affecting bilateral trade between the United States and Taiwan, including the areas of services, intellectual property rights, and agriculture;

(9) Taiwan currently adheres to the guiding principles of the GATT on a de facto basis, is expressly committed to assuming greater international economic responsibility by its willingness to accede to the GATT as a developed economy, and has indicated its desire to join formally with other GATT contracting parties in implementing the final results of the Uruguay Round; and

(10) Taiwan's membership in the GATT will foster the further liberalization of Taiwan's economy along GATT lines, will serve as an exemplary model for other developing countries, will allow key United States-Taiwan trade issues to be addressed in the multilateral context, and will contribute to the overall strengthening of GATT rules of trade and of the GATT as an institution:

(b) POLICY.—It is the policy of the Senate that—

(1) the accession of Taiwan to the GATT is in the best economic interest of the United States and of the world trading system as a whole and should be achieved in an expeditious manner; and

(2) the Government of the United States should fully support Taiwan's accession to the GATT by requesting that the GATT Sec-

the GATT by requesting that the GATT Secretariat place Taiwan's accession request on the agenda of the next GATT Council meeting, by seeking the formation of a GATT Working Party, and by taking any additional steps deemed necessary to assure Taiwan's prompt membership in the GATT.

ROTH (AND BRADLEY) AMENDMENT NO. 812

Mr. ROTH (for himself and Mr. BRADLEY) proposed an amendment to the bill S. 1435, supra, as follows:

At an appropriate place in the bill add the following new section.

SEC. . TO EXPRESS THE SENSE OF THE SENATE REGARDING THE TREATMENT OF UNITED STATES COMPANIES OPERATING IN ANGOLA IN THE UNITED STATES INTERNAL REVENUE CODE.

(a) FINDINGS.—The Senate finds that—

(1) section 901(j) of the United States Internal Revenue Code effectively subsects United States companies operating in Angola to double taxation;

(2) on May 31, 1991, the Government of Angola and the National Union for the Total Independence of Angola signed the Peace Accord for Angola in Lisbon, Portugal;

(3) the Peace Accords for Angola provide for: an internationally supervised cease-fire in Angola's civil war, the opening up of Angolan political life, and internationally supervised national elections;

(4) the Angolan economy offers a broad range of opportunities for United States companies.

(b) POLICY.—It is the policy of the Senate that—section 901(j) of the United States Internal Revenue Code should be amended to provide for a special rule for Angola so that United States companies operating in that nation shall be allowed a foreign tax credit for taxes paid to the Government of Angola.

ROTH AMENDMENT NO. 813

Mr. ROTH proposed an amendment to the bill S. 1435, supra, as follows:

At the appropriate place insert:

That chapter 2 of part I of the Foreign Assistance Act of 1961 is amended by inserting after section 240A the following new section:

"SEC. 240B. PROHIBITION OF NONCOMPETITIVE AWARDING OF INSURANCE CONTRACTS ON CERTAIN GOVERNMENT-SUPPORTED EXPORTS.

"(a) PROHIBITION.—No insurance, reinsurance, guarantee, or other financing may be issued by the Corporation with respect to any investment in a project unless the appropriate investor, in every practicable case, first certifies to the Corporation that any contract for the export of goods as part of such investment shall include a clause requiring that United States insurance companies have a fair and open competitive opportunity to provide insurance against risk of loss of such export.

"(b) FAILURE TO PROVIDE CERTIFICATION.—In any case in which such certification is not made in a timely fashion, the investor shall include in the certification when made the reasons for the failure to make timely certification."

"(c) REPORTS BY UNITED STATES TRADE REPRESENTATIVE.—The United States Trade Representative shall review the actions of the Corporation under this section and, after consultation with representatives of United States insurance companies, shall report to the Congress in the report required by section 181(b) of the Trade Act of 1974 with respect to such actions.

"(d) DEFINITIONS.—For purposes of this section—

"(1) the term 'United States insurance company'—

"(A) includes an individual, partnership, corporation, holding company, or other legal entity which is authorized, or in the case of a holding company, subsidiaries of which are authorized, by a State to engage in the business os issuing insurance contracts or reinsuring the risk underwritten by insurance companies; and

"(B) includes foreign operations, branches, agencies, subsidiaries, affiliates, or joint ventures of any entity described in subparagraph (A);

"(2) United States insurance companies shall have had a 'fair and open competitive opportunity to provide insurance' if they—

"(A) have received notice of the opportunity to provide insurance; and

"(B) have been evaluated on a nondiscriminatory basis.".

SEC. 2. EXPORT-IMPORT BANK OF THE UNITED STATES.

The Export-Import Bank Act of 1945 (12 U.S.C. 635 et seq.) is amended by adding at the end the following:

"SEC. 17. PROHIBITION ON NONCOMPETITIVE AWARDING OF INSURANCE CONTRACTS ON CERTAIN GOVERNMENT-SUPPORTED EXPORTS.

"(a) PROHIBITION.—The Bank may not guarantee, insure, extend credit or participate in the extension of credit with respect to any export unless the Bank receives a certification that any contract relating to the export of goods shall include a clause requiring that United States insurance companies have a fair and open competitive opportunity to provide insurance against risk of loss of such export.

"(b) REPORTS BY UNITED STATES TRADE REPRESENTATIVE.—The United States Trade Representative shall review the actions of the Bank under this section and, after consultation with representatives of United States insurance companies, shall report to the Congress in the report required by section 181(b) of the Trade Act of 1974 with respect to such actions.

"(c) DEFINITIONS.—For purposes of this section—

"(1) the term 'United States insurance company'—

"(A) includes an individual, partnership, corporation, holding company, or other legal entity which is authorized, or in the case of a holding company, subsidiaries of which are authorized, by a State to engage in the business of issuing insurance contracts or reinsuring the risk underwritten by insurance companies; and

"(B) includes foreign operations, branches, agencies, subsidiaries, affiliates, or joint ventures of any entity described in subparagraph (A);

"(2) FAIR AND OPEN COMPETITIVE OPPORTUNITY TO PROVIDE INSURANCE.—The term 'fair and open competitive opportunity to provide insurance' means, with respect to a United States insurance company, that the company—

"(A) has received notice of the opportunity to provide insurance; and

"(B) has been evaluated on a nondiscriminatory basis.".

SEC. 4. DETERMINATIONS OF DISCRIMINATION.

(a) DETERMINATION BY THE UNITED STATES TRADE REPRESENTATIVE.—Whenever the United States Trade Representative determines that United States insurance companies have been denied a fair and open competitive opportunity to provide insurance against risk of loss in violation of section 240B of the Foreign Assistance Act of 1961, section 17 of the Export-Import Bank Act of 1945, or section 20 of the Commodity Credit Corporation Charter Act as added by this Act, then—

(1) the Overseas Private Investment Corporation may not insure, reinsure, finance, or otherwise assist in the investment in question,

(2) The Export-Import Bank may not guarantee, insure, extend, credit, or participate in the extension of credit with respect to the export in question, and

(3) the Commodity Credit Corporation, may not guarantee, insure, extend credit, or participate in the extension of credit with respect to the export in question of agricultural commodities,

unless the transaction involves a United States firm, subsidiary, or affiliate doing business in a foreign country with which the United States has an agreement regarding the insurance of international transactions.

(b) REGULATIONS REQUIRED.—The United States Trade Representative shall prescribe such regulations as may be necessary to carry out this section.

ROTH (AND BRADLEY) AMENDMENT NO. 814

Mr. ROTH (for himself and Mr. BRADLEY) proposed an amendment to the bill S. 1435, supra, as follows:

In lieu of language, insert:

SEC. . TO EXPRESS THE SENSE OF THE SENATE REGARDING THE TREATMENT OF UNITED STATES COMPANIES OPERATING IN ANGOLA IN THE UNITED STATES REVENUE CODE.

(a) FINDINGS.—The Senate finds that—

(1) section 901(j) of the United States Internal Revenue Code effectively subjects United States companies operating in Angola to double taxation;

(2) on May 31, 1991, the Government of Angola and the National Union for the Total Independence of Angola signed the Peace Accord for Angola in Lisbon, Portugal;

(3) the Peace Accords for Angola provide for: an international supervised cease fire in Angola's civil war, the opening up of Angolan political life, and internationally supervised national elections;

(4) the Angolan economy offers a broad range of opportunities for United States companies.

(b) POLICY—It is the policy of the Senate that section 901(j) of the United States Internal Revenue Code should be amended to provide for a special rule for Angola so that United States tax credit for taxes paid to the Government of Angola.

The aforesaid tax benefits should not come into effect until national elections in Angola have been held. Those benefits will then be granted for the taxable year beginning in the calendar year of those elections.

SIMON (AND OTHERS) AMENDMENT NO. 815

Mr. SIMON (for himself, Mr. HARKIN, and Mr. DOLE) proposed an amendment to the bill S. 1435, supra, as follows:

On page 11, line 8, insert "disability," after "poverty,".

On page 13, line 2, insert "and persons with disabilities" after "women".

On page 17, between lines 11 and 12, insert the following:

(a) Section 105 of the Foreign Assistance Act is amended by adding a new subsection (c) as follows:

"(c) Assistance provided under this section shall also be used to establish and expand programs to assist persons with disabilities, including persons with visual and hearing impairments, physical disabilities, mental retardation and mental illness, to achieve independence.".

On page 17, line 12, insert "(b)" before "The".

HELMS (AND OTHERS) AMENDMENT NO. 816

Mr. HELMS (for himself, Mr. MACK, and Mr. GRAHAM) proposed an amendment to the bill S. 1435, supra as follows:

On page 98, after line 19, add the following new section:

SEC. 514 CONDITIONS ON ASSISTANCE TO THE SOVIET UNION.

None of the funds made available under this Act, or under any amendment made by this Act, shall be available for disbursement to the Government of the Union of Soviet Socialist Republics unless the President has certified to the Speaker of the House of Representatives, the chairman, and the ranking member of the Committee of Foreign Relations of the Senate that the Soviet Union has ceased all direct or indirect military or economic assistance to Cuba.

KASTEN (AND OTHERS) AMENDMENT NO. 817

(Ordered to lie on the table.)

Mr. KASTEN (for himself, Mr. INOUYE, Mr. BURDICK, and Mr. LIEBERMAN) submitted an amendment intended to be proposed by them to the bill S. 1435, supra, as follows:

On page 234, line 24, add the following new title:

TITLE XIII—MIDDLE EAST ENVIRONMENTAL COOPERATION AND RESTORATION ACT OF 1991

SEC. 1301. SHORT TITLE.

This title may be cited as the "Middle East Environmental Cooperation and Restoration Act of 1991".

SEC. 1302. FINDINGS.

The Congress of the United States finds that—

(1) the Gulf War and the resulting damage to the environment of the Arabian Gulf graphically demonstrates the vulnerability of the natural environment of the Middle East and man's potential for inflicting untold damage on that environment;

(2) interdependence, rather than independence, characterizes the relationship of all parts of the Middle East, the natural environment, and the global community;

(3) environmental quality is an integral component of every nation's national security;

(4) through concerted, cooperative action the peoples of the Middle East can reverse the damage to their natural environment;

(5) regional cooperation is essential to the management, restoration and maintenance of the environment of the Middle East;

(6) the problems associated with environmental degradation affect all countries of the Middle East regardless of national income, religious orientation or political persuasion;

(7) environmental protection and stewardship of the earth is compatible with the major religious traditions of the peoples of the region;

(8) the President of the United States was correct in declaring before Congress on March 6, 1991 that regional cooperation will stand in the future as a central pillar of United States foreign policy in the Middle East; and

(9) there is an urgent need for the countries of the Middle East, in cooperation with the United States and other concerned parties, to address through enlightened action, the environmental problems of the region.

SEC. 1303. ESTABLISHMENT OF THE MIDDLE EAST ENVIRONMENTAL DEFENSE NETWORK.

(b) ESTABLISHMENT.—The President shall establish and direct, through the Agency for International Development, a program to be known as the "Middle East Environmental Defense Network" (hereafter in this title referred to as "Project EDEN").

(c) PURPOSE.—The purposes of Project EDEN are as follows:

(1) To develop a Middle East Regional Environmental Protection Plan.

(2) To assess the environmental problems affecting all Middle East states.

(3) To seek and advance ways in which all Middle East states can work cooperatively to ameliorate natural resource and environmental degradation.

(4) To promote national and, wherever appropriate, cross-boundary natural resource and environmental restoration and maintenance activities.

(5) To develop and disseminate educational programs to promote regional understanding and cooperation in all areas of environmental protection.

(6) To undertake and encourage both public and private initiatives to improve the quality, quantity, and management of natural resources and the environment through initiatives such as regional planning, joint infrastructure investment, water conservation, water quality management, air quality management, solid waste management, desalinization, reforestation, energy efficiency, and renewable energy utilization.

(7) To provide a framework for new interstate structures, institutions, and relationships which might be developed to further environmental and natural resource management in the Middle East region.

(8) To undertake and encourage the safe handling, minimization, substitution, and cleanup of hazardous substances as well as the restoration of degraded desert and marine ecosystems between regional states.

(9) To conserve, protect, manage, restore, maintain and promote the historical, cultural, social, archaeological, and geophysical resources and heritages of the peoples of the Middle East, where possible, within their natural environment.

(10) To conserve, protect, and enhance biodiversity, both in situ and ex situ, and to develop regional programs to advance these ends.

(11) To undertake and encourage the involvement of the private sector, governmental, nongovernmental, bilateral and multilateral organizations and entities in all aspects of environmental protection and rehabilitation.

(12) To promote environment-related technology transfer as well as identify new technologies which might contribute to environmental protection, management, restoration, and maintenance.

(13) To initiate and guide mutually beneficial environmental research and development projects between various Middle East countries.

(14) To research, investigate, document, and mitigate, wherever possible, the adverse effects on the public health and general welfare of environmental degradation.

(d) FUNDING.—(1) There are authorized to be appropriated to the President $10,000,000 for fiscal year 1992 and each fiscal year thereafter to carry out Project EDEN.

(2) Amounts appropriated pursuant to paragraph (1) are authorized to remain available until expended.

SEC. 1304. ENVIRONMENTAL PLANNING COUNCIL.

(a) ESTABLISHMENT.—There is established an interagency Environmental Planning Council (hereafter in this title referred to as the "Planning Council").

(b) COMPOSITION.—The Planning Council shall be composed of 8 members, or their designees, as follows:

(1) The Administrator of the Agency for International Development.

(2) The Secretary of State.

(3) The Administrator of the Environmental Protection Agency.

(4) The Administrator of the National Oceanographic and Atmospheric Administration (NOAA).

(5) The Secretary of Agriculture.

(6) The Secretary of the Interior.

(7) The Director of the National Academy of Sciences, Board on Science and Technology in Development (BOSTID).

(8) The Director of the United States Trade and Development Program (TDP).

(9) The Chairman of the Council on Environmental Quality.

(c) ADMINISTRATION.—(1)(A) The Administrator of the Agency for International Development, or his designee, shall serve as Chairman of the Planning Council and shall convene not less than four meetings of the full Planning Council each year.

(B) The Administrator of the Agency for International Development shall provide the Planning Council with a permanent staff, office space and any other support, as required by the Planning Council, from within the Agency for International Development.

(2) The Administrator shall—

(A) enter into contracts, grants, and other financial arrangements, as necessary on behalf of the Planning Council, in accordance with other applicable law, to carry out the work of the Planning Council and the purposes of Project EDEN;

(B) establish, coordinate, and fund a Project EDEN postgraduate fellowship program focused on issues of environmental public policy in the Middle East; and

(C) maintain and coordinate the work of the United States Environmental Center pursuant to section 1309(f) of this Act.

(d) PLANNING COUNCIL RESPONSIBILITIES.—The Planning Council, shall have the following responsibilities:

(1) To prescribe policies and procedures to establish and implement Project EDEN.

(2) To coordinate United States activities in support of Project EDEN with the Permanent Conference on Environmental Security and Cooperation and its Secretariat.

(3) To establish working groups, as necessary, to assist in the carrying out of Planning Council responsibilities and the purposes of Project EDEN.

(4) To prepare an annual 5-year strategic environmental plan for the Middle East which shall be presented to the Secretariat of the Permanent Conference on Environmental Security and Cooperation for annual review and then to the Permanent Conference on Environmental Security and Cooperation for ratification.

(5) To encourage the establishment of Environmental Planning Councils by each member state participating in Project EDEN.

(6) To recommend to the Administrator of the Agency for International Development

specific ways to enhance existing bilateral and multilateral programs of the United States established to promote the diffusion of knowledge on regional environmental issues through joint research and development, cooperative exchanges, education, and mutual assistance.

(7) To advise the Administrator on the operation of the United States Environmental Center.

(f) ANNUAL REPORTING REQUIREMENTS.—Not later than June 1 of each year, the Administrator of the Agency for International Development shall submit a report to the Committees on Appropriations of the Senate and House of Representatives and the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives, on the work and future agenda of Project EDEN, including—

(1) an evaluation of the progress Project EDEN is making to environmental management in the Middle East;

(2) a timetable, a budget, and an action plan for the execution of Project EDEN initiatives during the coming fiscal year; and

(3) a detailed accounting of the operating expenses of the Planning Council, the Permanent Conference on Environmental Security and Cooperation in the Middle East, and the Secretariat of the Conference.

SEC. 1305. ACTIONS OF THE PRESIDENT OF THE UNITED STATES.

The President is authorized to enter into negotiations and agreements with governments of Middle East for the purpose of concluding, by September 1, 1992, an international agreement establishing a Permanent Conference on Environmental Security and Cooperation, a Conference Secretariat, a Middle East Regional Environmental Fund, and Middle East Environmental Centers.

SEC. 1306. THE PERMANENT CONFERENCE ON ENVIRONMENTAL SECURITY AND COOPERATION.

(a) ESTABLISHMENT.—The President is authorized to enter into agreements with the governments of countries described in subsection (b) on the establishment of a Permanent Conference on Environmental Security and Cooperation in the Middle East (hereafter in this title referred to as the "Conference"), by September 1, 1992.

(b) COMPOSITION.—The countries referred to in subsection (a) are those countries designated in the Annual Report of the World Bank for 1991 as belonging to the Middle East or which choose to participate in Project EDEN.

(c) RESPONSIBILITIES AND OBJECTIVES.—The Conference should have the following responsibilities and objectives:

(1) To carry out the purposes of Project EDEN.

(2) To serve as the focus for substantive interaction on environmental matters among Project EDEN member states.

(3) To provide regional leadership in the advancement of new ideas for environmental management.

(4) To approve by a majority vote the annual operating budgets of the Conference and the Secretariat.

(5) To establish the Middle East Regional Environmental Fund.

(6) To approve by a majority vote of the members the projects to be funded from the income derived from the Middle East Regional Environmental Fund.

(7) To maintain a corpus within the Middle East Regional Environmental Fund of not less than the equivalent of $100,000,000 in United States dollars.

(8) To solicit from donor countries, multilateral institutions, private entities, the United Nations Iraq reparations account and other sources, initial funding and subsequent capital increases for the Middle East Regional Environmental Fund.

(9) To promote the maximum exchange of information and research data on the state of the environment in the Middle East.

(10) To involve and solicit the views of nongovernmental organizations.

(11) To coordinate the work of the national Planning Councils.

(12) To hold an annual meeting of Conference members.

(13) To approve and amend operating procedures for the Conference.

SEC. 1307. SECRETARIAT TO THE PERMANENT CONFERENCE ON ENVIRONMENTAL SECURITY AND COOPERATION.

(a) ESTABLISHMENT.—The President is authorized to enter into an agreement with foreign governments on the establishment of a Secretariat to the Permanent Conference on Environmental Security and Cooperation in the Middle East (hereafter in this title referred to as the "Secretariat"), by September 1, 1992. Such agreement should provide for the United States to serve as permanent head of the Conference Secretariat.

(b) RESPONSIBILITIES.—An agreement negotiated under subsection (a) should provide for the Conference Secretariat to—

(1) devise and recommend changes to the operating procedures of the Conference;

(2) manage the regular affairs of the Conference;

(3) establish the work plan for the Conference, including project solicitation, project development, project evaluation, preparation of an annual budget for the review and approval of the Conference, and the obligation and expenditure of funds;

(4) prepare an annual operating budget and a 5-year strategic plan for the Conference;

(5) exercise full oversight and accountability over Project EDEN by maintaining full financial disclosure and planning visibility through regular project audits and other mechanisms as may be necessary;

(6) prepare an annual report for the approval of the Conference;

(7) organize an annual public meeting of Conference members;

(8) establish and support scientific committees to study, evaluate, monitor and make scientifically based recommendations to the Conference on problems connected with the purposes of Project EDEN; and

(9) establish working bilateral and multilateral relationships with governmental and nongovernmental financial, development and other institutions.

(c) ROLE OF THE ADMINISTRATOR OF AID.—The Administrator of the Agency for International Development, or his designee, should serve as the permanent chair of the Conference and shall retain the right of veto over Conference decisions and appointments.

(d) COMPOSITION OF THE SECRETARIAT.—The daily operations of the Secretariat of the Conference should be managed by a Director-General with supervisory authority over a full-time professional staff appointed by the Director-General and approved by the Conference.

(e) DIRECTOR-GENERAL.—The position of Director-General should be held for a period not to exceed one 5-year term and should rotate among member states of Project EDEN.

(f) STAFF OF THE SECRETARIAT.—(1) The staff of the Secretariat shall be vested with the same responsibilities, rights and entitlements of civil servants employed by the International Bank for Reconstruction and Development.

(2) The professional staff of the Secretariat should be drawn from Project EDEN member states and should be persons of distinction in the fields of basic sciences, engineering, ocean and environmental sciences, education, research management, international affairs, health physics, health sciences, or social sciences.

(3) The number of full-time professional staff employed by the Conference Secretariat should not exceed 50. The number of clerical staff employed by the Conference Secretariat should be as required to support the work of the professional staff and the Conference.

(g) ANNUAL ENVIRONMENTAL ASSESSMENTS.—The Secretariat of the Conference should prepare and submit to the Conference, no later than May 1 of each year, a report on the state of the Middle East environment including measures indicating the progress, or lack of progress, made by each country in the Middle East in fostering environmental cooperation and in solving and managing the regional environmental issues addressed by Project EDEN.

SEC. 1308. MIDDLE EAST REGIONAL ENVIRONMENTAL FUND.

(a) ESTABLISHMENT.—The President is authorized to enter into agreements with foreign governments on the establishment of a Middle East Regional Environmental Fund (hereafter in this title referred to as the "Fund"), by September 1, 1992.

(b) PURPOSE.—It should be the purpose of the Fund—

(1) to finance Middle East environmental projects having a transnational dimension consistent with the purposes of Project EDEN and which are authorized by the Conference; and

(2) to finance the full operating costs of the Permanent Conference on Environmental Security and the Conference Secretariat.

(c) ORGANIZATION.—The Fund should be established and managed by the Conference Secretariat.

(d) CAPITALIZATION OF FUND.—The Fund shall be capitalized with contributions solicited by the Conference Secretariat from Project EDEN member states and pursuant to the terms of section 1308(f)(2) and section 1308(f)(3) of this Act.

(e) PURPOSES FOR DISBURSEMENT OF FUNDS.—Disbursements from the Fund should be made only for projects conforming to the purposes of Project EDEN and for the administrative costs associated with the work of the Conference and the Secretariat.

(f) AUTHORITY TO INCUR OBLIGATIONS.—Obligations against the Fund should be made by the Secretariat and should be subject to the review and approval of the Conference.

(g) USE OF IRAQI REPARATIONS.—The Secretariat, with the full cooperation and active leadership of the President of the United States, should work through the United Nations to ensure that not less than 25 percent of any future reparations paid by Iraq for war damages leading to, or resulting from, the Persian Gulf War is applied to the Middle East Regional Environmental Fund and used for environmental remediation, natural resource management, environmental research and environmental education.

(h) ANNUAL CONTRIBUTIONS.—The Secretariat, with the full cooperation and active leadership of the President of the United States should solicit annual contributions to the Middle East Regional Environmental Fund from national and multilateral entities, private donors, individuals and other sources as might be required to carry out the purposes of Project EDEN.

SEC. 1309. MIDDLE EAST ENVIRONMENTAL CENTERS.

(a) ESTABLISHMENT.—The President is authorized to enter into agreements with foreign governments for the establishment, by September 1, 1992, of Middle East Environmental Centers (hereafter in this title referred to as the "Environmental Centers") and an Environmental Data Network, within and between the sovereign member countries of Project EDEN.

(b) COORDINATION.—Coordination of the Environmental Centers should be carried out by and through the Conference Secretariat.

(c) PURPOSES.—The purpose of each Environmental Center would be to serve as a national focal point for regional environmental cooperation and the national support of environmental initiatives through the active fulfillment of the purposes of Project EDEN pursuant to section 1305(c) of this Act. The responsibilities of the Environmental Centers also should be, among others—

(1) to support and assist national environment ministries and regional environmental organizations and initiatives;

(2) to establish and maintain the Project EDEN Environmental Data Network through regional cooperation;

(3) to direct innovative environmental research and sustainable development initiatives;

(4) to establish and maintain a broad-based, active, and integrated early warning system for irregular or threatening interstate ecological, geophysical, biological, atmospheric, or maritime hazards;

(5) to serve as a crisis management coordination, communication, and information network between sovereign countries participating in Project EDEN, international organizations, and others;

(6) to establish and maintain a comprehensive inventory database of all significant biological, geophysical, historical and cultural resources on national lands to be freely available for public study and global dissemination; and

(7) to establish and maintain a water research authority to—

(A) monitor national water supplies;

(B) support study into more efficient means of water allocation, distribution and utilization;

(C) promote water conservation;

(D) study the environmental and social effects of water engineering projects;

(E) study the environmental and social effects of development projects on local and regional water availability;

(F) recommend new approaches toward managing or resolving local and regional water disputes; and

(G) contribute to the making of sound national water policies.

(d) ENVIRONMENTAL DATA NETWORK FOR THE MIDDLE EAST.—The Secretariat, in coordination with the permanent Conference Chair, shall establish the Project EDEN Environmental Data Network (hereafter in this title referred to as the "Data Network").

(e) RESPONSIBILITIES.—The purpose of the Data Network would be—

(1) to support the work of Project EDEN and the Middle East Environmental Centers in which it will be housed;

(2) to provide for a voice and data link between all participating Middle East, associated states, international agencies and entities, educational institutions and private organizations in Project EDEN.

(3) to serve as a means for providing real-time communications and dissemination of information on actual or potential environmental occurrences, hazards, accidents, and crises;

(4) to promote the wide distribution of technical, scientific, and information on environmental resources in the Middle East;

(5) to assist in providing and fostering environmental education and an appreciation for the importance of regional environmental awareness;

(6) to facilitate environmental research, evaluation, and testing; and

(7) to provide on-line access to the Project EDEN environmental data bank.

(f) THE UNITED STATES ENVIRONMENTAL CENTER.—It is the sense of the Congress that the President should establish within the Agency for International Development, an Environmental Center dedicated to the purposes of Project EDEN and linked fully to the Middle East Environmental Centers and the Data Network.

Mr. KASTEN, Mr. President, today I am offering an amendment with Senator INOUYE and others to create the Middle East Environmental Defense Network—Project EDEN.

Project EDEN will create an unprecedented mechanism for environmental cooperation and restoration in the Middle East.

The recent war in the Persian Gulf focused the world's attentions on the serious environmental problems of the Mideast. It also brought to our attention that the common environmental problems of the region could serve as a forum to promote cooperation. Without cooperation, these problems could likely be the subject of future conflicts.

Desert Storm also highlighted the leadership role of the United States in the region. We have a unique opportunity, to act now to promote environmental cooperation in the region.

Earlier this year I offered an amendment to the urgent supplemental to establish a Persian Gulf environmental restoration program. This amendment builds on those principles.

This amendment recognizes that there are extensive environmental problems in the region that can best be solved through cooperative efforts. It also recognizes that those are primarily Mideastern problems, that should be solved by the people of the region.

This funds authorized under this provision recognize those facts. These funds are restricted to supporting U.S. actions. We should not be paying for the restoration and management of the area—those cost should be born by the host nations—but we can serve as a catalyst for the action.

Mr. President, we are at a unique point in history. The world is focused on our leadership, we are keenly aware of the environmental problems of the Middle East, and there are more hopeful signs coming from the region than have in a long time.

This amendment is supported by the environmental community. I expect its inclusion in this legislation will be one of the hallmarks of the bill.

I ask consent that a copy of a one-page summary of this amendment be printed at this point in the RECORD.

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

PROJECT EDEN—MIDDLE EAST ENVIRONMENTAL DEFENSE NETWORK

The recent war in the Persian Gulf focused the world's attentions on the serious environmental problems of the Mid East. It also brought to our attention that the common environmental problems of the region could serve as a forum to promote cooperation. Without cooperation, these problems could likely be the subject of future conflicts.

Desert Storm also highlighted the leadership role of the United States in the region. We have a unique opportunity, to act now to promote environmental cooperation in the region.

Project EDEN (The Middle East Environmental Defense Network) provides for the following:

Establishes the Middle East Environmental Defense Network;

Establishes the Environmental Planning Council; an interagency coordinating committee to form U.S. environmental policy.

The responsibilities of the Council are to:

(1) Set policies to implement EDEN;

(2) Coordinate U.S. support for EDEN with the Permanent Conference on Environmental Security and Cooperation;

(3) Establish working groups;

(4) Prepare annual plans;

(5) Encourage establishment of Councils in each member state;

(6) Make recommendations on enhancing U.S. environmental programs in the region;

(7) File an annual report on implementation of the program; The Council is administered by AID.

Authorizes the President to negotiate the establishment of the Permanent Conference on Environmental Security and Cooperation. Responsibilities of the Conference include:

(1) Carry out purposes of Project EDEN;

(2) Host meetings between member states;

(3) Provide regional leadership on environment;

(4) Establish annual budget;

(5) Establish Middle East Regional Environmental Fund;

(6) Select projects for support;

(7) Promote maximum exchange of information between members;

(8) Involve and solicit views of NGOs;

(9) Hold annual meeting;

(10) Establish working groups on environmental problems.

The United States shall serve as the Secretariat of the Conference.

Project EDEN is to be funded through Iraqi war reparations. Other funding can come from member nation contribution or multilateral contribution. U.S. contributions to EDEN are only to support U.S. activities.

Mr. INOUYE. Mr. President, today I rise to address an issue of vital importance to our generation and generations to come. It is an issue as grave as war and equally as menacing. The issue of which I speak is the destruction of our natural environment. The region about which I am particularly concerned is the Middle East.

Mr. President, today I am offering an amendment to the fiscal year 1992 foreign aid authorization bill calling for the establishment of the Middle East

Environmental Defense Network—an initiative which I hope will be known in time by its acronym, Project EDEN. I am pleased to have my colleagues, Senator KASTEN, Senator BURDICK, and Senator LIEBERMAN join me as cosponsors of this amendment.

Project EDEN is the culmination of many months of effort to craft a new enviornmental vision for the Middle East—a vision that emphasizes international cooperation in the protection, conservation, cleanup, and restoration of the natural environment. It is an innovative and comprehensive initiative which recognizes the shared environmental destiny of the regions inhabitants and the urgent need to work together for the common good, regardless of the depth of political difference.

Mr. President, this amendment contemplates the establishment of Project EDEN as a working partnership among the countries of the Middle East and the United States. The President is authorized to negotiate such agreements as he deems necessary to bring about the creation of a Permanent Conference on Environmental Security and Cooperation. It is the purpose of this Conference to serve as the umbrella forum through which project funds are raised, regional environmental meetings are held, information is exchanged and priorities are set.

The daily work of Project EDEN will take place within the Conference Secretariat, a body made up of scientists and environmental professionals who will conduct research, plan conservation and cleanup strategies, budget project funding and maintain close cooperative ties with both government and nongovernmental organizations sharing an interest in environmental protection.

In the United States, Project EDEN is to be organized as a separate and distinct entity within the Agency for International Development. An interagency Environmental Planning Council, chaired by the USAID Administrator, will be the focal point for U.S. policy on Project EDEN and the source of recomendations on how best to fulfill its broad conservation mandate.

Tying Project EDEN together will be Middle East Environmental Centers which the President is authorized to encourage within each Middle Eastern country. The countries will be joined by a computer network intended to provide a real time data link for the research and analysis of regional environmental problems as well as to serve as an information and management tool for rapid intervention in environmental crises.

Mr. President, it is our hope that the United States can serve as a fair and impartial facilitator for Project EDEN, providing technical support and project guidance, as requested, to the Conference Secretariat and the countries of the region. However, I wish to emphasize that financial support for Project EDEN is to come principally from the countries of the region as well as from international organizations and Iraqi war reparations.

Mr. President, it has become commonplace today to say that we are living at a time of momentous change. The democratic transformation of Eastern Europe, the destruction of much of Iraq's war machine, the movement toward peace between Arabs and Israelis, all are hopeful reminders that we have the power to shape our own destinies. The creation of Project EDEN affords us just such an opportunity in the area of environmental protection.

In the Middle East, where severe water shortages, desertification, diminishing crop yields, rising population and industrialization threaten to permanently destroy the balance between man and nature, the 11th hour is upon us. I believe we must act now to save this fragile region of our plant—a region stretching from Morocco to Iran and covering approximately 17 million square miles.

Mr. President, at no time in our recent history have we been in a better position to argue for fundamental changes in the way environmental problems are addressed by nations of the developing world. Flush with victory and secure in our position as a trusted partner in the region, we can move forward with this proposal, boldly and energetically, to establish a comprehensive framework for environmental protection in the Middle East.

It is my hope and my prayer that the President will move swiftly to implement this initiative and will apply the same dedication and creativity to Project EDEN that he has so amply demonstrated in the Middle East peace process.

Mr. President, it is indeed an honor and a privilege to be able to offer for the consideration of this Congress, the President of the United States and the peoples of the Middle East, Project EDEN. Let it be our contribution to future generations, let it be our contribution to peace. I ask for your support, thank you.

Mr. LIEBERMAN. Mr. President, it gives me great pleasure today to speak on behalf of the Middle East Environmental Defense Network or Project EDEN. Project EDEN will establish, through the Agency for International Development, a Middle East regional environmental protection plan. The plan would involve a wide range of projects, including water conservation, water quality management, air pollution controls, solid waste management, desalinization, reforestation, and energy efficiency. Project EDEN would invite the participation and financial contributions of the states of the Middle East. As an original cosponsor, I believe that Project EDEN will make a significant contribution to the Middle East environment.

I have seen the need for Project EDEN through my work as chairman of the Gulf Pollution Task Force during the last 5 months. Senator BURDICK, chairman of the Environment and Public Works Committee created this task force to examine the environmental damage to the gulf region caused by Iraq's invasion and subsequent occupation of Kuwait. I am grateful that the chairman asked me to serve as chairman of this task force.

Mr. President, the task force's most recent advisory meeting was held on July 11. On that day we heard Ambassador Al-Sabah of Kuwait describe the horrific damage done to his country by Saddam Hussein. It was an incredible story. He also described the herculean effort Kuwait has begun to mitigate the environmental damage.

That evening, I turned on the television to watch the national news. The lead story that night was on the total eclipse of the Sun seen in many areas of the Western Hemisphere. But there was no mention of the total eclipse of the Sun in Kuwait that had occurred that day, or in the days before, or in the weeks before or in the months before. The Kuwait eclipse has not been caused by the Moon passing between the Earth and the Sun, but by the smoke from over 700 oil well heads systematically, methodically, and intentionally detonated by the forces of Saddam Hussein.

In my visit to Kuwait, I have seen how this black smoke turns the day to night. I have felt how it lowers day time desert temperatures by many degrees. I have experienced the burning eyes and lungs that is being caused by the smoke.

The task force has heard how fallout from the smoke is, in effect, paving the desert black. This paving is taking a great toll on the desert ecosystem as plantlife is covered and dies and the animals in the area lose food sources.

The impact of the smoke is not only poisoning the air of Kuwait, it is damaging the air of the entire region. In Bahrain, some 200 miles south, this spring has been the coldest on record. The cause of this temperature decrease has been linked to the pall of smoke from Kuwait's oil well fires. There are fears that the smoke will disrupt the region's growing seasons and that weather patterns may be interrupted.

The task force also has heard presentations from experts, both in and out of government, about the possible health effects caused by the smoke. The truly disturbing conclusion is that no one actually knows what health effects may result from long term exposure to the smoke. The U.S. interagency air assessment team sent to the gulf concluded that, "The fires may represent one of the most extraordinary manmade environmental disasters in recorded history."

The task force has also learned about huge lakes of oil in the Kuwait desert caused by the damage to oil wells. Some of these lakes of oil have grown to be over 1 mile long and up to 20 feet deep. The damage that these lakes of oil could cause to the desert are unknown. Already, birds in the area are mistaking the shining oil for water and landing in the oil lakes. Here, they are almost immediately coated in oil that results in a slow and agonizing death. Currently, there is nothing being done to prevent the birds from falling prey to Saddam Hussein's oily legacy. Further, there is a danger that these lakes of oil may either contaminate Kuwait's small underground aquifer or reach the gulf and further contaminate it.

Saddam Hussein's environmental terrorism was not confined to the oil fields and skies of Kuwait. He also deliberately dumped 6 to 8 million barrels of oil into the gulf, the largest oil spill in history. The gulf is a unique body of water that supports a wide variety of life. It is shallow, only 110 feet deep on average. This shallowness results in a unique physical and biological process that promotes vigorous growth of sea grasses and algae, the basic elements in the gulf food chain. Further, the shallowness of the gulf makes it ideal for migrating and wintering birds. All of the areas have been hit by the oil spill. The damage to the gulf has been catastrophic.

Administrator Reilly reported that the salt water marshes along the coast of Saudi Arabia may be lost forever. The damage to the sea grass and algae beds has been extensive. The body count of birds lost in the spill has climbed to over 20,000. This number is expected to increase as the summer migration of birds moves through the area.

No one was physically prepared to respond to an oil spill of this magnitude. Only favorable winds kept the oil from reaching desalination plants before oil booms could be put in place to protect them. Unfortunately, there were not enough booms and time to protect the 500 miles of shore that were reached by the spill.

Even under the best of circumstances, the gulf is vulnerable to oil spills. The gulf sees more movement of oil tankers than any other body of water in the world. Some officials estimate that a quarter of a million barrels of oil a year spill into the gulf. This figure does not take into account the amount spilled during the 8-year war between Iran and Iraq. This region should be prepared to respond to oilspills. In the August issue of the National Geographic, Tom Canby reports that two individuals in Kuwait, during the war, prevented the spill of 8.5 million barrels of oil by switching a valve indicator to open when the valve was actually closed. The Iraqis dynamited the Sea Island terminal to release the oil, but the valve held and the oil remained in their tanks.

If two individuals can prevent an 8.5 million barrel oilspill, just think what regional effort, such as Project EDEN, could do.

The war has also caused unknown damage to the desert ecology. Kuwaiti scientists and researchers were the leaders of research on the desert with vast amounts of data collected over the decades. However, Saddam Hussein's troops, overseen by Iraqi scientists who had worked side by side with the Kuwaitis before the war, stole or destroyed all of this research. Here again is a reason to support Project EDEN: to replicate and produce Kuwait's research that has been destroyed.

I have been talking about the environmental damage to the gulf for several minutes. As chairman of the task force I have heard hours of presentations on the gulf, I have seen volumes of information on the catasrophe. I invite my colleagues who have questions to talk to me about what the task force has learned. I also invite them to support Project EDEN. Project EDEN will bring the expertise and resources of the United States and participating Middle East countries to bear on the gulf. It will aid in the long-term renovation of the area's air, water, and agricultural land. Project Eden will be the first step down the long road toward normality for one of the most ravaged areas of the world.

It is also important to note that Project EDEN will deal with environmental problems throughout the Middle East, and not just the gulf. Water shortages will be increasingly important in the Middle East, as populations continue to grow and countries continue to industrialize. Rivers run through various countries and dams that help one country can hurt others. Water tables are also shared by neighboring countries. All these factors create potential conflicts and have led scholars of the region to speculate that the next war in the Middle East could be about water. Project EDEN will make such an eventuality less likely.

Poor agricultural productivity also plagues much of the Middle East. Project EDEN will encourage the development and distribution of better agricultural techniques and reforestation in order to improve productivity. Increased productivity will enable the peoples of the Middle East to live healthier lives and will stem the flood of immigrants to the Middle East's crowded cities.

Mr. President, we must bring to bear on the environmental problems of the Middle East, and particularly the gulf, the spirit of cooperation and purpose that infused the international effort to liberate Kuwait. Liberating Kuwait was only part of our challenge, the process must now begin to heal the environment that Desert Storm liberated.

If the Middle East can marshal the resources to overcome its growing environmental problems, this may also have an impact on the area's political conflicts. Project EDEN will encourage a spirit of cooperation throughout the Middle East. If the cooperation and effort to improve the Middle East environment can be duplicated and steered to other areas of concern, there is no telling what other problems may be solved by the cooperative efforts such as Project EDEN.

Mr. President, Project EDEN will be a step to demonstrate the commitment to clean up and protect the environment of the Middle East. It will take many nations working together to make this successful. I have full faith and confidence that this can be done. I am proud to be an original cosponsor of this amendment because I know its effect will be as far reaching and successful as Operation Desert Storm.

LIEBERMAN (AND OTHERS) AMENDMENT NO. 818

Mr. LIEBERMAN (for himself, Mr. McCAIN and Mr. BYRD) proposed an amendment to the bill S. 1435, supra, as follows:

At the appropriate place add the following:

TITLE XIII—SUPPORT FOR DEMOCRACY AND FREE MARKET ECONOMIES IN THE BALTIC AND SOVIET REPUBLICS

It is the sense of Congress that there should be established the position of special advisor for Baltic and Soviet Republic assistance.

The President should be authorized to appoint a special advisor for Baltic and Soviet Republics assistance. Such special advisor should make recommendations to the President regarding the coordination of United States assistance (other than section 1303(c)) for the Baltic Republics and the Soviet Republics authorized or supported by this Act.

SEC. . BILATERAL PROGRAMS FOR THE BALTIC AND SOVIET REPUBLICS.

(a) CITIZENS' DEMOCRACY CORPS.—Assistance should be provided under chapter 1 of part I of the Foreign Assistance Act of 1961 to the Citizens' Democracy Corps to establish a program for the Baltic and Soviet Republics, with an initial pilot program for the Baltic and Armenian Republics.

(b) POLICY REGARDING THE NATIONAL ENDOWMENT FOR DEMOCRACY.—It is the sense of the Congress that the National Endowment for Democracy, acting through the National Democratic Institute for Foreign Affairs, the National Republican Institute for Foreign Affairs, the Center for International Private Enterprise, and the American Institute for Free Labor Development should establish programs for the Baltic and Soviet Republics for the promotion of democracy and a free trade union movement, with a pilot program for the Baltic and Armenian Republics.

(c) GIFT OF DEMOCRACY.—Congress should: (1) endeavor to identify and secure the ways and means to implement an appropriate United States congressional gift of democracy to the Baltic and Soviet Republics in the form of equipment and training to help them establish a modern legislative process, with a pilot program of the Baltic and Armenian Republics; and

(2) coordinate this effort with private and public sector experts such as the National Democratic Institute for International Affairs and the National Republican Institute for International Affairs and with parliaments in Western Europe.

(d) ADDITIONAL AUTHORITIES FOR UNITED STATES AGENCIES.—The following United States agencies should establish the specified programs with any of the Baltic Republic or Soviet Republics and where appropriate to coordinate such projects with the Government of the Soviet Union:

(1) The Environmental Protection Agency should establish an environmental exchange program to help the Baltic and Soviet Republics to clean up their environment.

(2) The Department of Commerce should establish a trade program between the Baltic and Soviet Republics and the United States to promote trade and investment programs.

(3) United States Information Agency (USIA) should establish cultural and information exchange programs, including support for emerging private radio and television stations, as well as university-level exchanges in the Baltic and Soviet Republics.

(4) The Department of Justice, the Federal Reserve Board, and the Department of the Treasury should establish technical training programs for the Baltic and Soviet Republics in order to help them establish a functioning judicial system, financial system, and market economy.

(e) ASSIGNMENT OF COMMERCIAL OFFICER.—A commercial officer should be assigned to the United States Embassy in Moscow, for the purpose of developing better economic relations between the United States Government and business community and the Baltic and Soviet Republics.

(f) INTERNATIONAL EXECUTIVE SERVICE CORPS.—Assistance under chapter 1 of part I of the Foreign Assistance Act of 1961 should be provided to the International Executive Service Corps to develop and implement a program in the Baltic and Soviet Republics to advise private industry and, to the extent practical and useful, public industry, concerning how to make the transition to a market-based economy.

SEC. . MULTILATERAL PROGRAMS.

(a) POLICY REGARDING OECD STUDY.—(1) The United States Ambassador to the United States Mission to the Organization for Economic Cooperation and Development (OECD) should request the OECD Center for Economies in Transition to undertake a study of the economies of the Baltic and Soviet Republics, including a determination of the potential these republics have made toward developing a market economy and the amount of progress these republics have made in developing such an economy.

(2) Upon completion of the study described in subsection (a)(1), the Secretary of State should submit to the Congress a report setting forth the findings of that study.

(b) EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT.—The United States Executive Director to the European Bank for Reconstruction and Development should discuss with the Bank's directors those programs that can be developed and carried out by the Bank to aid directly the Baltic and Soviet Republics. Not later than 180 days after the date of enactment of this Act, the Secretary of the Treasury shall submit a report to the Congress on the progress of such discussions.

SEC. . DEFINITIONS.

For the purposes of this title—

(1) the term "Soviet Republics" refers to all the constituent republics of the Union of Soviet Socialist Republics except for the Baltic Republics; and

(2) the term "Baltic Republics" means the republics of Lithuania, Latvia, and Estonia.

PRESSLER (AND OTHERS) AMENDMENT NO. 819

Mr. PRESSLER (for himself, Mr. DIXON, Mr. COATS, Mr. D'AMATO, Mr. WALLOP, Mr. MCCAIN, and Mr. MACK) proposed an amendment, which was subsequently modified, to the bill S. 1435, supra, as follows:

At the appropriate place in the bill add the following section:

SEC. . LIMITATION ON ASSISTANCE

(a) FINDINGS.—The Congress finds that—

(1) the long term national security of the United States, and of the peoples of the Soviet Union, would benefit greatly from the transformation of the Soviet Union to a fully democratic nation based on the principles of government by the people, respect for individual rights, and free market economic opportunity; and

(2) assistance provided by the United States to the Soviet Union should promote rather than retard this transformation.

(b) CERTIFICATION.—During fiscal year 1992 and fiscal year 1993, assistance may not be provided to the Soviet Union under the Foreign Assistance Act of 1961 unless the President certifies in a report to the Congress that the following conditions have been met:

(1) That the Government of the Soviet Union has taken meaningful steps toward observing human rights for all citizens, including the following:

(A) The Soviet Government has ceased its interference with the freedom of the press in the Baltic states and the republics.

(B) The Soviet Government has returned control of all buildings and other property which it has seized since January 1, 1991 within the Baltic states to the freely elected governments of those states and other lawful owners of such buildings and other property;

(C) The Soviet Government has made assurances that such assistance will be distributed equitably among the Baltic states and the Soviet republics, as shown through a detailed plan of proposed distribution.

(D) The Soviet Government has ceased the threat and use of force against democratic movements.

(E) The Soviet Government has entered into meaningful negotiations with leaders of the Baltic states and the republics to ensure a smooth transition to self-determination.

(F) The people of the Soviet Union have been empowered to elect in genuinely free, fair, and open elections the government that rules them.

(G) The Soviet Government has not only codified but honors in practice the right of its citizens to leave the Soviet Union and to move freely within its borders, consistent with international standards.

(H) The Soviet Government compels no republic or historically recognized nationality group with a history of self-determination to remain part of the Soviet Union involuntarily, and fully respects the right of self-determination stipulated in the Universal Declaration of Human Rights, to which the Soviet Union is a party.

(I) The Soviet Government has withdrawn the authorization issued by Valentin Pavlov, the prime minister, permitting the police and the KGB to raid the offices of joint ventures involving nationals of Western European countries and the United States, in violation of their civil rights;

(2) That the threat to the United States from the armed forces of the Soviet Union has been reduced, including—

(A) that the Soviet Union—

(i) has adopted a defense budget which will draw down the percentage of its gross national product that is allocated for military purposes to levels approximating those of the United States, and

(ii) is beginning to implement this defense budget; and (B) that the Soviet Union has curtailed its strategic forces.

(3) That the Soviet Union is no longer engaged in acts of subversion, or of support for international terrorism, that are directed at the United States or its allies.

(4) That the Soviet Union no longer provides assistance in the form of arms sales, military assistance, or any kind of grant, credit, commodity, or technology transfer to other countries, such as Cuba, North Korea, Afghanistan and Vietnam that are engaged in activities inimical to the national interests of the United States.

(5) That the Soviet Union has placed a high priority on reaching an accord in the Defense and Space Talks.

(6) That full transparency exists with respect to data necessary for the United States to determine the creditworthiness of the Soviet Union and its ability to repay debt, such as other sovereign borrowers, including disclosure of the sources and uses of Soviet hard currency, the value of the strategic gold reserves of the Soviet Union, and other key economic and financial data.

(7) That, in order to demonstrate its creditworthiness and to demonstrate a commitment to economic reform, the Soviet Union has adopted specific provisions with strict, short timeliness for deregulating most prices, selling to privately owned entities most government-owned assets, and introducing genuine competition into the Soviet economy.

(8) That the Soviet Union is committed to environmental restoration and rehabilitation of unsafe nuclear facilities that it continues to operate.

(9) That the Soviet Union will not transfer to any country any equipment, technology, or services to build any VVERS nuclear reactors. In particular, that the Soviet Union will no longer provide support in the form of funds, equipment, technology, or services for the Cienfuegos project in Cuba.

(10) That any assistance otherwise prohibited by this subsection will be provided, whenever feasible, to the democratically elected governments of the Baltic states and the republics.

(c) CERTAIN ASSISTANCE NOT AFFECTED.—Subsection (b) shall not prohibit assistance to the government of, or through nongovernmental organizations to, any of the Baltic states or any eligible recipient in the Soviet Union as defined in section 862(f).

(d) WAIVER IN THE NATIONAL INTEREST.—The President may provide assistance to the Soviet Union notwithstanding subsection (c) if—

(1) he determines such assistance to be in the national interest of the United States;

(2) he submits his determination, together with the reasons therefor, to the President of the Senate and the Speaker of the House of Representatives;

(3) ten days have elapsed since the determination is so submitted; and

Each submission under paragraph (2) shall include a description of the progress of the Soviet Union in meeting the conditions set in subsection (b).

LIEBERMAN AMENDMENT NO. 820

Mr. LIEBERMAN proposed an amendment, which was subsequently modified, to the bill S. 1435, supra, as follows:

At the appropriate place add the following:

TITLE XIII—INDUSTRIAL DEVELOPMENT FOR EASTERN EUROPE FOUNDATION

It is the sense of Congress that there may be established an entity to be known as Industrial Development for Eastern Europe Foundation (hereafter in this title referred to as the "Foundation"), to be governed by a Board of Governors as described in section 1304. It is the sense of the Congress that the President should negotiate with the governments of foreign nations for participation by such nations, consistent with section 1304, in carrying out the activities of the Foundation.

(b) PURPOSES.—The purposes of the Foundation may—

(1) to promote and support joint, nondefense, industrial research and development activities of mutual benefit to the nations involved with the Foundation and its activities;

(2) to develop nondefense high technology industry in these nations, particularly through joint and cooperative projects between firms in participating nations;

(3) to aid with the modernization of the economies of these nations by helping them to create a more sophisticated manufacturing base; and

(4) to help these nations to become economically viable by providing benefits to their industrial sector particularly through joint projects.

(c) PARTICIPATION OF OTHER NATIONS.—The President should negotiate with the governments of foreign nations for participation by such nations, consistent with section 1304 in carrying out the activities of the foundation.

SEC. . FUNCTIONS AND POWERS OF THE FOUNDATION.

(a) The Foundation may support and promote the purposes stated in section 1302(b) and research and development activities which—

(1) involve all applied science activities in the process through which an innovation becomes a commercial product; and

(2) assist with product engineering and manufacturing start up.

(b) The Foundation may work closely with, and to the extent practicable coordinate its activities with, the OECD and the European Bank for Economic Recovery and Development, drawing on the expertise of those institutions in achieving its purposes.

(c) The Foundation may be a legal entity and may have all the powers necessary to carry out its objective, including the power to—

(1) promote and support, by funding or otherwise, joint industrial research and development projects (hereafter in this title referred to as "projects"), in accordance with subsection (d);

(2) make loans and grants;

(3) enter into contracts;

(4) provide services;

(5) acquire, hold, administer, and dispose of real and personal property;

(6) receive, hold, and disburse funds, and open bank accounts;

(7) accept contributions of property, funds, and services; and

(8) employ personnel.

(d)(1) Foundation projects may be undertaken and otherwise supported through direct investment and joint ventures in order to develop the more advanced technology sectors of the economies of Foundation member nations.

(2) All technology and products developed as a result of the work of the Foundation may be freely transferable among the nations participating in a project.

(3) More than one member nation of the Foundation may participate in each Foundation project.

(4) All Foundation projects undertaken may be in compliance with the export control laws of the United States.

(e) Nothing in this title may be construed to prejudice other arrangements for scientific cooperation between the United States and other member states of the Foundation.

SEC. . BOARD OF GOVERNORS.

(a) A Board of Governors (hereafter in this title referred to as the "Board") may be the governing body of the Foundation and may be responsible for determining the Foundation's program, including the fields of cooperative research to be supported by the Foundation, and the Foundation's financial and managerial policies.

(b) The Board may consist of—

(1) the Secretary of State or his designee;

(2) the Secretary of Commerce or his designee;

(3) the Secretary of the Treasury or his designee; and

(4) a representative from the Foreign Ministry, Ministry of Finance, Ministry of Trade and Industry, and the national science foundation or its equivalent from the governments of Poland, Hungary, and Czechoslovakia.

(c) Subject to the provisions of this title, the Board may have the authority to—

(1) adopt bylaws and rules of procedure;

(2) establish regulations defining the policies, organization, and procedures of the Foundation;

(3) appoint an Executive Director;

(4) approve the annual budget and research program of the Foundation indicating, among other things, the research and development fields to which priority is to be given;

(5) accept contributions of property, funds, and services;

(6) establish the principal office of the Foundation in a neutral location.

(7) approve project and other expenditures by the Foundation and agreements pertaining to projects to be funded by the Foundation; and

(8) exercise and delegate any other power of the Foundation not otherwise assigned by this title.

(d) Each other East European country may be eligible for membership in the Foundation whenever the Board determines that such country has made sufficient progress toward marketization and democratization and is not in violation of section 502B of the Foreign Assistance Act of 1961.

(e) The chairman of the Board may be a United States national and may serve for a one-year term. The chairmanship may rotate among the three Board members designated under subsection 1304(b) (1), (2), and (3).

(f) The Board may meet at least twice a year, but meetings of the Board may be held at such times and places as the Board may from time to time determine.

(g) The Board shall act by a vote of at least two-thirds of its entire membership.

(h) Members of the Board may serve without compensation from the Foundation, but the Board may authorize the payment by the Foundation of the necessary expenses of any members in attending Board meetings and in performing other official duties for the Foundation. Acceptance of such payments by Board members of the Foundation for this purpose may not be deemed in violation of Ethics in Government Act for the purposes of carrying out this section.

(i) The Board may provide for annual audits by independent auditors of the accounts of the Foundation. The reports of such audits, which may be submitted to all member governments, may contain certification as the accounts of the Foundation and evaluate the Foundation's internal control and auditing system.

SEC. . ADVISORY COUNCIL.

(a) An Advisory Council (hereafter in this title referred to as the "Council"), may act in advisory capacity to the Board and the staff of the Foundation. The Council may

(1) help the Board and the Foundation staff evaluate projects; and

(2) make proposals as to which sectors of member nation economies offer the best opportunity for a favorable return on an investment.

(b) Recommendations made by the Council to the Board and the staff of the Foundation may not be binding.

(c) The Council may consist of three members from the business and finance community from each nation belonging to the Foundation. In the case of the United States, the President may appoint the members.

(d) The chairmanship of the Council may change on a yearly basis, rotating among the members of the panel and alternating among member countries.

(e) The Council may meet at least twice a year. To the extent practical, it may meet at the same time and place as the Board.

(f) Members of the Council may serve without compensation from the Foundation, but the Board may authorize the payment by the Foundation of necessary expenses of any members of the Council attending Council meetings and in performing other official duties for the Foundation.

SEC. . STRUCTURE OF THE FOUNDATION.

(a)(1) The Foundation may be administered by an Executive Secretariat. The Executive Secretariat may be headed by an Executive Director. The Executive Director should be a United States citizen, and—

(A) act as a liaison to the Board; and

(B) coordinate the activities of the Executive Secretariat and the Board.

(2) There may be three Deputy Directors one each for Poland, Hungary, and Czechoslovakia who may evaluate projects from each nation, making recommendations to the Board and the Executive Secretariat as to whether or not the Foundation may support the project; and

(3) Additional Deputy Directors may be created as more nations join the Foundation.

(b)(1) The Executive Director may be the chief executive officer of the Foundation. He may be responsible for the operations and staff of the Foundation, and may act in accordance with the policies, directives, and delegation of the Board.

(2) The Executive Director may employ, oversee, and dismiss the members of the professional administrative staff subject to the approval of the Board.

(3) The Executive Director may, among other things—

(A) evaluate proposals for projects submitted to the Foundation and prepare and submit recommendations and draft agreements concerning project proposals to the Board for its approval;

(B) prepare and submit to the Board for its approval an annual budget and research pro-

gram, including long-range plans for use of the Foundation's resources;

(C) prepare and submit to the Board for its approval an annual report, including an audited financial statement, on the activities of the Foundation; and

(D) implement decisions of the Board.

(4) Any power of the Executive Director under this title or delegated to him by the Board may be delegated by him to other officers of the Foundation, except as otherwise prescribed by the Board.

(5) The Executive Director may obtain assistance from outside professionals and experts for the purposes of evaluating proposals and auditing and monitoring projects sponsored by the Foundation. These professionals and experts may be given compensation by the Foundation for services rendered, as approved by the Board.

(6) The Executive Director may be permitted to organize various activities, such as consultant visits, information exchanges, and similar activities, to facilitate the achievement of the Foundation's objective. The Executive Director may be given a budget approved by the Board to undertake these activities.

(7) The Executive Director may maintain an appropriate system of internal control, including books and records which reflect the transactions of the Foundation and show the current financial condition of the Foundation. Such system may include adequate internal financial and operational audits. The books, records, and internal audit reports may be available for review by authorized representatives of governments involved with the Foundation.

SEC. . OPERATIONS OF THE FOUNDATION.

(a) The Foundation's operations may consist mainly of the selection, approval, and monitoring of projects funded in whole or in part by the Foundation. All proposals for such projects may be submitted through the Executive Director to the Board for approval.

(b) Each proposal considered by the Board may—

(1) be submitted by Foundation member entities;

(2) demonstrate the technical and economic feasibility of the project;

(3) contain evidence that the applicant is capable of carrying out the project, either alone or through the partial subcontracting to universities, industrial research institutes, or other qualified entities; and

(4) indicate that the applicant will contribute, from its own financial resources or resources available to it, some portion of the financial resources required to carry out the project.

(c) Each proposed project considered by the Board may—

(1) propose a tangible, direct benefit for the national economies of Foundation member nations, such as an increase in exports, value added or new markets;

(2) be of interest to Foundation member nations' industry;

(3) be of general interest to an entire industrial field;

(4) directly or indirectly contribute to additional development of products, processes, or markets; and

(5) have tangible benefits for nations involved with a project.

(d) For purposes of subsection (c)(5), a project having a tangible benefit may be one that—

(1) is submitted by one or more Foundation member firms or a joint venture between a United States firm and a member nation firm;

(2) will require expenditures for goods and services in nations involved with the project; and

(3) meets any other criteria established by the Board.

MACK (AND OTHERS) AMENDMENT NO. 821

Mr. MACK (for himself, Mr. GARN, Mr. RIEGLE, Mr. MCCAIN, Mr. LIEBERMAN, and Mr. DOMENICI) proposed an amendment to the bill S. 1435, supra, as follows:

On page 225, between lines 4 and 5, insert the following new section:

SEC. 902. SOVIET ACCESS TO THE FINANCIAL RESOURCES OF INTERNATIONAL FINANCIAL INSTITUTIONS.

(a) FINDINGS.—The Congress finds that—

(1) the Soviet Union has adopted a more cooperative posture on a range of international political issues that has moved East-West relations beyond the stalemate of the Cold War, assisted the cause of world freedom and peace, and permitted improved relations with the United States;

(2) at the same time, the course of internal political and economic developments in the Soviet Union has been far less clear, with increased political pluralism as represented by free elections in various Republics matched by instances of political repression, including armed intervention in the Baltic states;

(3) in the economic arena, tentative movements toward economic liberalization have produced a breakdown of the former command economy but little tangible evidence of movement toward a market economy;

(4) in its international trade and aid relationships, the Soviet Union continues to support repressive political regimes and to encourage regional instability through substantial economic support for Cuba, Vietnam, Afghanistan, and North Korea and continues to export substantial quantities of arms and unsafe nuclear technology, which represent a threat to regional stability and the world environment;

(5) it is in the interest of the United States to encourage Soviet cooperation on international problems and to promote adoption of a fully democratic form of government and economic transformation from a centrally planned to a free market economy in the Soviet Union;

(6) expanded economic ties with the West can advance the process of transformation by educating the Soviets to the benefits of political pluralism, market economics, and free trade;

(7) Western financial assistance could also potentially assist the process of transformation but it carries substantial risks on the Soviet side of delaying needed reform and propping up the failed structures and policies of the past and, on the United States side, of assuming unacceptable risks of default on taxpayer-financed credits;

(8) the study of the Soviet economy prepared by the International Monetary Fund, the International Bank for Reconstruction and Development, the Organization for Economic Cooperation and Development, and the European Bank for Reconstruction and Development concluded that without a major and comprehensive reform program additional financial transfers to the Soviet Union would be of little or no lasting value;

(9) given these views and concerns, no financial transfers should be provided to the Government of the Soviet Union by the Government of the United States nor should the United States support Soviet borrowing rights in any international financial institutions in excess of those to which the Soviet Union is already entitled until the Soviet Union has fundamentally changed its economic and political orientation and committed itself irrevocably to a major and comprehensive economic reform program.

(b) SOVIET ACCESS TO THE RESOURCES OF THE INTERNATIONAL MONETARY FUND.—The Secretary of the Treasury shall instruct the United States Executive Director to the International Monetary Fund to use the voice and vote of the United States to oppose Soviet membership in the Fund, and the United States shall support no future expansion of Fund quotas in which the Soviet Union would participate, until 30 days after the President certifies and reports to the Congress the following:

(1) ECONOMIC REFORM.—That, as an indication that the Government of the Soviet Union is implementing free market economic policies, the following actions have been taken:

(A) provision of all data necessary for the Fund and its members to accurately determine the size, composition, and creditworthiness of the Soviet economy;

(B) establishment of the right to own private property and engage freely in commerce, including progress towards the creation of a legal and administrative framework to permit the free exercise of such rights;

(C) implementation of effective procedures for privatization of government enterprises;

(D) significant progress in dismantling central planning mechanisms, in eliminating price controls, and in establishing a market-based pricing system; and

(E) adherence to international rules regarding trade, protection of foreign investors, and protection of intellectual property rights.

(2) ROLE OF THE CENTRAL GOVERNMENT.—That, as an indication that the Soviet Union is reducing the size and scope of government expenditures, especially categories of expenditure that threaten world security and divert resources from market-based economic reform, the following actions have been taken:

(A) implementation of a defense budget that achieves significant reduction in the percentage of gross domestic product devoted to military purposes including, in particular, reduction of strategic nuclear weapons arsenals and other weapons of mass destruction, with the objective of reducing such percentage to levels approximating those of the Western democracies; and

(B) termination of economic subsidies and military assistance, including an end to transfers of destablizing missiles, other sophisticated weapons systems and nuclear technology, to countries that have supported international terrorism, such as Syria, Libya, and Iraq, and that have participated in efforts to destabilize neighboring states, such as Cuba, North Korea, and Vietnam.

(3) POLITICAL REFORM.—That, as an indication that the Soviet Union has embraced democratic processes upon which successful economic development is predicated, the following actions have been taken:

(A) free and fair mulitparty elections for the national parliament and leadership;

(B) good faith negotiations between the Government of the Soviet Union and leaders of the Baltic states and other republics that have elected to become independent of the Soviet Union; and

(C) demonstrated sustained commitment to peaceful resolution of disputes with repub-

lican governments and democratic movements.

(c) EXPANDED SOVIET ACCESS TO THE RESOURCES OF THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT.—The Secretary of the Treasury shall instruct the Executive Director to the European Bank for Reconstruction and Development to use the voice and vote of the United States to oppose expansion of access by the Soviet Union to the resources of the Bank pursuant to paragraph 4 of Article 8 of the Bank's articles of agreement unless the President has made the certification and report required under subsection (b).

(d) DEFINITION.—For purposes of this section—

(1) the term "Soviet membership" includes any association with the Fund involving contribution or borrowing of Fund resources, but excludes any association with the Fund as an observer or in an advisory status involving technical assistance; and

(2) the term "Soviet Union" includes all successor states (other than the Baltic states) to the Soviet Union.

DIXON (AND OTHERS) AMENDMENT NO. 822

Mr. DIXON (for himself, Mr. DOLE, Mr. KOHL, Mr. MCCONNELL, Mr. GRASSLEY, Mr. LUGAR, Mr. SYMMS, Mr. DANFORTH, Mr. CRAIG, Mr. COATS, Mr. DURENBERGER, Mr. PRESSLER, Mr. KASTEN, and Mr. GLENN) proposed an amendment to the bill S. 1435, supra, as follows:

Strike out section 305 of the bill.

BIDEN AMENDMENT NO. 823

(Ordered to lie on the table.)

Mr. BIDEN submitted an amendment intended to be proposed by him to the bill S. 1435, supra, as follows:

On page 88, between lines 13 and 14, insert the following:

SEC. 415. MIDDLE EAST SECURITY AND DEMOCRACY.

(a) SHORT TITLE.—This section may be cited as the "Middle East Security and Democracy Initiative Act of 1991".

(b) FINDINGS.—Congress finds that—

(1) United States arms sales policy in the Middle East should be designed to contribute to the stability and security of the region;

(2) in the absence of progress by governments in the region to build institutions that satisfy popular aspirations for democratic rights and economic development, arms sales alone will be insufficient to ensure the stability and security of the region and the defense of United States interests therein; and

(3) accordingly, the United States must pursue a multifaceted policy in the Middle East, emphasizing progress toward political pluralism and economic development within the security environment fostered by a sound arms sales policy.

(c) PRESIDENTIAL CERTIFICATION.—(1) Whenever the President submits to the Congress a numbered certification with respect to an offer to sell, or an application for a license to export, major defense equipment, defense articles, or defense services to a Middle East country under section 36(b)(1) or section 36(c) of the Arms Export Control Act, as the case may be, such certification shall include a report—

(A) analyzing the steps taken by the government of that country to build or maintain institutions that embody democratic principles, unless a certification is made with respect to such country under paragraph (2)(A)(i)(I); and

(B) in the case of any oil exporting country, analyzing the steps taken by the government of that country to invest and contribute, in a manner commensurate with its wealth, to the economic development of the region.

(2) Whenever a numbered certification with respect to a sale or export described in subsection (c)(1) to a Middle East country is submitted to Congress, the President shall include in such certification—

(A)(i) a certification—

(I) that the exercise of governmental power in that country is determined by free and fair elections and that such country is maintaining institutions that embody democratic principles; or

(II) that, in the case of a country that does not qualify for certification under subclause (I), such country has a record of continuing progress with respect to developing institutions that embody democratic principles; and

(ii) in the case of any oil exporting country, a certification that such country has a record of continuing and substantial achievement in making investments and contributions, in amounts commensurate with its wealth, to the economic development of the region; or

(B) a certification that the proposed transfer of such major defense equipment, defense articles, or defense services is of such compelling importance to the security interests of the United States as to warrant such transfer notwithstanding the President's inability to make the appropriate certifications required by subparagraph (A).

(d) DEFINITIONS.—For purposes of this section—

(1) the terms "defense articles", "defense services", and "major defense equipment" have the meanings given to such terms by paragraphs (3), (4), and (6), respectively, of section 47 of the Arms Export Control Act;

(2) the term "oil exporting country" means a country that exports petroleum extracted within its territory; and

(3) the term "Middle East" means the region which consists of Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, the United Arab Emirates, and Yemen.

On page 3, after the item relating to section 414, insert the following new item:

Sec. 415. Middle East security and democracy.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for my colleagues and the public that the oversight hearing scheduled before the Committee on Energy and Natural Resources to receive testimony on the resettlement of Rongelap, Marshall Islands, has been postponed.

The hearing, which was originally scheduled for July 30, 1991, has been rescheduled to take place on September 19, 1991, at 9:30 a.m. in room SD-366 of the Dirksen Senate Office Building.

For further information, please contact Allen Stayman of the committee staff at 202-224-7865.

Mr. JOHNSTON. Mr. President, I would like to announce for my colleagues and the public that there has been a date change for a hearing that has been scheduled before the Committee on Energy and Natural Resources.

The hearing scheduled on Thursday, July 25, 1991, regarding S. 1351, the Department of Energy Science and Technology Partnership Act, has been moved to Tuesday, July 30, 1991 at 9:30 a.m. A second hearing on this same subject is still scheduled for July 31 at 2 p.m. For further information on these hearings, please contact Paul Barnett of the committee staff at 202-224-7569.

Both hearings will take place in room SD-336 of the Dirksen Senate Office Building, First and C Streets NE., Washington, DC.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON COMMUNICATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Communications, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on July 24, 1991, at 9:30 a.m. on S. 1401, S. 1462, and S. 857 and computerized calls.

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

COMMITTEE ON THE JUDICIARY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, July 24, 1991, at 9:30 a.m., to hold a hearing on the nomination of Eugene E. Siler, Jr., to be U.S. circuit judge for the sixth circuit, William G. Bassler, to be U.S. district judge for the District of New Jersey, Jorge A. Solis, to be U.S. district judge for the Northern District of Texas, and James T. Trimble, Jr., to be U.S. district judge for the Western District of Louisiana.

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

SUBCOMMITTEE ON COURTS AND ADMINISTRATIVE PRACTICE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Courts and Adminsitrative Practice of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Wednesday, July 24, 1991, at 2:30 p.m., to hold a hearing on special problems in bankruptcy.

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

SUBCOMMITTEE ON TECHNOLOGY AND THE LAW

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Technology and the Law and the Subcommittee on Patents, Copyrights and Trademarks of the Committee on the Judiciary, be authorized to meet during the session of

the Senate on Wednesday, July 24, 1991, at 10 a.m., to hold a hearing on S. 1096, a bill to ensure the protection of motion picture copyrights, and for other purposes.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, July 24, 1991, at 2 p.m., to hold a closed conference on the fiscal year 1991 intelligence authorization bill.

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

SUBCOMMITTEE ON ENVIRONMENTAL PROTECTION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Environmental Protection, Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Wednesday, July 24, beginning at 9:30 a.m., to conduct a hearing on the toxics use and source reduction provisions of S. 976, the Resource Conservation and Recovery Act Amendments of 1991.

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

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Wednesday, July 24, 1991, at 10 a.m., for a hearing on "HealthAmerica: Economic Impact."

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

SPECIAL COMMITTEE ON AGING

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Special Committee on Aging, be authorized to meet during the session of the Senate on Wednesday, July 24, 1991, at 9:30 a.m., to hold a hearing entitled "Low-Income Medicare Beneficiaries: Have They Been Forgotten?"

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

COMMITTEE ON FOREIGN RELATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, July 24, 1991, at 10 a.m., to hold a hearing on three environmental treaties.

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

ADDITIONAL STATEMENTS

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 35, PARAGRAPH 4, PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

• Mr. HEFLIN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee has received a request for a determination under rule 35 for Carlton E. Thomas, a member of the staff of Senator HARKIN, to participate in a program in the Soviet Union, sponsored by IRIS, a United States consortium of universities, and the Soviet Academy of Sciences, from August 1–8, 1991.

The committee has determined that participation by Mr. Thomas in the program in the Soviet Union, at the expense of IRIS and the Soviet Academy of Sciences, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 for Andrew Johnson, a member of the staff of Senator EXON, to participate in a program in China, sponsored by the People's Republic of China and the United States-Asia Institute, from August 3–18, 1991.

The committee has determined that participation by Mr. Johnson in the program in China, at the expense of the People's Republic of China, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 for Patricia McDonald, a member of the staff of Senator WALLOP, to participate in a program in China, sponsored by the People's Republic of China and the United States-Asia Institute, from August 3–17, 1991.

The committee has determined that participation by Ms. McDonald in the program in China, at the expense of the People's Republic of China, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 for Donald L. Hardy, a member of the staff of Senator SIMPSON, to participate in a program in the Netherlands, sponsored by the Atlantic Exchange Program of Rotterdam, from June 30–July 7, 1991.

The committee has determined that participation by Mr. Hardy in the program in the Netherlands at the expense of Atlantic Exchange Program of Rotterdam, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 for Kevin M. Dempsey, a member of the staff of Senator DANFORTH, to participate in a program in China, sponsored by the People's Institute of Foreign Affairs and the United States-Asia Institute, from August 5–16, 1991.

The committee has determined that participation by Mr. Dempsey in the program in China, at the expense of the People's Institute of Foreign Affairs, is in the interest of the Senate and the United States.•

HONORING MILLER BREWING CO.

• Mr. KASTEN. Mr. President, in tough economic times it is important for a community to have business leaders it can count on. In Wisconsin, we can count on Miller Brewing Co. to contribute very important resources to our State economy.

In 1990, as the United States grappled with a serious recession, Miller contributed $706 million to the Wisconsin economy in the form of salaries, wages, and other expenditures. Miller employs more than 3,000 Wisconsinites, and is becoming more valuable to the people of our State than ever before. Miller also contributes nearly $1.5 million annually to charitable organizations.

Company president Leonard Goldstein and all the Miller employees deserve a vote of thanks from the people of Wisconsin.•

BUDGET SCOREKEEPING REPORT

• Mr. SASSER. Mr. President, I hereby submit to the Senate the most recent budget scorekeeping report for fiscal year 1991, prepared by the Congressional Budget Office under section 308(b) of the Congressional Budget Act of 1974, as amended. This report serves as the scorekeeping report for the purposes of section 605(b) and section 311 of the Budget Act.

This report shows that current level spending is under the budget resolution by $0.4 billion in budget authority, and under the budget resolution by $0.4 billion in outlays. Current level is $1 million below the revenue target in 1991 and $6 million below the revenue target over the 5 years, 1991–95.

The current estimate of the deficit for purposes of calculating the maximum deficit amount is $326.6 billion, $0.4 billion below the maximum deficit amount for 1991 of $327.0 billion.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 22, 1991.

Hon. JIM SASSER,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on

the budget for fiscal year 1991 and is current through July 19, 1991. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the Budget Enforcement Act of 1990 (Title XIII of P.L. 101-508). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended, and meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32, the 1986 First Concurrent Resolution on the Budget.

Since my last report, dated July 15, 1991, there has been no action that affects the current level of spending and revenues.

Sincerely,

ROBERT D. REISCHAUER,
Director.

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, 102D CONG., 1ST SESS., AS OF JULY 19, 1991

[In billions of dollars]

	Revised on-budget aggregates [1]	Current level [2]	Current level +/− aggregates
On-budget:			
Budget authority	1,189.2	1,188.8	−0.4
Outlays	1,132.4	1,132.0	−.4
Revenues.			
1991	805.4	805.4	(3)
1991–95	4,690.3	4,690.3	(3)
Maximum deficit amount	327.0	326.6	−0.4
Direct loan obligation	20.9	20.6	−0.3
Guaranteed loan commitments	107.2	106.9	−0.3
Debt subject to limit	4,145.0	3,452.9	−692.1
Off-budget:			
Social Security outlays:			
1991	234.2	234.2	
1991–95	1,284.4	1,284.4	
Social Security revenues:			
1991	303.1	303.1	
1991–95	1,736.3	1,736.3	

[1] The revised budget aggregates were made by the Senate Budget Committee staff in accordance with section 13112(f) of the Budget Enforcement Act of 1990 (title XIII of Public Law 101–508).

[2] Current level represents the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. In accordance with section 606(d)(2) of the Budget Enforcement Act of 1990 (title XIII of Public Law 101–508) and in consultation with the Budget Committee, current level excludes $45.3 billion in budget authority and $34.6 billion in outlays for designated emergencies including Operation Desert Shield/Desert Storm; $0.1 billion in budget authority and $0.2 billion in outlays for debt forgiveness for Egypt and Poland; and $0.2 billion in budget authority and outlays for Internal Revenue Service funding above the June 1990 baseline level. Current level outlays include a $1.1 billion savings for the Bank Insurance Fund that the committee attributes to the Omnibus Budget Reconciliation Act (Public Law 101–508), and revenues include the Office of Management and Budget's estimate of $3.0 billion for the Internal Revenue Service provision in the Treasury-Postal Service Appropriations Bill (Public Law 101–509). The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[3] Less than $50,000,000.

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, 102D CONG., 1ST SESS., SENATE SUPPORTING DETAIL, FISCAL YEAR 1991 AS OF CLOSING OF BUSINESS JULY 19, 1991

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			834,910
Permanent appropriations	725,105	633,016	
Other legislation	664,057	676,371	
Offsetting receipts	−210,616	−210,616	
Total enacted in previous sessions	1,178,546	1,098,770	834,910
II. Enacted this session:			
Extending IRS deadline for Desert Storm troops (H.R. 4, Public Law 102–2)			−1
Veterans' education, employment and training amendments (H.R. 180, Public Law 102–16)	2	2	
Dire emergency supplemental appropriations for 1991 (H.R. 1281, Public Law 102–27)	3,823	1,401	

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, 102D CONG., 1ST SESS., SENATE SUPPORTING DETAIL, FISCAL YEAR 1991 AS OF CLOSING OF BUSINESS JULY 19, 1991—Continued

[In millions of dollars]

	Budget authority	Outlays	Revenues
Higher education technical amendments (H.R. 1285, Public Law 102–26)	3	3	
OMB domestic discretionary sequester	−2	−1	
Emergency supplemental for humanitarian assistance (H.R. 2251, Public Law 102–55)	(1)		
Total enacted this session	3,826	1,405	−1
III. Continuing resolution authority			
IV. Conference agreements ratified by both Houses			
V. Entitlement authority and other mandatory adjustments required to conform with current law estimates in revised on-budget aggregates	−8,572	539	
VI. Economic and technical assumption used by Committee for budget enforcement act estimates	15,000	31,300	−29,500
On-budget current level	1,188,799	1,132,014	805,409
Revised on-budget aggregates	1,189,215	1,132,396	805,410
Amount remaining:			
Over budget resolution			
Under budget resolution	416	382	1

[1] Less than $500,000.

Note.—Numbers may not add due to rounding.•

SEEDS OF HOPE FROM SOUTH CAROLINA

• Mr. HOLLINGS. Mr. President, I submit for the record an article from today's New York Times describing the entrepreneurial success of Mr. Felder Freeman and Mr. Robert E. Murray, both farmers from the Sea Islands of South Carolina. Working with Seeds of Hope, a project started by the Washington Methodist Church in Columbia, SC, Mr. Freeman and Mr. Murray are taking fresh South Carolina vegetables to New York City, where they have found a receptive market among city people homesick for good Southern food.

I applaud Mr. Freeman, Mr. Murray, and the Seeds of Hope project for seeking new markets for South Carolina's agricultural products. Their efforts truly are providing seeds of hope for increased opportunity for the families in our State who want to continue farming and be able to make a living off the land.

Mr. President, I ask that the article be reprinted in the RECORD, but I warn you—it will make your mouth water for some South Carolina gumbo.

The article follows:

[From the New York Times, July 24, 1991]

GUMBO MAKINGS FROM CAROLINA

(By Florence Fabricant)

On a sunny afternoon two weeks ago, Clara Davidson was sorting through a pile of broad green butter beans at the Greenmarket at 125th Street and Adam Clayton Powell Jr. Boulevard. Mrs. Davidson, a native of Lawrence, S.C., who has lived in New York since 1942, bought several pounds. "I never see these things up here and I do miss them," she said.

Her comment was typical of the shoppers at the display, which also included field peas, sweet and hot peppers, ripe tomatoes, squash, corn, okra, watermelons and cantaloupes—a down-home harvest that two farmers from the Sea Islands in South Carolina had trucked to New York. In the North, the butter beans are better known as lima beans.

"You have everything for a lowcountry gumbo here except the shrimp," said one of the farmers, Robert E. Murray, of Johns Island, S.C. He and Felder Freeman had driven a truck for 15 hours with two and a half tons of fresh produce.

Venturing to New York was an experiment in direct marketing for these men, who are among 50 farmers from the Sea Islands who belong to Seeds of Hope, a self-help project run by a church in Columbia, S.C. Because they had been delayed by highway construction, arriving in New York around 2 P.M. instead of 8 A.M., they decided to stay overnight.

The next day, administrators of the New York City Greenmarket program gave them space at the Albee Square Greenmarket in Brooklyn, where they found buyers for most of their remaining produce. They gave the rest to Hale House in Harlem.

Theirs were the first field tomatoes in any of the New York City Greenmarkets, beating the local season by a good two weeks. The regular Greenmarket farmers, like Christine Jordan of Migliorelli Farms in Tivoli, N.Y., did not mind. "We specialize in greens so they're not any kind of competition for us today," she said.

The idea of traveling to New York appealed to Mr. Freeman and Mr. Murray. "A lot of the people in these neighborhoods have their roots down where we live," said Mr. Freeman, a farmer for more than 30 years. "These people really want this stuff but they can't get it."

Seeds of Hope helps farmers sell produce directly to consumers through churches and 11 farmers' markets, including one in Charleston, S.C. The Washington Street Methodist Church in Columbia began the program in 1987 after the 1986 drought left many farmers near ruin.

Finding that even before the drought the farmers were struggling because of their dependence on middlemen and a lack of reliable markets, the church set up a farmers' market in its parking lot. Then the South Carolina Christian Action Council, representing 6,000 churches, became involved. The project received a $12,000 grant this year from the Presbyterian Hunger Program of the Presbyterian Church (USA) to cover administrative costs.

Donna Bryan, director of Seeds of Hope, said the idea of selling produce in New York was the result of a conversation her husband, Charles, a doctor, had with a colleague at Memorial Sloan-Kettering Cancer Center in Manhattan, who told him about New York City's Greenmarkets. Although the Greenmarkets limit participation to farmers in New York and New Jersey, they were willing to make an exception for Seeds of Hope.

Mr. Freeman and Mr. Murray made $2,800, a little less than they had hoped. "Once people know we're coming," Mr. Freeman said, "they'll come out for us."

Mr. Murray said that for him it was "like coming home." He attended Boys High School in Brooklyn and left New York in 1968. "When I was living up here, you didn't have stands selling fresh vegetables," he said.

The farmers will return to Brooklyn on Saturday. From 10 A.M. to sunset they will be at the market outside the Mount Sinai Cathedral of the Church of God in Christ, 1918 Fulton Street (at Ralph Avenue), in the Bedford-Stuyvesant section. It is sponsored by the East Fulton Street-Saratoga Square Seeds of Hope with money from the 21st Century Partnership, a Brooklyn community group.●

SOUTH CAROLINA'S FAMILY OF THE YEAR

● Mr. HOLLINGS. Mr. President, I rise to extend my warm congratulations to the Patrick family of Charleston for being honored as South Carolina's Family of the Year for 1991. Dr. Paul Dickson Patrick III and his wife Carol have four sons: Michael Dickson Patrick, age 17; Mark Smoak Patrick, age 14; Matthew Kingman Patrick, age 11, and Paul David Patrick, age 8.

Mr. President, the Patricks are the typical, all-American family and, in that respect, perhaps they are increasingly atypical. They are extremely close knit, make a point of having dinner together each evening, attend Westminister Presbyterian Church together each Sunday, and do volunteer work with Habitat for Humanity, and the local homeless shelter. Dr. Patrick is a veterinarian with practice at Meeting and Adison Streets. Mrs. Patrick is a full-time homemaker who takes tremendous and justified pride in her successful family.

Mr. President, I have long had a theory that there is no particular magic or mystery to raising a good family. It's like growing tomatoes; there is a simple formula for success, and it includes an abundance of love and respect, a strong sense of discipline and structure, plus an accent on values. It sounds so simple, and yet it seems like fewer and fewer parents are willing to invest the time and energy to make this time-honored formula work. On that score, Mr. President, we owe a debt of gratitude to Paul and Carol Patrick, for setting a superb example of just how good and fulfilling a family can be. I salute their achievement, and congratulate them on being named my State's Family of the Year.●

PROGRAM

Mr. MITCHELL. Mr. President, and Members of the Senate, for the information of Senators planning their schedules for the next several days, there are a number of matters remaining for Senate action, including the pending bill and several other measures which have been previously set forth by me on several occasions. I urge Senators, to expedite the business of the Senate, to be prepared to offer their amendments during the day so that late evening sessions are not required.

However, since next week is the last week prior to the August recess, Senators should anticipate that votes will occur on Monday at or shortly after 5 p.m., and votes could occur well into the evening on each of the remaining days next week through and including Friday, if necessary, to complete the business before the Senate.

We will do our best to accommodate the schedule of every single Senator. As everyone knows, those often conflict, but it is imperative that we complete the business before us. That means that Senators should be prepared for votes on Monday beginning as early as 5 p.m., and well into the evening or night, if necessary, on each of the remaining nights next week up through and including Friday if that becomes necessary.

ORDERS FOR TOMORROW

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 8:30 a.m., on Thursday, July 25; that following the prayer, the Journal of proceedings be deemed approved to date and the time for the two leaders be reserved for their use later in the day; that there then be a period for morning business not to extend beyond 10:30 a.m., with Senators permitted to speak therein, with the time from 8:30 a.m. to 9:30 a.m., under the control of the majority leader or his designee and the time from 9:30 a.m. to 10:30 a.m., under the control of the Republican leader or his designee, and that at 10:30 a.m., the Senate resume consideration of S. 1435, the foreign aid authorization bill.

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

RECESS UNTIL 8:30 A.M., TOMORROW

Mr. MITCHELL. Mr. President, if no other Senator is seeking recognition, and there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in recess as under the previous order until 8:30 a.m. on Thursday, July 25, 1991.

There being no objection, the Senate, at 8:34 p.m., recessed until Thursday, July 25, 1991, at 8:30 a.m.

NOMINATIONS

Executive nominations received by the Senate July 24, 1991:

DEPARTMENT OF STATE

JOHN CHRISTIAN KORNBLUM, OF MICHIGAN, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS HEAD OF DELEGATION TO THE CONFERENCE ON SECURITY AND COOPERATION IN EUROPE (CSCE).

THE JUDICIARY

LACEY A. COLLIER, OF FLORIDA, TO BE U.S. DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF FLORIDA, VICE A NEW POSITION CREATED BY PUBLIC LAW 101-650, APPROVED DECEMBER 1, 1990.

ANNE C. CONWAY, OF FLORIDA, TO BE U.S. DISTRICT JUDGE FOR THE MIDDLE DISTRICT OF FLORIDA, VICE GEORGE C. CARR, DECEASED.

WAYNE R. ANDERSEN, OF ILLINOIS, TO BE U.S. DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF ILLINOIS, VICE STANLEY J. ROSZKOWSKI, RETIRED.

RONALD E. LONGSTAFF, OF IOWA, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF IOWA, VICE A NEW POSITION CREATED BY PUBLIC LAW 101-650, APPROVED DECEMBER 1, 1990.

JOHN W. LUNGSTRUM OF KANSAS, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF KANSAS, VICE DALE E. SAFFELS, RETIRED.

STEWART R. DALZELL, OF PENNSYLVANIA, TO BE U.S. DISTRICT JUDGE FOR THE EASTERN DISTRICT OF PENNSYLVANIA, VICE A NEW POSITION CREATED BY PUBLIC LAW 101-650, APPROVED DECEMBER 1, 1990.

TERRY R. MEANS, OF TEXAS, TO BE U.S. DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF TEXAS, VICE DAVID O. BELEW, JR., RETIRED.

DEPARTMENT OF TRANSPORTATION

ARTHUR J. ROTHKOPF, OF THE DISTRICT OF COLUMBIA, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF TRANSPORTATION, VICE PHILLIP D. BRADY.

NATIONAL LABOR RELATIONS BOARD

MARY CRACRAFT, OF KANSAS, TO BE A MEMBER OF THE NATIONAL LABOR RELATIONS BOARD FOR THE TERM OF 5 YEARS EXPIRING AUGUST 27, 1996. (REAPPOINTMENT)